Jeffery (Wandsworth) Limited

Financial statements

For the year ended 31 December 2006

Grant Thornton

Company No. 2981649

Officers and professional advisers

Company registration number	2981649
Registered office	4 Chiswell Street London EC1Y 2HL
Directors	P Jeffery Motors Directors Limited
Secretary	Motors Secretaries Limited
Bankers	Royal Bank of Scotland plc 27 Park Row Leeds LS1 5QB
Solicitors	Duane Morris 4 Chiswell Street London EC1Y 4UP
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 202 Silbury Boulevard Central Milton Keynes MK9 1LW

Contents

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2006.

Principal activities

The principal activity of the company during the year was the purchasing, selling and repairing of motor vehicles and other ancillary services.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements, and are discussed further in the business review below.

Impact of Financial Reporting Standard 25

The company's trading results for the year and the financial position at the end of the year are shown in the attached financial statements. The financial statements include the impact of Financial Reporting Standard 25 'Financial Instruments: Disclosure and Presentation. (IAS 32)'. In managing the business the directors review the results and position excluding the impact of FRS 25. The Business Review, below, provides details on the position and performance of the company prior to the impact of FRS 25. The impact of this standard on the performance for the year and the financial position at the end of the year are as follows.

	Financial statements £	Excluding impact of FRS 25 £
Profit after tax	**255,946**	5,494
Total assets	**6,697,748**	6,697,748
Total liabilities	**6,029,702**	5,482,218
Net assets	**668,046**	1,215,530

Business review

Financial overview
Turnover for the year ended 31 December 2006 was £32m, an increase of 10.5% on last year. This reflects the 24.1% increase in turnover of the Croydon site in the year as it became established. Profit before tax (pre FRS 25) was £5,494 a decrease of 29% from the prior year profit (2005: £7,720).

The directors are pleased with the performance during the year and believe that the company is in a strong position to continue its current performance levels.

Financial performance

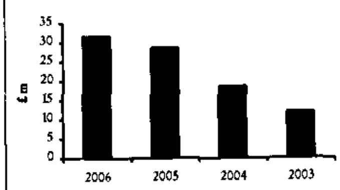
Financial performance for the year has been analysed as follows:

	Year to 31 December 2006 £	Year to 31 December 2005 £	Change £	%
Turnover	31,709,070	28,684,567	3,024,503	10.5
Gross profit	6,108,733	5,776,956	331,777	5.7
Profit before tax (pre FRS 25)	5,494	7,720	(2,226)	(28.8)

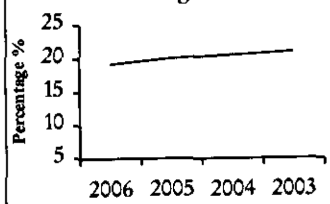
Strategy

The strategy adopted during the year has been to continually build on the market position established by the company, together with strong General Motors brands nationally. This strategy is based largely on well established models under the Vauxhall brand (including Vectra, Astra and Corsa) the development of new models to be launched in the coming year and the growth of the Saab and Chevrolet brands. The directors are not looking for high growth levels given a highly competitive market place, but are instead focused on stable quality lead growth and a focused after sales performance.

4 year analysis of turnover



Analysis of gross profit margin



Turnover

The directors consider the results for the year to be in line with overall performance of the market.

	2006 %	2005 %
Vehicle sales	70.5	70.5
Service sales	13.8	14.0
Parts sales	15.7	15.5

Vehicle sales

The company recorded a strong performance in vehicle sales. New vehicles sold in the year were 1,035 (2005 - 964). Used vehicles sold in the year were 1,080 (2005: 968).

Service sales

The level of service hours represents an encouraging performance year on year, with service hours having increased by 8.6% on 2005.

Parts sales

The level of parts sales represents an encouraging performance year on year, with an increase in parts sales of 10.9%.

Operating costs

	2006 £'000	2005 £'000
Operating costs	5,862	5,596

Operating costs increased by 4.7% compared with the sales increase of 10.5% in the year ended 31 December 2006. Significant increases were seen in utility bills due to the providers increase of 42.6%.

Wages and salaries represent the major element of operating costs with cost controls resulting in 2006 costs rising by 1.6%.

Capital expenditure

The directors continue to review the presentation of their facilities to ensure that they meet manufacturer standards for the General Motors brands. Capital expenditure of £68,925 was incurred in the year to ensure the facilities met these standards.

Environmental policy

Management have continued to develop the company's environmental policy during the year. It is our objective to continually improve our performance in this area. When assessing the environmental performance of the company, management consider various measures, including waste recycling and CO_2 emissions from the company's vehicles.

Summary of key performance indicators

The directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to certain financial and non-financial key performance indicators.

	2006	2005	Method of calculation
Growth in turnover (%)	10.5	53.4	Annual growth in total sales.
New vehicle sales	1,035	964	Number of new vehicles sold in the year.
Gross profit margin (%)	19.3	20.1	Gross profit margin is the ratio of gross profit to sales expressed as a percentage.
Operating profit margin (%)	0.8	0.6	Operating profit margin is the ratio of operating profit to sales expressed as a percentage.
Return on capital employed (%)	0.5	0.6	Return on capital employed is the ratio of profit after tax generated from the net assets.
Capital expenditure (£'000)	110	295	Investment made in respect of capital items during the year.
Average head count	139	134	Average of total monthly head counts derived from the payroll records.

Future developments for the business

The directors recognise that increased competition has put pressure on prices and margins. We believe continued investment in the product range and customer care, together with our strong working relationship with General Motors will enable us to improve on our already strong market position.

We remain confident that we will increase our current level of performance in the foreseeable future with forecasted sales achieving consistent growth.

Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks.

The directors have set out below the principal risks facing the business. The directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

Manufacturer supply of new and improved products
We are reliant on our new vehicle products from General Motors. This exposes the company to risks in a number of areas as the company is dependent on General Motors in respect of:

- availability of new vehicle product
- quality new vehicle product
- pricing of new vehicle product
- investment in marketing of new vehicle product

The directors are confident that future new products from General Motors will be of a continued high quality and that General Motors will continue to invest in the marketing of such new products . We mitigate this risk by focusing on our other core business areas including used vehicle sales, parts sales and service sales.

Economic downturn
The success of the business is reliant on consumer spending. An economic downturn, resulting in reduction of consumer spending power will have a direct impact on the income achieved by the company.

In response to this risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies are modified to reflect the new market conditions.

Competition
The motor retail market in which the company operates is highly competitive. As a result there is constant downwards pressure on margins and the additional risk of being unable to meet customers expectations. Policies of constant price monitoring and continuing to focus on our high level of service are in place to mitigate such risks.

Financial risk management objectives and policies

The company uses various financial instruments which include loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. Their existence exposes the company to a number of financial risks.

The main risks arising from the group's financial instruments are interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks which are summarised below. These policies have remained unchanged from previous years.

Interest rate risk
The company finances its operations through a mixture of retained profits, bank borrowings and preference shares. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities.

The balance sheet includes trade debtors and creditors which do not attract interest and are therefore subject to fair value interest rate risk.

The company policy throughout the year has been to achieve its objectives through the day to day involvement of management in business decisions rather than through setting maximum or minimum polices for the level of fixed interest rate borrowings.

The interest rate exposure of the financial liabilities of the company is shown in note 14 of the financial statements.

Credit risk
The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from trade debtors.

In order to manage credit risk the directors set credit limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Liquidity risk
The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company's policy throughout the year has been to achieve this objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum liquidity ratios. Short-term flexibility is achieved by overdraft facilities. The maturity of borrowings is set out in note 14.

The directors of the company

The directors who served the company during the year were as follows:

P Jeffery
Motors Directors Limited

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 these 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 UK 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

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

ON BEHALF OF THE BOARD

P Jeffery
Director
29 OCTOBER 2007

Grant Thornton

Report of the independent auditor to the members of Jeffery (Wandsworth) Limited

We have audited the financial statements of Jeffery (Wandsworth) Limited for the year ended 31 December 2006 which comprise the accounting policies, profit and loss account, balance sheet, cash flow statement, statement of total recognised gains and losses and notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Report of the independent auditor to the members of Jeffery (Wandsworth) Limited (continued)

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
Central Milton Keynes

24 October 2007

Accounting policies

Basis of accounting

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

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

Turnover

Turnover represents amounts receivable for goods supplied and services provided, including finance commission earned net of trade discounts, VAT and other sales related taxes.

Sales of motor vehicles are recognised on the earlier of full payment by, or delivery date to, the customer together with the associated manufacturer vehicle bonus income. Any other manufacturer income in relation to achieving targets is recognised on an accruals basis.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	Over the period of the lease
Plant & Machinery	-	3 - 10 years
Fixtures & Fittings	-	5 - 10 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2006 £	2005 £
Turnover	1	31,709,070	28,684,567
Cost of sales		25,600,337	22,907,971
Gross profit		6,108,733	5,776,596
Other operating charges	2	5,862,434	5,596,785
Operating profit	3	246,299	179,811
Finance charges on shares classed as liabilities (FRS 25)		250,452	55,526
Interest payable and similar charges	6	(219,805)	(172,091)
Profit on ordinary activities before taxation		276,946	63,246
Tax on profit on ordinary activities	7	21,000	-
Profit for the financial year	21	255,946	63,246

All of the activities of the company are classed as continuing.

Balance sheet

	Note	2006 £	(restated) 2005 £
Fixed assets			
Tangible assets	8	1,019,223	1,182,636
Current assets			
Stocks	9	3,639,299	3,293,333
Debtors	10	2,036,350	1,557,221
Cash in hand		2,876	622
Total current assets		5,678,525	4,851,176
Creditors amounts falling due within one year		5,134,007	4,302,603
Shares classed as financial liabilities (FRS 25)		82,279	-
Creditors: amounts falling due within one year	12	5,216,286	4,302,603
Net current assets		462,239	548,573
Total assets less current liabilities		1,481,462	1,731,209
Creditors: amounts falling due after more than one year			
Creditors amounts falling due after more than one year		348,211	521,173
Shares classed as financial liabilities (FRS 25)		465,205	797,936
Creditors: amounts falling due after more than one year	13	813,416	1,319,109
		668,046	412,100
Capital and reserves			
Called-up equity share capital	18	242,382	242,382
Other reserves	20	252,118	252,118
Profit and loss account	21	173,546	(82,400)
Shareholders' funds	22	668,046	412,100

These financial statements were approved by the directors on 24 October 2007 and are signed on their behalf by:

P Jeffery

On behalf of
Motors Directors Limited

Cash flow statement

	Note	2006 £	(restated) 2005 £
Net cash inflow from operating activities	23(a)	171,018	(175,240)
Returns on investments and servicing of finance			
Interest paid		(219,805)	(172,091)
Net cash outflow from returns on investments and servicing of finance		(219,805)	(172,091)
Taxation		(1,100)	-
Capital expenditure			
Payments to acquire tangible fixed assets		(110,025)	(87,060)
Net cash outflow from capital expenditure		(110,025)	(87,060)
Cash outflow before financing		(159,912)	(434,391)
Financing			
Loan advances		350,000	450,000
Repayment of long-term amounts owed to group undertakings		(165,000)	(144,583)
Capital element of finance leases and hire purchase		(122,545)	(85,094)
Net cash inflow from financing		62,454	220,323
Decrease in cash	23(b)	(97,458)	(214,068)

Other primary statements

Statement of total recognised gains and losses

	2006	2005
	£	£
Profit for the financial year	255,946	63,246
Total recognised gains and losses for the year	255,946	63,246
Prior year adjustment	-	(475,462)
Total gains and losses recognised since the last financial statements	255,946	(412,216)

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	2006 £	2005 £
United Kingdom	**31,709,070**	28,684,567

2 Other operating charges

	2006 £	2005 £
Administrative expenses	**5,862,434**	5,596,785

3 Operating profit

Operating profit is stated after charging/(crediting):

	2006 £	2005 £
Depreciation of owned fixed assets	**55,469**	157,513
Depreciation of assets held under finance leases and hire purchase agreements	**217,969**	221,229
Auditor's remuneration:		
Audit fees	**15,900**	15,663
Non-audit fees	**2,466**	2,650
Operating lease costs:		
Plant and equipment	**8,177**	11,899
Land and buildings	**553,192**	543,126

4 Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2006 No	2005 No
Mechanical	45	42
Sales and distribution	82	79
Administration	12	13
	139	134

The aggregate payroll costs of the above were:

	2006 £	(restated) 2005 £
Wages and salaries	3,720,064	3,656,251
Social security costs	268,172	265,633
Other pension costs	5,067	2,880
	3,993,303	3,924,764

5 Directors

Remuneration in respect of directors was as follows:

	2006 £	2005 £
Emoluments receivable	104,019	62,668

6 Interest payable and similar charges

	2006 £	2005 £
Interest payable on bank borrowing	43,651	19,411
Interest on other loans	51,441	54,989
Stocking interest	124,713	97,691
	219,805	172,091

Interest on other loans represent amounts payable to group undertakings, being related parties.

7 Taxation on ordinary activities

	2006 £	2005 £
Deferred tax:		
Origination and reversal of timing differences	21,000	-

7 Taxation on ordinary activities (continued)

Unrelieved tax losses of £157,000 (2005 - £200,000) remain available to offset against future taxable profits.

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2005 - 30%).

	2006 £	2005 £
Profit on ordinary activities before taxation	**276,946**	63,246
Profit on ordinary activities by rate of tax	**83,084**	18,972
Expenses not deductible for tax purposes	**6,545**	37,035
Capital allowances in excess of depreciation	**11,496**	16,922
Utilisation of tax losses	**(31,335)**	(56,273)
Other timing differences	**5,346**	(16,656)
Income not taxable for tax purposes	**(75,136)**	-
Total current tax	-	-

8 Tangible fixed assets

	Leasehold Property £	Plant & Equipment £	Furniture & Fittings £	Total £
Cost				
At 1 January 2006	585,000	967,097	230,989	1,783,086
Additions	68,925	41,100	-	110,025
At 31 December 2006	653,925	1,008,197	230,989	1,893,111
Depreciation				
At 1 January 2006	114,298	414,197	71,955	600,450
Charge for the year	40,715	182,986	49,737	273,438
At 31 December 2006	155,013	597,183	121,692	873,888
Net book value				
At 31 December 2006	**498,912**	**411,014**	**109,297**	**1,019,223**
At 31 December 2005	470,702	552,900	159,034	1,182,636

Included within the net book value of £1,019,223 is £472,438 (2005 - £690,407) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £217,969 (2005 - £221,229).

9 Stocks

	2006 £	2005 £
Finished goods	3,199,701	2,827,330
Consignment stock	439,598	466,003
	3,639,299	3,293,333

Consignment vehicles included in the balance sheet relate to categories of stock where allocation has in principle been made to a customer order. All other vehicles are available for allocation to other Vauxhall retailers. Consignment vehicles excluded from the balance sheet at 31 December 2006 have a cost of £825,183 (2005 - £1,250,987).

10 Debtors

	2006 £	2005 £
Trade debtors	1,106,391	801,540
Amounts owed by group undertakings	366,499	219,692
Other debtors	59,969	63,363
Prepayments and accrued income	459,491	407,626
Deferred taxation (note 11)	44,000	65,000
	2,036,350	1,557,221

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

	2006 £	2005 £
Vehicle related transactions due from Vauxhall Motors Limited	366,499	219,692

11 Deferred taxation

The deferred tax included in the balance sheet is as follows:

	2006 £	2005 £
Included in debtors (note 10)	44,000	65,000

The movement in the deferred taxation account during the year was:

	2006 £	2005 £
Balance brought forward	65,000	65,000
Profit and loss account movement arising during the year	(21,000)	-
	44,000	65,000

11 Deferred taxation (continued)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2006 £	2005 £
Tax losses available	44,000	65,000

12 Creditors: amounts falling due within one year

	2006 £	(restated) 2005 £
Bank loans and overdrafts	371,547	271,835
Trade creditors	649,860	689,790
Amounts owed to group undertakings	3,524,969	2,741,729
Corporation tax	-	1,100
Other taxation and social security	309,624	269,918
Shares classed as financial liabilities	82,279	-
Amounts due under finance leases and hire purchase agreements	134,448	134,448
Accruals and deferred income	143,559	193,783
	5,216,286	4,302,603

Shares classed as financial liabilities:		
Share capital	82,279	-

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

	2006 £	2005 £
Amounts due to General Motors Acceptance Corporation	2,535,371	1,825,726
Consignment vehicles on a General Motors Acceptance Corporation plan	439,598	466,003
Amounts due to Vauxhall Motors Limited	550,000	450,000
	3,524,969	2,741,729

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2006 £	2005 £
Bank loans and overdrafts	371,547	271,835

Restatement

The prior year restatement relates to the movement in classification of Shares classed as financial liabilities from less than one year to more than one year.

13 Creditors: amounts falling due after more than one year

	2006 £	(restated) 2005 £
Amounts owed to group undertakings	90,000	140,417
Amounts due under finance leases and hire purchase agreements	258,211	380,756
Shares classed as financial liabilities	465,205	797,936
	813,416	1,319,109
Shares classed as financial liabilities:		
Share capital	465,205	797,936

The loan is secured over the assets of the company at the year end.

14 Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows:

	2006 £	(restated) 2005 £
Amounts repayable:		
In one year or less or on demand	600,416	365,000
In more than one year but not more than two years	40,000	50,417
In more than two years but not more than five years	50,000	90,000
	690,416	505,417

15 Commitments under finance leases and hire purchase agreements

Future commitments under finance leases and hire purchase agreements are as follows:

	2006 £	2005 £
Amounts payable within 1 year	134,448	134,448
Amounts payable between 1 and 2 years	134,448	134,448
Amounts payable between 3 and 5 years	123,763	246,308
	392,659	515,204

16 Commitments under operating leases

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as set out below.

	2006		2005	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 2 to 5 years	561,264	8,177	535,000	8,177

17 Related party transactions

Name of related party	2006	2005
Vauxhall Motors Limited. Subsidiary of General Motors Corporation -vehicle related sales transactions	(4,721,392)	(4,658,430)
Vauxhall Motors Limited. Subsidiary of General Motors Corporation -vehicle related purchase transactions	5,055,106	2,806,062
General Motors Acceptance Corporation Subsidiary of General Motors Corporation -vehicle financing sales transactions	(7,050,892)	(3,047,165)
General Motors Acceptance Corporation Subsidiary of General Motors Corporation -vehicle related purchase transactions	18,935,435	17,642,177
Fellow-controlled retailers. Subsidiaries of General Motors Corporation -vehicle related sales transactions	(41,368)	(126,506)
Fellow-controlled retailers. Subsidiaries of General Motors Corporation -vehicle related purchase transactions	90,242	58,302

18 Share capital

Authorised share capital:

	2006 £	2005 £
242,382 Ordinary shares of £1 each	242,382	242,382
630,118 Preference shares of £1 each	630,118	630,118
	872,500	872,500

Allotted and called up:

	2006 No	2006 £	2005 No	2005 £
Ordinary shares of £1 each	242,382	242,382	242,382	242,382
Preference shares of £1 each	630,118	630,118	630,118	630,118
	872,500	872,500	872,500	872,500

	2006 £	2005 £
Amounts presented in equity:		
Ordinary shares of £1 each	242,382	242,382
Shares classed as compound instruments:		
Preference shares of £1 each	630,118	630,118

On 21 December 2006 the company increased the authorised preference share capital by 350,000 £1 shares.

Preference Shares

The redeemable preference shares are non-equity shares which carry an entitlement to a dividend of 50% of distributable profits, starting from October 2005, the shares are redeemable two years from the starting date. Redeemable 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 75% of the original share capital, and such rights are ranked before those of ordinary shareholders.

Ordinary shares

The ordinary shares carry an entitlement to the remainder of the distributable profits after deducting the amounts applied to preference shareholders. Ordinary shares carry no voting rights until all preference shares have been redeemed.

19 FRS 25 - presentation and disclosure of preference shares

In accordance with FRS 25, the company's preference shares are termed compound instruments and consist of both debt and equity components. The debt component of the share is classed as a financial liability and disclosed within creditors. The equity component is treated as "Other equity reserves" and forms parts of shareholders' funds.

	2006 £	2005 £
Creditors: amounts falling due within one year (see note 12)	82,279	-
Creditors: amounts falling due after more than one year (see note 13)	465,205	797,936
Financial liabilities relating to preference shares	547,484	797,936
less: Finance charge unpaid		
Cumulative finance charge unpaid to prior year	(419,936)	(475,462)
Finance credit - current year	250,452	55,526
Shares classed as financial liabilities	378,000	378,000
Other equity reserves	252,118	252,118
Preference shares in issue (see note 18)	630,118	630,118

20 Other equity reserve

	2006 £	2005 £
Other equity reserve	252,118	252,118

21 Profit and loss account

	2006 £	2005 £
Balance brought forward	(82,400)	(145,646)
Profit for the financial year	255,946	63,246
Balance carried forward	173,546	(82,400)

22 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	255,946	63,246
Net addition to shareholders' funds	255,946	63,246
Opening shareholders' funds	412,100	348,884
Closing shareholders' funds	668,046	412,100

23 Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2006 £	(restated) 2005 £
Operating profit	246,299	179,811
Depreciation	273,438	378,742
Increase in stocks	(345,966)	(55,603)
Increase in debtors	(500,129)	(195,010)
Increase/(decrease) in creditors	497,376	(483,180)
Net cash inflow from operating activities	171,018	(175,240)

(b) Reconciliation of net cash flow to movement in net debt

	2006 £	(restated) 2005 £
Decrease in cash in the period	(97,458)	(214,068)
Cash inflow from increase in debt	(350,000)	-
Net cash outflow from amounts owed to group undertakings	165,001	(105,417)
Cash outflow in respect of finance leases and hire purchase	122,545	85,094
Change in net debt resulting from cash flows	(159,912)	(234,391)
New finance leases	-	(208,173)
Other differences	250,452	55,527
Movement in net debt in the period	90,540	(387,037)
Net debt at 1 January 2006	(2,089,770)	(1,702,733)
Net debt at 31 December 2006	(1,999,230)	(2,089,770)

23 Notes to the statement of cash flows (continued)

(c) Analysis of changes in net debt

	(Restated) At 1 Jan 2006 £	Cash flows £	Other changes £	At 31 Dec 2006 £
Net cash:				
Cash in hand and at bank	622	2,254	-	2,876
Overdrafts	(271,835)	(99,712)	-	(371,547)
	(271,213)	(97,458)	-	(368,671)
Debt:				
Debt due within 1 year	365,000	(235,416)	(82,279)	(682,695)
Debt due after 1 year	(938,353)	50,417	332,731	(555,205)
Finance leases and hire purchase agreements	(515,204)	122,545	-	(392,659)
	(1,818,557)	(62,454)	250,452	(1,630,559)
Net debt	(2,089,770)	(159,912)	250,452	(1,999,230)

(d) Non-cash transactions

During the year, the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the lease of £Nil (2005 - £208,173).

24 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £16,375 (2005 - £104,841).

25 Ultimate parent company

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 this company's controlling related party by virtue of its holding of redeemable preference shares. The ultimate controlling related party 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.