



**JEFFERY (WANDSWORTH)  
LIMITED T/A PHOENIX  
VAUXHALL**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1998

Company no 2981649

**JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL**

**FINANCIAL STATEMENTS**

For the year ended 31 December 1998

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Company registration number: 2981649

Registered office: 6th Floor  
Thavies Inn House  
3 - 4 Holborn Circus  
LONDON  
EC1N 2HL

Directors: Motors Directors Limited  
P Jeffery

Secretary: Motors Secretaries Limited

Bankers: The Royal Bank of Scotland Plc  
27 Park Row  
LEEDS  
LS1 5QB

Solicitors: Geisler Laws Manning  
6th Floor  
Thavies Inn House  
3 - 4 Holborn Circus  
LONDON  
EC1N 2HL

Auditors: Grant Thornton  
Registered auditors  
Chartered accountants

**JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL**

**FINANCIAL STATEMENTS**

For the year ended 31 December 1998

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# JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL

## REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 1998.

### Principal activities

The company is principally engaged in the purchasing, selling and repairing of motor vehicles and other ancillary services.

### Business review

The directors are disappointed with the result for the year, but remain cautiously optimistic for the future.

There was a loss for the year after taxation amounting to £181,692 (1997: loss £93,387). The directors do not recommend payment of a dividend.

### Directors

The present membership of the Board is set out below. Both directors served throughout the year.

The interests of the directors in the shares of the company as at 31 December 1998 and 1 January 1998, were as follows:

	Ordinary shares		Preference shares	
	31 December 1998	1 January 1998	31 December 1998	1 January 1998
Motors Directors Limited	-	-	-	-
P Jeffery	120,000	120,000	1	1

Motors Directors Limited is a company related to Vauxhall Motors Limited who own all the remaining preference shares at 31 December 1998 and 1 January 1998.

### Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Year 2000 Compliance

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of the company's customers and suppliers.

# JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL

## REPORT OF THE DIRECTORS

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The company has reviewed its computer systems for the impact of the Year 2000 date change. An impact analysis has been prepared to identify the major risks, and action plans have been developed to address these in advance of critical dates. The plans give priority to the systems which could have a significant financial or legal impact if they were to fail.

The company has requested from major customers, suppliers and other trading partners with whom information is traded electronically, confirmation that their relevant systems are Year 2000 compliant.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. However, the Board believes that its plans and the resources allocated are appropriate and adequate to address the issue.

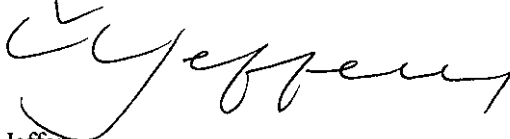
### Land and buildings

The directors are of the opinion that on aggregate the market value of the land and buildings, assuming the continuance of present use, exceeds the book value of the assets by approximately £300,000.

### Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



P Jeffery  
Director  
18 March 1999

**REPORT OF THE AUDITORS TO THE MEMBERS OF**

**JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL**

We have audited the financial statements on pages 4 to 18 which have been prepared under the accounting policies set out on pages 4 to 5.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

CENTRAL MILTON KEYNES  
18 March 1999

# **JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### **TURNOVER**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

### **DEPRECIATION**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, except freehold land and buildings, by equal annual instalments over their expected useful lives. The periods generally applicable are:

Leasehold land and buildings	7 years
Plant and machinery	3 - 10 years

No depreciation is provided on freehold land and buildings as it is the company's policy to maintain these assets in a continual state of sound repair. The useful economic life of these assets is thus so long and residual values so high that any depreciation would not be material.

### **STOCKS**

Stocks are stated at the lower of cost and net realisable value.

Under supply agreements with General Motors, the company has access to 'consignment stock' during a consignment period. Where the nature of these supply agreements transfers risks and rewards to the company, which in substance gives the company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with an equivalent liability.

Where supply agreements do not provide risks and rewards to the company until such time as legal title actually passes at the end of the consignment period, these stocks are not included in the balance sheet. Both the terms under which stocks are held and the financial commitment in respect of these stocks are disclosed in the notes to the financial statements.

### **DEFERRED TAXATION**

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

### **CONTRIBUTIONS TO PENSION FUNDS**

#### **Defined contribution scheme**

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

# **JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

### **MOTABILITY REPURCHASE ARRANGEMENTS**

The company has certain obligations to repurchase vehicles at predetermined residual prices upon the expiry of the contracts, usually after three years, under agreements with Motability Finance Limited. The assets and corresponding liabilities have been disclosed in the balance sheet at the repurchase price. Where there is no obligation to repurchase vehicles, no disclosure is made.



**JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL****PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 1998

	Note	1998 £	1997 £
<b>Turnover</b>			
Cost of sales	1	13,155,396	14,102,289
		11,419,083	12,208,321
Gross profit		1,736,313	1,893,968
Administrative expenses		1,900,871	2,041,598
Other operating income	1	(177,074)	(169,550)
<b>Operating profit</b>		12,516	21,920
Net interest	2	194,305	159,698
<b>Loss on ordinary activities before taxation</b>	1	(181,789)	(137,778)
Tax on loss on ordinary activities	4	(97)	(44,391)
<b>Loss for the year</b>	12	(181,692)	(93,387)

There were no recognised gains or losses other than the loss for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

**JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL**

**BALANCE SHEET AT 31 DECEMBER 1998**

	Note	1998 £	1998 £	1997 £	1997 £
<b>Fixed assets</b>					
Tangible assets	5		1,761,383		1,811,748
<b>Current assets</b>					
Stocks	6	3,152,560		2,495,593	
Debtors	7	580,047		442,835	
Cash at bank and in hand		745		1,242	
		<u>3,733,352</u>		<u>2,939,670</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>2,717,309</u>		<u>1,915,961</u>	
<b>Net current assets</b>			<u>1,016,043</u>		<u>1,023,709</u>
<b>Total assets less current liabilities</b>			<u>2,777,426</u>		<u>2,835,457</u>
<b>Creditors: amounts falling due after more than one year</b>	9		<u>2,302,017</u>		<u>2,178,356</u>
			<u>475,409</u>		<u>657,101</u>
<b>Capital and reserves</b>					
Called up share capital	11		750,118		750,118
Capital redemption reserve	12		47,382		47,382
Profit and loss account	12		(322,091)		(140,399)
<b>Shareholders' funds</b>	13		<u>475,409</u>		<u>657,101</u>
Equity shareholders' funds			(154,709)		26,983
Non-equity shareholders' funds			630,118		630,118
			<u>475,409</u>		<u>657,101</u>

The financial statements were approved by the Board of Directors on 18 March 1999



**P Jeffery**

**Director**



**Director  
For and on behalf of  
Motors Directors Limited**

**Motors Directors Limited**

**Director**

The accompanying accounting policies and notes form an integral part of these financial statements.

**JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL****CASH FLOW STATEMENT**

For the year ended 31 December 1998

	Note	1998 £	1997 £
Net cash inflow from operating activities	14	254,736	73,426
Returns on investments and servicing of finance			
Interest received		-	4,246
Interest paid		(189,309)	(158,948)
Finance lease interest paid		(4,996)	(4,996)
Net cash outflow from returns on investments and servicing of finance		(194,305)	(159,698)
Taxation		-	(19,703)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(13,459)	(6,798)
Net cash outflow from capital expenditure and financial investment		(13,459)	(6,798)
Financing			
Repayment of borrowings		(45,507)	(48,296)
Capital element of finance lease rentals		(30,000)	(30,000)
Net cash outflow from financing	15	(75,507)	(78,296)
Decrease in cash	16	(28,535)	(191,069)

The accompanying accounting policies and notes form an integral part of these financial statements.

# JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

### 1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss before taxation are attributable to the purchasing, selling and repairing of motor vehicles and other ancillary services.

The loss on ordinary activities is stated after:

	1998 £	1997 £
Auditors' remuneration:		
Audit services	5,500	5,500
Non-audit services	1,100	500
Depreciation:		
Tangible fixed assets, owned	52,424	44,960
Tangible fixed assets, held under finance leases and hire purchase contracts	11,400	11,399
Other operating lease rentals	48,206	62,171
Other operating income includes:		
Manufacturer's receivables	177,074	169,550

### 2 NET INTEREST

	1998 £	1997 £
On bank loans and overdrafts	143,705	126,902
Finance charges in respect of finance leases	4,996	4,996
Interest payable to group undertakings	24,860	13,505
Other interest payable and similar charges	20,744	18,541
Other interest receivable and similar income	194,305	163,944
	-	(4,246)
	194,305	159,698

# JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1998 £	1997 £
Wages and salaries	1,258,752	1,304,604
Social security costs	92,334	104,934
Other pension costs	2,059	2,068
	<u>1,353,145</u>	<u>1,411,606</u>

The average number of employees of the company during the year was as follows:

	1998 Number	1997 Number
Mechanical	28	28
Sales and distribution	37	41
Administration	10	12
	<u>75</u>	<u>81</u>

Remuneration in respect of directors was as follows:

	1998 £	1997 £
Emoluments	<u>55,255</u>	<u>54,250</u>

During both financial years none of the directors participated in either a defined benefit or money purchase pension scheme.

### 4 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit represents:

	1998 £	1997 £
UK Corporation tax at 31%	-	(45,045)
Adjustments in respect of prior periods:		
Corporation tax	(97)	654
	<u>(97)</u>	<u>(44,391)</u>

Unrelieved tax losses of £171,000 (1997: £ 3,000) remain available to offset against future taxable trading profits.

**JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 1998

**5 TANGIBLE FIXED ASSETS**

	Freehold land and buildings	Short leasehold land and buildings	Plant and machinery	Total
	£	£	£	£
Cost				
At 1 January 1998	1,471,156	60,000	448,993	1,980,149
Additions	-	-	13,459	13,459
At 31 December 1998	1,471,156	60,000	462,452	1,993,608
Depreciation				
At 1 January 1998	22,514	25,715	120,172	168,401
Provided in the year	1,532	8,571	53,721	63,824
At 31 December 1998	24,046	34,286	173,893	232,225
Net book amount at 31 December 1998	<b>1,447,110</b>	<b>25,714</b>	<b>288,559</b>	<b>1,761,383</b>
Net book amount at 31 December 1997	1,448,642	34,285	328,821	1,811,748

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	Plant and machinery £
Net book amount at 31 December 1998	<b>83,201</b>
Net book amount at 31 December 1997	94,601
Depreciation provided during year	11,400

# JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

### 6 STOCKS

	1998 £	1997 £
Short-term work in progress	1,206	654
Finished goods and goods for resale	1,115,524	832,782
Vehicle consignment stock	693,392	523,447
Motability repurchase commitment vehicles	1,342,438	1,138,710
	<u>3,152,560</u>	<u>2,495,593</u>

The company has an obligation to repurchase vehicles under agreements with Motability Finance Limited, such repurchase is usually required after three years. The assets and corresponding liabilities have been recorded at the repurchase price. The value of repurchase vehicles due after more than one year is £1,019,120 (1997: £827,452).

Consignment vehicles included in the balance sheet relate to categories of stock where allocation has in principal been made to customer order. All other consignment vehicles are available for allocation to other Vauxhall Retailers. Consignment vehicles excluded from the balance sheet at 31 December 1998 had a cost of £1,490,284. (1997: £1,455,255).

### 7 DEBTORS

	1998 £	1997 £
Trade debtors	286,953	154,508
Amounts owed by group undertakings (see also note 21)	124,816	141,404
Other debtors	8,707	6,919
Taxation recoverable	45,142	45,045
Prepayments and accrued income	114,429	94,959
	<u>580,047</u>	<u>442,835</u>

Included above are the following amounts which are due after more than one year:

Advance corporation tax recoverable	28,640	25,485
-------------------------------------	--------	--------

An analysis of amounts owed by group undertakings, being related parties, is as follows:

	1998 £	1997 £
Vehicle related transactions due from Vauxhall Motors Limited	124,816	124,973
Vehicle related transactions due from fellow-controlled retailers	-	163
Vehicle related transactions due from General Motors Acceptance Corporation	-	16,268
	<u>124,816</u>	<u>141,404</u>

**JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 1998

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1998 £	1997 £
Bank loan and overdraft	249,077	226,039
Trade creditors	224,116	279,042
Amounts owed to group undertakings (see also note 21)	1,783,618	942,197
Motability repurchase commitments (see note 6)	323,318	311,258
Social security and other taxes	8,528	45,238
Other creditors	1,897	-
Accruals and deferred income	99,255	82,187
Amounts due under finance leases	27,500	30,000
	<u>2,717,309</u>	<u>1,915,961</u>

The bank loan and overdraft are secured by a fixed and floating charge over all of the company's assets.

An analysis of amounts owed to group undertakings, being related parties, is as follows:

	1998 £	1997 £
Vehicle related transactions due to General Motors Acceptance Corporation	1,010,294	380,037
Consignment vehicles on a General Motors Acceptance Corporation plan	693,392	523,447
Vehicle related transactions due to Vauxhall Motors Limited	-	38,185
Vehicle related transactions due to Delco	75,679	-
Vehicle related transactions due to fellow-controlled retailers	4,253	528
	<u>1,783,618</u>	<u>942,197</u>

Trade creditors include amounts due under vehicle finance arrangements of £182,627 (1997: £268,016) effectively secured against the relevant vehicle stocks. All monies due to GMAC are effectively secured against the relevant vehicle stocks. Monies due to Vauxhall Motors Limited are secured by way of a debenture.

**9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1998 £	1997 £
Bank loan	927,897	968,404
Amounts owed to group undertakings (see also note 21)	355,000	355,000
Motability repurchase commitments (see note 6)	1,019,120	827,452
Amounts due under finance leases	-	27,500
	<u>2,302,017</u>	<u>2,178,356</u>

Motability repurchase commitments are spread monthly throughout financial periods.

An analysis of amounts owed to group undertakings, being related parties, is as follows:

	1998 £	1997 £
Vauxhall Motors Limited loan	355,000	355,000



# JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

Borrowings are repayable as follows:

	1998 £	1997 £
Within one year		
Bank and other borrowings	249,077	226,039
Finance leases	27,500	30,000
After one and within two years		
Bank and other borrowings	55,000	60,000
Finance leases	-	27,500
After two and within five years		
Bank and other borrowings	195,000	210,000
After five years		
Bank and other borrowings	1,032,897	1,053,404
	<u>1,559,474</u>	<u>1,606,943</u>

Bank and other borrowings repayable after five years comprise:

	1998 £	1997 £
Bank loans	677,897	698,404
Vauxhall Motors Limited loan	355,000	355,000
	<u>1,032,897</u>	<u>1,053,404</u>

The Vauxhall Motors loan is secured by way of a debenture over the assets of the company. The loan carries interest at commercial rates and becomes repayable when 80% of the dealer franchise has been acquired. The total amount of the loan any part of which falls due after more than five years is £355,000 (1997: £355,000).

The bank loan is secured by a legal charge over the freehold property and by way of a debenture over the assets of the company. The loan is repayable in equal monthly installments and carries interest at 8.72%.

## 10 DEFERRED TAXATION

Deferred taxation provided for and not provided for in the financial statements is set out below. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 31%.

	Amount provided		Amount unprovided	
	1998 £	1997 £	1998 £	1997 £
Accelerated capital allowances	27,220	-	-	28,700
Less:				
Losses	(27,220)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,700</u>

# JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

### 11 SHARE CAPITAL

	1998 £	1997 £
Authorised		
120,000 (1997: 120,000) ordinary shares of £1 each	120,000	120,000
677,500 (1997: 677,500) redeemable preference shares of £1 each	677,500	677,500
	<u>797,500</u>	<u>797,500</u>
Allotted, called up and fully paid		
120,000 (1997: 120,000) ordinary shares of £1 each	120,000	120,000
630,118 (1997: 630,118) redeemable preference shares of £1 each	630,118	630,118
	<u>750,118</u>	<u>750,118</u>

#### Rights

##### Preference shares

The redeemable preference shares are non-equity shares. The basic entitlement to a dividend at the rate of 1% net per share is waived, and instead these shares are entitled to a balance of any post tax profits remaining after redemption of the preference shares in accordance with the formula included in the company's Articles of Association. The redemption is made quarterly. Holders of preference shares have one vote for every share held. The rights of preference shareholders on winding up are dependent upon a calculation determining funds in excess of 85% of the original total share capital, and such rights are ranked before those of ordinary shareholders.

##### Ordinary shares

The ordinary shares carry no voting rights until all preference shares have been redeemed.

#### Redemptions

During the year the company redeemed nil (1997: nil) £1 preference shares at par.

### 12 RESERVES

	Capital redemption reserve £	Profit and loss account £
At 1 January 1998	47,382	(140,399)
Retained loss for the year	-	(181,692)
At 31 December 1998	<u>47,382</u>	<u>(322,091)</u>

# JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Loss for the financial year	(181,692)	(93,387)
Net decrease in shareholders' funds	(181,692)	(93,387)
Shareholders' funds at 1 January 1998	657,101	750,488
Shareholders' funds at 31 December 1998	475,409	657,101

### 14 NET CASH INFLOW FROM OPERATING ACTIVITIES

	1998 £	1997 £
Operating profit	12,516	21,920
Depreciation	63,824	56,359
(Increase)/ Decrease in stock	(656,967)	235,999
(Increase)/ Decrease in debtors	(137,115)	42,299
Increase/ (Decrease) in creditors	972,478	(283,151)
Net cash inflow from operating activities	254,736	73,426

### 15 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1998 £	1997 £
Decrease in cash in the year	(28,535)	(191,069)
Cash outflow from financing in the year	45,507	48,296
Cash outflow from finance leases in the year	30,000	30,000
Movement in net debt in the year	46,972	(112,773)
Net debt at 1 January 1998	(1,605,701)	(1,492,928)
Net debt at 31 December 1998	(1,558,729)	(1,605,701)

**JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 1998

**16 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 January 1998 £	Cash flow £	At 31 December 1998 £
Cash in hand, at bank	1,242	(497)	745
Overdrafts	(171,039)	(28,038)	(199,077)
Bank and other loans	(1,378,404)	45,507	(1,332,897)
Finance leases	(57,500)	30,000	(27,500)
	<u>(1,605,701)</u>	<u>46,972</u>	<u>(1,558,729)</u>

**17 CAPITAL COMMITMENTS**

The company had no capital commitments at 31 December 1998 or 31 December 1997.

**18 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 1998 or 31 December 1997 except in respect of deferred tax (see note 10).

**19 PENSIONS****Defined Contribution Scheme**

The company operates a defined contribution pension scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

**20 LEASING COMMITMENTS**

Operating lease payments amounting to £74,263 (1997: £53,925) are due within one year. The leases to which these amounts relate expire as follows:

	1998		1997	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	-	3,233	-	6,925
Between one and five years	-	21,030	-	-
In five years or more	50,000	-	47,000	-
	<u>50,000</u>	<u>24,263</u>	<u>47,000</u>	<u>6,925</u>

**JEFFERY (WANDSWORTH) LIMITED T/A PHOENIX VAUXHALL****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 1998

**21 TRANSACTIONS WITH RELATED PARTIES**

Name of related party	Value of transactions		Amounts written off or provided in the year
	1998 £	1997 £	£
Vauxhall Motors Limited. Subsidiary of General Motors Corporation - vehicle related sales transactions.	946,582	858,594	-
Vauxhall Motors Limited. Subsidiary of General Motors Corporation - vehicle related purchase transactions.	1,070,993	879,647	-
General Motors Acceptance Corporation. Subsidiary of General Motors Corporation - vehicle financing sales transactions.	959,663	1,582,503	-
General Motors Acceptance Corporation. Subsidiary of General Motors Corporation - vehicle related purchase transactions.	8,283,394	3,945,439	-
Fellow-controlled retailers. Subsidiaries of General Motors Corporation - vehicle related sales transactions.	5,437	5,759	-
Fellow-controlled retailers. Subsidiaries of General Motors Corporation - vehicle related purchase transactions.	47,054	19,124	-

**22 CONTROLLING RELATED PARTY**

The directors consider that the ultimate parent undertaking of this company is General Motors Corporation incorporated in the United States of America.

Vauxhall Motors Limited is the company's controlling related party by virtue of its holding of redeemable preference shares. The ultimate controlling related party of the company is General Motors Corporation, as a result of Vauxhall Motors Limited being one of its subsidiary companies.

On the grounds of materiality, no group accounts have been drawn up which include this company's results.