

Financial Statements Jeffery (Wandsworth) Limited

For the Year Ended 31 December 2009



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

Index

Report of the directors	3 - 8
Report of the independent auditor	9 - 10
Principal accounting policies	11 - 13
Profit and loss account	14
Balance sheet	15
Cash flow statement	16
Notes to the financial statements	17 - 28

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2009

Principal activities and business review

The principal activities of the company during the year were 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 profit for the year, after taxation, amounted to £200,911 (2008 loss £74,332) 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

	Financial statements £	Excluding impact of FRS 25 £
Profit after tax	<u>200,911</u>	<u>412,386</u>
Total assets	9,117,983	9,117,983
Total liabilities	<u>8,025,220</u>	<u>7,813,745</u>
Net assets	<u>1,092,763</u>	<u>1,304,238</u>

Business review**Financial overview**

Turnover for the year ended 31 December 2009 was £43.4 million an increase of 12.6% on last year (2008 £38.5 million) Profit before tax was £412,386 (2008 £672,095 loss)

Financial performance

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

	Year to 31 December 2009 £	Year to 31 December 2008 £	Change £	%
Turnover	43,412,337	38,545,259	4,867,078	12.6
Gross profit	7,823,907	7,018,684	805,223	11.5
Profit/(loss) before tax (pre FRS 25)	<u>412,386</u>	<u>(672,095)</u>	<u>1,084,481</u>	<u>161.4</u>

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, Chevrolet and Saab brand nationally. This strategy is based largely on well established models under the above brands (including Insignia, Astra and Corsa) and the development of new models. 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.

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 CO₂ 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

	2009	2008	Method of calculation
Growth/(decline) in turnover (%)	12.63	(5.02)	Annual growth/(decline) in total sales
New vehicle units	1,423	1,266	Number of new vehicles sold in the year
Gross profit margin (%)	18.0	18.2	Gross profit margin is the ratio of gross profit to sales expressed as a percentage
Operating profit/(loss) margin (%)	1.6	(0.5)	Operating profit/(loss) margin is the ratio of operating profit/(loss) to sales expressed as a percentage
Return on capital employed (%)	31.6	(77.2)	Return on capital employed is the ratio of profit/(loss) after tax generated from the net assets
Capital expenditure (£'000)	61	103	Investment made in respect of capital items during the year
Average head count	153	152	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, Chevrolet and Saab investment in the product range and investment in customer care, together with the company's strong working relationship with Vauxhall, Chevrolet and Saab will enable them 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, Chevrolet and Saab. This exposes the company to risks in a number of areas as the company is dependent on Vauxhall, Chevrolet and Saab 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, Chevrolet and Saab will be of a continued high quality and that the brands will continue to invest in the marketing of such new products. However, Vauxhall itself is reliant on support from General Motors Company in order to provide new vehicle product and further investment in marketing. Given that General Motors Company agreed in March to invest €1.9bn in its European operations, the directors consider that the manufacturer risk explained above is minimal, and, in any case, is mitigated by the other core business areas of the company, including vehicle sales, parts sales and service work.

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 a 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 stock 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.

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 floating facilities.

The interest rate exposure of the financial assets and liabilities of the company as at 31 December 2009 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 2006. 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.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the Annual General Meeting of Jeffery (Wandsworth) Limited in accordance with Section 489 of the Companies Act 2006.

ON BEHALF OF THE BOARD



P Jeffery
Director
26 March 2010



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 2009 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 Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

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 2009 and of its profit for the year ended 31 December 2009,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

Malcolm A Gomersall
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Central Milton Keynes

31 March 2010

Principal accounting policies

Basis of preparation

At 31 December 2009 the company reported a profit in the year of £200,911 (2008 £74,332 loss) and a net current asset position of £676,483 (2008 liability of £246,315), including a £144,000 (2008 £250,000) loan due to General Motors UK Limited

The total company loan due to General Motors UK Limited stood at £690,000 (2008 £250,000)

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

General Motors Company agreed in March to invest €1 9bn in its European operations, the directors consider that the manufacturer risk explained above is minimal, and, in any case, is mitigated by the other core business areas of the company, including vehicle sales, parts sales and service work

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

Principal accounting policies (continued)

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.

Principal accounting policies (continued)

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 2009 £		Note	2009 £	2008 £
43,412,337	Turnover	1	43,412,337	38,545,259
35,588,430	Cost of sales		35,588,430	31,526,575
7,823,907	Gross profit		7,823,907	7,018,684
—	Other operating income		—	55,000
7,119,062	Other operating charges	2	7,119,062	7,258,254
704,845	Operating profit/(loss)	3	704,845	(184,570)
332,459	Interest payable excluding FRS 25 interest		332,459	487,525
—	Finance charge/(credit) on shares classed as liabilities (FRS 25)		211,475	(613,763)
332,459	Interest payable and similar charges	6	543,934	(126,238)
372,386	Profit/(loss) on ordinary activities before taxation		160,911	(58,332)
(40,000)	Tax (credit)/charge on profit/(loss) on ordinary activities	7	(40,000)	16,000
412,386	Profit/(loss) for the financial year	21	200,911	(74,332)

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

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

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

Balance sheet

Memo 2009 £		Note	2009 £	2008 £
1,765,421	Fixed assets			
	Tangible assets	8	1,765,421	1,929,218
3,884,686	Current assets			
	Stocks	9	3,884,686	2,976,874
3,464,892	Debtors	10	3,464,892	2,598,393
2,984	Cash in hand		2,984	1,348
7,352,562			7,352,562	5,576,615
6,676,079	Creditors amounts falling due within one year		6,676,079	5,822,930
-	Shares classed as financial liabilities (FRS 25)		-	-
6,676,079	Creditors: amounts falling due within one year	12	6,676,079	5,822,930
676,413	Net current assets/(liabilities)		676,483	(246,315)
2,441,904	Total assets less current liabilities		2,441,904	1,682,903
1,137,666	Creditors amounts falling due after more than one year		1,137,666	791,051
-	Shares classed as financial liabilities (FRS 25)		211,475	-
1,137,666	Creditors: amounts falling due after more than one year	13	1,349,141	791,051
1,304,238			1,092,763	891,852
	Capital and reserves			
1,222,500	Called-up equity share capital	18	242,382	242,382
-	Other equity reserve	20	433,275	433,275
81,738	Profit and loss account	21	417,106	216,195
1,304,238	Shareholders' funds	22	1,092,763	891,852

These financial statements were approved by the directors and authorised for issue on 26 March 2010 and are signed on their behalf by



P Jeffery



J Swinnerton, For and on behalf of
Motors Directors Limited

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

Cash flow statement

	Note	2009 £	2008 £
Net cash inflow from operating activities	23	680,327	819,681
Returns on investments and servicing of finance			
Interest paid		<u>(332,459)</u>	<u>(487,525)</u>
Net cash outflow from returns on investments and servicing of finance		(332,459)	(487,525)
Taxation		—	—
Capital expenditure			
Payments to acquire tangible fixed assets		<u>(60,958)</u>	<u>(103,079)</u>
Net cash outflow from capital expenditure		(60,958)	(103,079)
Cash inflow before financing		286,910	229,077
Financing			
Loan advances		615,385	250,000
Repayment of long-term amounts owed to group undertakings		(327,886)	(215,000)
Capital element of hire purchase		<u>(65,404)</u>	<u>(157,375)</u>
Net cash inflow/(outflow) from financing		222,095	(122,375)
Increase in cash	23	509,005	106,702

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

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

	2009 £	2008 £
United Kingdom	<u>43,412,337</u>	<u>38,545,259</u>

2 Other operating charges

	2009 £	2008 £
Administrative expenses	<u>7,119,062</u>	<u>7,258,254</u>

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	2009 £	2008 £
Depreciation of owned fixed assets	189,513	147,029
Depreciation of assets held under hire purchase agreements	35,244	114,086
Operating lease costs		
Land and buildings	700,232	701,475
Auditor's remuneration		
Audit of the financial statements	17,940	16,000
Non audit - other fees, taxation	<u>2,360</u>	<u>2,360</u>

4 Particulars of employees

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

	2009	2008
	No	No
Mechanical	46	47
Sales and distribution	89	92
Administration	12	13
	<u>147</u>	<u>152</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	4,305,133	4,459,220
Social security costs	313,156	323,295
Other pension costs	1,001	1,001
	<u>4,619,290</u>	<u>4,783,516</u>

5 Directors

Remuneration in respect of directors was as follows

	2009	2008
	£	£
Emoluments receivable	<u>96,439</u>	<u>104,979</u>

6 Interest payable and similar charges

	2009	2008
	£	£
Interest payable on bank borrowing	40,576	71,692
Finance charges payable of finance leases	27,656	28,802
Interest payable on other loans	24,748	62,778
Interest payable on stocking loans	239,479	324,253
Interest payable excluding FRS 25 interest	<u>332,459</u>	<u>487,525</u>
Finance charge/(credit) on shares classed as liabilities (FRS 25)	211,475	(613,763)
Total interest payable/(receivable) and similar charges	<u>543,934</u>	<u>(126,238)</u>

7 Taxation on ordinary activities

Analysis of (credit)/charge in the year

	2009 £	2008 £
Deferred tax		
Origination and reversal of timing differences	<u>(40,000)</u>	<u>16,000</u>

Unrelieved tax losses of £175,000 (2008 £650,000) 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% (2008 28.5%)

	2009 £	2008 £
Profit/(loss) on ordinary activities before taxation	<u>160,911</u>	<u>(58,332)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of tax	45,055	(16,623)
Expenses not deductible for tax purposes	2,958	31,143
Capital allowances in excess of depreciation	(14,402)	(7,472)
Utilisation of tax losses	(136,797)	–
Unrelieved tax losses	–	167,858
Short term timing differences	(747)	–
Financial liability expenses/(credits) not allowable/chargeable for tax purposes	<u>103,933</u>	<u>(174,906)</u>
Total current tax	<u>–</u>	<u>–</u>

8 Tangible fixed assets

	Leasehold Property £	Plant & Equipment £	Fixtures & Fittings £	Total £
Cost				
At 1 January 2009	1,845,034	1,103,499	349,902	3,298,435
Additions	21,341	18,480	21,137	60,958
At 31 December 2009	<u>1,866,375</u>	<u>1,121,979</u>	<u>371,039</u>	<u>3,359,393</u>
Depreciation				
At 1 January 2009	301,096	842,754	225,367	1,369,217
Charge for the year	99,381	82,273	43,101	224,755
At 31 December 2009	<u>400,477</u>	<u>925,027</u>	<u>268,468</u>	<u>1,593,972</u>
Net book value				
At 31 December 2009	<u>1,465,898</u>	<u>196,952</u>	<u>102,571</u>	<u>1,765,421</u>
At 31 December 2008	<u>1,543,938</u>	<u>260,745</u>	<u>124,535</u>	<u>1,929,218</u>

Included within the net book value of £1,765,421 is £53,855 (2008 £139,933) 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 £35,244 (2008 £114,086).

9 Stocks

	2009 £	2008 £
Finished goods	3,581,657	2,957,534
Consignment stock	<u>303,029</u>	<u>19,340</u>
	<u>3,884,686</u>	<u>2,976,874</u>

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 2009 have a cost of £337,248 (2008 £578,854).

10 Debtors

	2009 £	2008 £
Trade debtors	1,673,007	1,275,160
Amounts owed by group undertakings	1,125,182	623,919
Other debtors	148,298	200,959
Prepayments and accrued income	478,405	498,355
Deferred taxation (note 11)	40,000	—
	<u>3,464,892</u>	<u>2,598,393</u>

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

	2009 £	2008 £
Amounts due from General Motors UK Limited	<u>1,125,182</u>	<u>623,919</u>

11 Deferred taxation

The deferred tax included in the balance sheet is as follows

	2009 £	2008 £
Included in debtors (note 10)	<u>(40,000)</u>	<u>—</u>

The movement in the deferred taxation account during the year was

	2009 £	2008 £
Balance brought forward	—	16,000
Profit and loss account movement arising during the year	(40,000)	(16,000)
Balance carried forward	<u>(40,000)</u>	<u>—</u>

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

	2009 £	2008 £
Tax losses available	(40,000)	—
	<u>(40,000)</u>	<u>—</u>

12 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	1,002,958	1,510,327
Other loans	60,000	152,500
Trade creditors	4,468,816	3,053,188
Consignment stock creditor	303,029	19,340
Amounts owed to group undertakings	447,225	478,075
Other taxation and social security	290,174	456,821
Amounts due under hire purchase agreements	37,644	73,664
Accruals and deferred income	66,233	79,015
	<u>6,676,079</u>	<u>5,822,930</u>

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

	2009 £	2008 £
Non vehicle related transactions due to General Motors UK Limited	303,225	338,075
Loans due to General Motors UK Limited	144,000	140,000
	<u>447,225</u>	<u>478,075</u>

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

	2009 £	2008 £
Bank overdraft	1,002,958	1,510,327
Other loans	60,000	152,500
	<u>1,062,958</u>	<u>1,662,827</u>

Included in amounts owed to group undertakings is a loan from General Motors (UK) Limited amounting to £144,000 carrying interest at 2.0% above libor 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

	2009 £	2008 £
Other loans	591,666	651,667
Amounts owed to group undertakings	546,000	110,000
Amounts due under hire purchase agreements	—	29,384
Shares classed as financial liabilities	211,475	—
	<u>1,349,141</u>	<u>791,051</u>

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 £392k (2008 £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.

Included in amounts owed to group undertakings is a loan from General Motors (UK) Limited amounting to £546,000 carrying interest at 2.0% above libor 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.

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

	2009 £	2008 £
Loans due to General Motors UK Limited	<u>546,000</u>	<u>110,000</u>

14 Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows
Amounts repayable

	2009 £	2008 £
Within one year		
Bank overdrafts	1,002,958	1,510,327
Other loans	60,000	152,500
Loans due to General Motors UK Limited	144,000	140,000
Finance leases and hire purchase agreements	37,644	73,664
After one and within two years		
Other loans	50,000	60,000
Loans due to General Motors UK Limited	546,000	110,000
Finance leases and hire purchase agreements	—	29,384
After two and within five years		
Other loans	150,000	150,000
After five years		
Other loans	391,666	441,667
Shares classed as financial liabilities	211,475	—
Total	<u>2,593,743</u>	<u>2,667,542</u>

15 Commitments under hire purchase agreements

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

	2009	2008
	£	£
Amounts payable within 1 year	37,644	73,664
Amounts payable between 1 and 2 years	—	29,384
	<u>37,644</u>	<u>103,048</u>

16 Commitments under operating leases

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire				
Within 1 year	—	1,875	—	—
Within 2 to 5 years	271,154	—	205,772	2,009
Over 5 years	407,816	—	407,816	—
	<u>678,970</u>	<u>1,875</u>	<u>613,588</u>	<u>2,009</u>

17 Related party transactions

	2009	2008
	£	£
Name of related party		
General Motors UK Limited		
Subsidiary of General Motors Company		
- vehicle related sales transactions	(9,033,392)	(4,569,368)
- vehicle related purchase transactions	9,305,635	7,316,259
- loan received	500,000	250,000
Chevrolet UK Limited		
Subsidiary of General Motors Company		
- vehicle related sales transactions	(1,064,032)	(250,000)
- vehicle related purchase transactions	380,757	203,183
Saab Great Britain Limited		
Subsidiary of General Motors Company		
- vehicle related sales transactions	(226,247)	(238,590)
- vehicle related purchase transactions	626,967	1,723,464
Fellow-controlled retailers		
Subsidiaries of General Motors Company		
- vehicle related sales transactions	(169,003)	(205,261)
- vehicle related purchase transactions	172,170	392,077
Retailer Guarantee Limited		
Subsidiaries of General Motors Company		
- vehicle related sales transactions	(186,481)	(84,368)
- vehicle related purchase transactions	208,101	97,456

18 Share capital

Authorised share capital

	2009 £	2008 £
242,382 Ordinary shares of £1 each	242,382	242,382
980,118 Preference shares of £1 each	980,118	980,118
	<u>1,222,500</u>	<u>1,222,500</u>

Allotted and called up

	2009		2008	
	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
	<u>1,222,500</u>	<u>1,222,500</u>	<u>1,222,500</u>	<u>1,222,500</u>

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.

	2009 £	2008 £
Creditors amounts falling due within one year (see note 12)	—	—
Creditors amounts falling due after more than one year (see note 13)	211,475	—
Shares classed as financial liabilities	211,475	—
less Notional finance charge unpaid		
Cumulative notional finance charge unpaid relating to prior year	546,843	(66,920)
Notional finance (charge)/credit - current year (see note 6)	(211,475)	613,763
Net unpaid finance charges	546,843	546,843
Other equity reserves (see note 20)	433,275	433,275
Preference shares in issue (see note 18)	980,118	980,118

20 Other equity reserve

	2009 £	2008 £
Balance at 31 December 2008 and 31 December 2009	433,275	433,275

21 Profit and loss account

	2009 £	2008 £
Balance brought forward	216,195	290,527
Profit/(loss) for the financial year	200,911	(74,332)
Balance carried forward	417,106	216,195

22 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit/(loss) for the financial year	200,911	(74,332)
Opening shareholders' funds	891,852	966,184
Closing shareholders' funds	<u>1,092,763</u>	<u>891,852</u>

23 Notes to the statement of cash flows

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

	2009 £	2008 £
Operating profit/(loss)	704,845	(184,570)
Depreciation	224,756	261,115
(Increase)/decrease in stocks	(907,812)	2,727,694
(Increase) in debtors	(826,498)	(228,037)
Increase/(decrease) in creditors	1,485,036	(1,756,521)
Net cash inflow from operating activities	<u>680,327</u>	<u>819,681</u>

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

	2009 £	2008 £
Increase in cash in the period	509,005	106,702
Net cash inflow/(outflow) from increase in debt	262,501	(250,000)
Net cash (inflow)/outflow from amounts owed to group undertakings	(550,000)	215,000
Cash outflow in respect of hire purchase	65,404	157,375
Change in net debt resulting from cash flows	286,910	229,077
Other differences	(211,475)	613,763
Movement in net debt in the year	<u>75,435</u>	<u>842,840</u>
Net debt at 1 January 2009	(2,666,194)	(3,509,034)
Net debt at 31 December 2009	<u>(2,590,759)</u>	<u>(2,666,194)</u>

23 Notes to the statement of cash flows (continued)

(c) Analysis of changes in net debt

	At 1 Jan 2009 £	Cash flows £	Non cash transactions £	At 31 Dec 2009 £
Net cash				
Cash in hand and at bank	1,348	1,636	—	2,984
Overdrafts	(1,510,327)	507,369	—	(1,002,958)
	<u>(1,508,979)</u>	<u>509,005</u>	<u>—</u>	<u>(999,974)</u>
Debt				
Debt due within 1 year	(292,500)	88,500	—	(204,000)
Debt due after 1 year	(791,051)	(346,615)	(211,475)	(1,349,141)
Hire purchase agreements	(103,048)	65,404	—	(37,644)
	<u>(1,186,599)</u>	<u>(192,711)</u>	<u>(211,475)</u>	<u>(1,590,785)</u>
Net debt	<u>(2,695,578)</u>	<u>316,294</u>	<u>(211,475)</u>	<u>(2,590,759)</u>

(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 Company 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 Company 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