Grant Thornton

Financial Statements Jeffery (Wandsworth) Limited

For the Year Ended 31 December 2008

Company No. 2981649

Officers and professional advisers

Company registration number	2981649
Registered office	10 Chiswell Street London EC1Y 4UQ
Directors	P Jeffery Motors Directors Limited
Secretary	Motors Secretaries Limited
Bankers	The Royal Bank of Scotland plc 27 Park Row LEEDS LS1 5QB
Solicitors	Duane Morris 10 Chiswell Street London EC1Y 4UQ
Auditor	Grant Thornton UK LLP Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2008.

Principal activities and business review

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

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.

Results and dividends

The loss for the year, after taxation, amounted to £74,332 (2007: £116,981 profit). The directors have not recommended a dividend.

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 current year and the financial position at the end of the current year are as follows.

	Financial statements £	Excluding impact of FRS 25 £
Loss after tax	**(74,332)**	(688,095)
Total assets	**7,505,833**	7,505,833
Total liabilities	**6,613,981**	6,613,981
Net assets	**891,852**	891,852

Business review

Financial overview

Turnover for the year ended 31 December 2008 was £38.55 million a decrease of 5% on last year (2007: £40.58 million). Loss before tax was £672,095 (2007: £42,417 profit).

Financial performance

Financial performance for the year (excluding FRS 25) has been analysed as follows:

	Year to 31 December 2008	Year to 31 December 2007	Change	
	£	£	£	%
Turnover	38,545,259	40,580,577	(2,035,318)	(5.0)
Gross profit	7,018,684	7,152,575	(133,891)	(1.9)
(Loss)/profit before tax (pre FRS 25)	(672,095)	42,417	(714,512)	(1,684.5)

Strategy

The strategy adopted during the year has been to continually build on the market position established by the company, together with a strong Vauxhall brand nationally. This strategy is based largely on well established models under the Vauxhall brand (including Vectra, Astra and Corsa) and the development of new models such as Insignia. 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.

Turnover

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

Vehicle sales

The company recorded a consistent performance in vehicle sales. New vehicles sold in the year were 1,266 (2007: 1,279).

Service sales

The level of service hours represents an improved performance year on year, with service hours sold per service technician having increased by 2.57% on 2007.

Parts sales

The level of parts sales represents a consistent performance year on year, with a increase in parts sales of 8.36%.

Operating costs

	2008	2007
	£'000	£'000
Operating costs	**7,258**	6,647

Operating costs have increased by 9.2% in the year ended 31 December 2008. In the main this relates to an increase of £245k in Wages and Salaries cost in the year.

Wages and salaries represent the major element of operating costs.

Capital expenditure
Capital expenditure of £103,079 (2007: £1,302,245) was incurred during the year.

Environmental policy
Management continue to work towards the development of the company's environmental policy. It is the management's objective to continually improve 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.

	2008	2007	**Method of calculation**
(Decline)/growth in turnover (%)	**(5.02)**	27.98	Annual growth in total sales.
New vehicle units	**1,266**	1,279	Number of new vehicles sold in the year.
Gross profit margin (%)	**18.2**	17.6	Gross profit margin is the ratio of gross profit to sales expressed as a percentage.
Operating (loss)/profit margin (%)	**(0.5)**	1.2	Operating (loss)/profit margin is the ratio of operating (loss)/profit to sales expressed as a percentage.
Return on capital employed (%)	**(77.2)**	0.9	Return on capital employed is the ratio of (loss)/profit after tax generated from the net assets.
Capital expenditure (£'000)	**103**	1,302	Investment made in respect of capital items during the year.
Average head count	**152**	156	Average of total monthly head counts derived from the payroll records.

Future developments for the business
The directors recognise that industry competition has put pressure on prices and margins. The directors believe continued Vauxhall investment in the product range and investment in customer care, together with the company's strong working relationship with Vauxhall will enable us to improve on the market position.

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
The company is reliant on new vehicle products from Vauxhall. This exposes the company to risks in a number of areas as the company is dependent on Vauxhall in respect of:

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

The directors are confident that future new products from Vauxhall will be of a continued high quality and that Vauxhall will continue to invest in the marketing of such new products. However, Vauxhall itself is reliant on support from General Motors Corporation in order to continue to provide the availability of new vehicle product and further investment in marketing of the same. The directors consider that the manufacturer risk explained above is best mitigated by focusing on the other core business areas including used vehicle sales, parts sales and service sales.

It should be noted that General Motors' UK operations are conducted through General Motors (UK) Limited. There is no change in the position of this entity at this time and none is anticipated at this time. GM UK is owned by Adam Opel GmbH and, as is in the public domain, negotiations are under way for new external investment in this entity.

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 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 bank, financial institution and stocking loans, cash and various items, such as consignment stock, 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 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.

Financial risk management objectives and policies (continued)

Interest rate risk
The company finances its operations through a mixture of bank, other external 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 interest rate exposure of the financial assets and liabilities of the company as at 31 December 2008 is shown in the balance sheet. 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 objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum policies for the level of fixed interest rate borrowings.

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 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.

The maturity of borrowings is set out in note 14.

Directors
The directors who served the company during the year were as follows:
P Jeffery
Motors Directors Limited

Motors Directors Limited is a company related to General Motors UK 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 auditor is 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 auditor is aware of that information.

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

ON BEHALF OF THE BOARD

P Jeffery
Director
17 August 2009

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 2008 which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement and notes 1 to 24. 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.

Grant Thornton

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

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 2008 and of its loss 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.

Emphasis of Matter

In forming our opinion on the financial statements we have considered the adequacy of the disclosures made in the principal accounting policies to the financial statements concerning the company's ability to continue as a going concern.

The company incurred a net loss of £74,332 during the year ended 31 December 2008 and, at that date, the company's current liabilities exceeded its current assets by £246,315. These net current liabilities include £250,000 due to General Motors UK Limited. The company's net cash inflow for the year was £106,702.

As explained in the principal accounting policies on page 11, the ultimate parent company, General Motors Corporation, incorporated in the USA, has expressed uncertainty as to its ability to continue as a going concern for the foreseeable future in its 2008 annual report issued in March 2009. General Motors Corporation has subsequently entered and then exited Chapter 11 bankruptcy proceedings in the USA but negotiations regarding the structure and financing of the group continue. General Motors (UK) Limited and its European parent, Adam Opel GmbH, are currently negotiating for further external funding. These matters, along with others set out in the principal accounting policies to the financial statements, indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. Our opinion is not qualified in this respect.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
Central Milton Keynes

1 September 2009

Principal accounting policies

Basis of preparation

At 31 December 2008 the company reported a loss in the year of £74,332 and a net current liability position of £246,315, including a £250,000 loan due to General Motors UK Limited.

The company has an overdraft facility of £1,000,000 and vehicle funding plans with General Motors Acceptance Corporation which are an integral part of the company's financing over the next 12 months.

The ultimate parent company, General Motors Corporation, has highlighted some uncertainty in its 2008 Annual Report, issued in March 2009, as to its ability to continue as a going concern. In June 2009 the corporation entered into bankruptcy protection proceedings in the USA but exited from these arrangements in July 2009. Discussions regarding the structure, ownership and financing of the companies within the group continue. There cannot be absolute clarity at this point as to the future of its subsidiary, General Motors UK Limited. General Motors UK is owned by Adam Opel GmbH and, as is in the public domain, negotiations are under way for new external investment in this entity.

The company's future is closely linked to that of General Motors UK Limited and its parent entities. This lack of clarity means that there is some doubt as to the company's ability to place reliance on General Motors UK Limited to continue to provide both financial support and investment in new vehicle product and associated marketing investment.

The directors have prepared these financial statements on a going concern basis on the basis that, on balance, their expectation is that Adam Opel GmbH will continue as a going concern for the foreseeable future.

The financial statements have been prepared under the historical cost convention. The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year.

The profit and loss account and balance sheet include a memorandum illustrating the impact of the application of Financial Reporting Standard 25 under United Kingdom Generally Accepted Accounting Practice.

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.

The profit and loss account and balance sheet include a memorandum illustrating the financial performance and position prior to the application of Financial Reporting Standard 25 under United Kingdom Generally Accepted Accounting Practice.

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	-	2 - 20 years
Fixtures & Fittings	-	2 - 20 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.

Leasing and hire purchase commitments
Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

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.

In accordance with FRS 25, the company's preference shares are shown as compound instruments. The equity element of the compound instrument, representing the extent to which the present value of the preference investor's return, at market rates, is less than the par value of the original investment, has been shown in the accounts as an 'Other equity reserve'.

The annual calculation of the debt element of the compound instrument, being the present value of the preference investor's return, and the associated finance charge has been carried out in accordance with paragraph AG 8 of FRS 26.

This states that if an entity revises its estimates of future payments to the investor, the entity shall adjust the carrying amount of the financial liability to reflect actual and revised estimated cash flows. The entity recalculates the carrying amount by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. The adjustment is recognised as an interest income or expense amount in the profit and loss account.

In accordance with FRS 25, the company's convertible debt is shown as a compound instrument. The debt component represents the Company's liability for future interest payments and the redemption amount and is calculated as the present value of future interest and redemption payments at market rates. The market rate used is akin to the actual rate of the instrument, therefore, the valuation of the equity component of the instrument is determined as £nil and the entire instrument is disclosed as debt within creditors.

Profit and loss account

Memo 2008 £		Note	2008 £	2007 £
38,545,259	Turnover	1	38,545,259	40,580,577
31,526,575	Cost of sales		31,526,575	33,428,002
7,018,684	Gross profit		7,018,684	7,152,575
55,000	**Other operating income**		55,000	–
7,258,254	Other operating charges	2	7,258,254	6,647,008
(184,570)	**Operating (loss)/profit**	3	(184,570)	505,567
487,525	Interest payable excluding FRS 25 interest		487,525	463,150
–	Finance credit on shares classed as liabilities (FRS 25)		(613,763)	(102,564)
487,525	Interest payable and similar charges	6	(126,238)	360,586
(672,095)	**(Loss)/profit on ordinary activities before taxation**		(58,332)	144,981
16,000	Tax charge on (loss)/profit on ordinary activities	7	16,000	28,000
(688,095)	**(Loss)/profit for the financial year**	21	(74,332)	116,981

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

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

Memo 2008 £		Note	2008 £	2007 £
	Fixed assets			
1,929,218	Tangible assets	8	**1,929,218**	2,087,254
	Current assets			
2,976,874	Stocks	9	**2,976,874**	5,704,568
2,598,393	Debtors	10	**2,598,393**	2,386,355
1,348	Cash in hand		**1,348**	411
5,576,615			**5,576,615**	8,091,334
5,822,930	Creditors: amounts falling due within one year		**5,822,930**	7,732,425
–	Shares classed as financial liabilities (FRS 25)		**–**	83,075
5,822,930	**Creditors: amounts falling due within one year**	12	**5,822,930**	7,815,500
(246,315)	**Net current (liabilities)/assets**		**(246,315)**	275,834
1,682,903	**Total assets less current liabilities**		**1,682,903**	2,363,088
791,051	Creditors: amounts falling due after more than one year		**791,051**	866,216
–	Shares classed as financial liabilities (FRS 25)		**–**	530,688
791,051	**Creditors: amounts falling due after more than one year**	13	**791,051**	1,396,904
891,852			**891,852**	966,184
	Capital and reserves			
1,222,500	Called-up equity share capital	18	**242,382**	242,382
–	Other equity reserve	20	**433,275**	433,275
(330,648)	Profit and loss account	21	**216,195**	290,527
891,852	**Shareholders' funds**	22	**891,852**	966,184

These financial statements were approved by the directors and authorised for issue on 17 August 2009 and are signed on their behalf by:

P Jeffery

ACW Wilkes
~~J Swinnerton~~, For and on behalf of
Motors Directors Limited

Cash flow statement

	Note	2008 £	2007 £
Net cash inflow/(outflow) from operating activities	23(a)	819,681	(28,128)
Returns on investments and servicing of finance			
Interest paid		(487,525)	(463,150)
Net cash outflow from returns on investments and servicing of finance		(487,525)	(463,150)
Taxation		–	–
Capital expenditure			
Payments to acquire tangible fixed assets		(103,079)	(1,302,245)
Net cash outflow from capital expenditure		(103,079)	(1,302,245)
Cash inflow/(outflow) before financing		229,077	(1,793,523)
Financing			
Loan advances		250,000	1,000,000
Repayment of long-term amounts owed to group undertakings		(215,000)	(321,250)
Capital element of hire purchase		(157,375)	(132,237)
Net cash (outflow)/inflow from financing		(122,375)	546,513
Increase/(decrease) in cash	23(c)	106,702	(1,247,010)

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:

	2008	2007
	£	£
United Kingdom	**38,545,259**	40,580,577

2 Other operating charges

	2008	2007
	£	£
Administrative expenses	**7,258,254**	6,647,008

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2008	2007
	£	£
Depreciation of owned fixed assets	**147,029**	94,362
Depreciation of assets held under hire purchase agreements	**114,086**	139,852
Operating lease costs:		
Plant and equipment	**–**	8,177
Land and buildings	**701,475**	649,738
Auditor's remuneration		
Audit of the financial statements	**16,000**	15,660
Non audit - other fees, taxation	**2,360**	2,340

4 Particulars of employees

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

	2008 No	2007 No
Mechanical	47	47
Sales and distribution	92	94
Administration	13	15
	152	156

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	4,459,220	4,229,541
Social security costs	323,295	307,557
Other pension costs	1,001	1,001
	4,783,516	4,538,099

5 Directors

Remuneration in respect of directors was as follows:

	2008 £	2007 £
Emoluments receivable	104,979	103,884

6 Interest payable and similar charges

	2008 £	2007 £
Interest payable on bank borrowing	71,692	60,767
Finance charges payable of finance leases	28,802	26,625
Interest payable on other loans	62,778	80,975
Other similar charges	324,253	294,783
Interest payable and similar charges	487,525	463,150
Finance credit on shares classed as liabilities	(613,763)	(102,564)
Total interest (receivable)/payable and similar charges	(126,238)	360,586

7 Taxation on ordinary activities

Analysis of credit in the year

	2008	2007
	£	£
Deferred tax:		
Origination and reversal of timing differences	**16,000**	28,000

Unrelieved tax losses of £650,000 (2007: £77,000) 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 28.5% (2007: 30%).

	2008	2007
	£	£
(Loss)/profit on ordinary activities before taxation	**(58,332)**	144,981
(Loss)/profit on ordinary activities multiplied by standard rate of tax	**(16,623)**	43,494
Expenses not deductible for tax purposes	**31,143**	12,219
Capital allowances in excess of depreciation	**(7,472)**	(1,838)
Utilisation of tax losses	**–**	(24,122)
Unrelieved tax losses	**167,858**	–
Financial liability expenses not chargeable for tax purposes	**(174,906)**	(29,753)
Total current tax	**–**	–

8 Tangible fixed assets

	Leasehold Property £	Plant & Equipment £	Fixtures & Fittings £	Total £
Cost				
At 1 January 2008	1,809,684	1,060,983	324,689	3,195,356
Additions	35,350	42,516	25,213	103,079
At 31 December 2008	1,845,034	1,103,499	349,902	3,298,435
Depreciation				
At 1 January 2008	202,931	735,185	169,986	1,108,102
Charge for the year	98,165	107,569	55,381	261,115
At 31 December 2008	301,096	842,754	225,367	1,369,217
Net book value				
At 31 December 2008	**1,543,938**	**260,745**	**124,535**	**1,929,218**
At 31 December 2007	1,606,753	325,798	154,703	2,087,254

Included within the net book value of £1,929,218 is £139,933 (2007: £332,586) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £114,086 (2007: £139,852).

9 Stocks

	2008 £	2007 £
Finished goods	**2,957,534**	5,389,059
Consignment stock	**19,340**	315,509
	2,976,874	5,704,568

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 2008 have a cost of £578,854 (2007: £83,389).

10 Debtors

	2008 £	2007 £
Trade debtors	**1,275,160**	1,196,591
Amounts owed by group undertakings	**623,919**	439,490
Other debtors	**200,959**	147,630
Prepayments and accrued income	**498,355**	586,644
Deferred taxation (note 11)	**–**	16,000
	2,598,393	2,386,355

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

	2008 £	2007 £
Amounts due from General Motors UK Limited	**623,919**	439,490

11 Deferred taxation

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

	2008 £	2007 £
Included in debtors (note 10)	**–**	16,000

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

	2008 £	2007 £
Balance brought forward	**16,000**	44,000
Profit and loss account movement arising during the year	**(16,000)**	(28,000)
Balance carried forward	**–**	16,000

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

	2008 £	2007 £
Excess of taxation allowances over depreciation on fixed assets	–	(2,000)
Tax losses available	–	18,000
	–	16,000

12 Creditors: amounts falling due within one year

	2008	2007
	£	£
Bank loans and overdrafts	**1,510,327**	1,616,092
Other loans	**152,500**	277,500
Trade creditors	**3,053,188**	4,946,668
Consignment stock creditor	**19,340**	315,509
Amounts owed to group undertakings	**478,075**	225,989
Other taxation and social security	**456,821**	89,402
Shares classed as financial liabilities	**–**	83,075
Amounts due under hire purchase agreements	**73,664**	135,872
Accruals and deferred income	**79,015**	125,393
	5,822,930	7,815,500

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

	2008	2007
	£	£
Non vehicle related transactions due to General Motors UK Limited	**338,075**	225,989
Loans due to General Motors UK Limited	**140,000**	–
	478,075	225,989

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

	2008	2007
	£	£
Bank overdraft	**1,510,327**	1,616,092
Other loans	**152,500**	90,000
	1,662,827	1,706,092

Included in amounts owed to group undertakings is a loan from General Motors (UK) Limited amounting to £140,000 carrying interest at 2.0% above base rate. In the event of any payment of interest or capital not being made when due the balance of the loan then outstanding shall be convertible, in whole or in part, at the option of General Motors (UK) Limited on a £ for £ basis into preference shares of £1 each.

The overdraft is secured over the assets of the company.

13 Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Other loans	**651,667**	741,666
Amounts owed to group undertakings	**110,000**	–
Amounts due under hire purchase agreements	**29,384**	124,550
Shares classed as financial liabilities	**–**	530,688
	791,051	1,396,904

The loans are secured over the assets of the company at year end.

Included in other loans is a loan from General Motors Acceptance Corporation (UK) Limited of which £442k is repayable in instalments in more than five years carrying interest at 2.5% over base rate. The other loan is secured by way of a fixed charge over the dealership premises.

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

	2008	2007
	£	£
Loans due to General Motors UK Limited	**110,000**	–

14 Creditors - capital instruments

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

	2008	2007
	£	£
Amounts repayable:		
In one year or less or on demand	**1,912,827**	1,893,592
In more than one year but not more than two years	**60,000**	90,000
In more than two years but not more than five years	**150,000**	160,000
In more than five years	**441,667**	491,666
	2,564,494	2,635,258

15 Commitments under hire purchase agreements

Future commitments under hire purchase agreements net of future finance lease charges are as follows:

	2008	2007
	£	£
Amounts payable within 1 year	**73,664**	135,872
Amounts payable between 1 and 2 years	**29,384**	124,550
	103,048	260,422

16 Commitments under operating leases

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008 Land & Buildings	2008 Other Items	2007 Land & Buildings	2007 Other Items
	£	£	£	£
Operating leases which expire:				
Within 1 year	–	–	60,000	6,169
Within 2 to 5 years	**205,772**	2,009	205,772	2,009
Over 5 years	**407,816**	–	407,816	–
	613,588	2,009	673,588	8,178

17 Related party transactions

	2008	2007
	£	£
Name of related party		
General Motors UK Limited		
Subsidiary of General Motors Corporation		
- vehicle related sales transactions	**(4,569,368)**	(5,608,205)
- vehicle related purchase transactions	**7,316,259**	6,320,265
- loan received	**250,000**	
Chevrolet UK Limited		
Subsidiary of General Motors Corporation		
- vehicle related sales transactions	**250,000**	–
- vehicle related purchase transactions	**(203,183)**	–
Saab Great Britain Limited		
Subsidiary of General Motors Corporation		
- vehicle related sales transactions	**(238,590)**	–
- vehicle related purchase transactions	**1,723,464**	–
Fellow-controlled retailers		
Subsidiaries of General Motors Corporation		
- vehicle related sales transactions	**(205,261)**	(29,782)
- vehicle related purchase transactions	**392,077**	27,176
Retailer Guarantee Limited		
Subsidiaries of General Motors Corporation		
- vehicle related sales transactions	**(84,368)**	–
- vehicle related purchase transactions	**97,456**	–

18 Share capital

Authorised share capital:

	2008	2007
	£	£
242,382 Ordinary shares of £1 each	242,382	242,382
980,118 Preference shares of £1 each	980,118	980,118
	1,222,500	1,222,500

Allotted and called up:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	242,382	242,382	242,382	242,382
Preference shares of £1 each	980,118	980,118	980,118	980,118
	1,222,500	1,222,500	1,222,500	1,222,500

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 2007, 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 part of shareholders' funds.

	2008 £	2007 £
Creditors: amounts falling due within one year (see note 12)	–	83,075
Creditors: amounts falling due after more than one year (see note 13)	–	530,688
Shares classed as financial liabilities	–	613,763
less: Notional finance charge unpaid		
Cumulative notional finance charge unpaid relating to prior year	(66,920)	(169,484)
Notional finance credit -current year	613,763	102,564
Net unpaid finance charges	546,843	(66,920)
Other equity reserves	433,275	433,275
Preference shares in issue (see note 18)	980,118	980,118

20 Other equity reserve

	2008 £	2007 £
Balance brought forward	433,275	252,118
Other equity element of preference shares issued in the period	–	181,157
Balance carried forward	433,275	433,275

21 Profit and loss account

	2008 £	2007 £
Balance brought forward	290,527	173,546
(Loss)/profit for the financial year	(74,332)	116,981
Balance carried forward	216,195	290,527

22 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
(Loss)/profit for the financial year	(74,332)	116,981
Other equity reserve (note 20)	–	181,157
Net reduction to shareholders' funds	(74,332)	298,138
Opening shareholders' funds	966,184	668,046
Closing shareholders' funds	891,852	966,184

23 Notes to the statement of cash flows

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

	2008 £	2007 £
Operating (loss)/profit	(184,570)	505,567
Depreciation	261,115	234,214
Decrease/(increase) in stocks	2,727,694	(2,065,269)
Increase in debtors	(228,037)	(378,005)
(Decrease)/increase in creditors	(1,756,521)	1,675,365
Net cash inflow/(outflow) from operating activities	819,681	(28,128)

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

	2008 £	2007 £
Increase/(decrease) in cash in the period	106,702	(1,247,010)
Net cash inflow from increase in debt	(250,000)	(1,000,000)
Net cash outflow from amounts owed to group undertakings	215,000	321,250
Cash outflow in respect of hire purchase	157,375	132,237
Change in net debt resulting from cash flows	229,077	(1,793,523)
Other differences	613,763	283,721
Movement in net debt in the year	842,840	(1,509,802)
Net debt at 1 January 2008	(3,509,032)	(1,999,230)
Net debt at 31 December 2008	(2,666,192)	3,509,032

23 Notes to the statement of cash flows (continued)

(c) Analysis of changes in net debt

	At 1 Jan 2008 £	Cash flows £	Other Changes £	At 31 Dec 2008 £
Net cash:				
Cash in hand and at bank	411	937	–	**1,348**
Overdrafts	(1,616,092)	105,765	–	**(1,510,327)**
	(1,615,681)	106,702	–	**(1,508,979)**
Debt:				
Debt due within 1 year	(360,575)	(15,000)	83,075	**(292,500)**
Debt due after 1 year	(1,272,354)	(20,000)	530,688	**(761,666)**
Hire purchase agreements	(260,422)	157,375	–	**(103,047)**
	(1,893,351)	122,375	613,763	**(1,157,213)**
Net debt	(3,509,032)	229,077	613,763	**(2,666,192)**

(d) Non cash transactions

Other changes relate to the finance charges on preference shares classed as liabilities.

24 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.

General Motors UK 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 General Motors UK 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.