

Report of the Director and
Financial Statements for the Year Ended 31 December 2005
for
Glenvarigill Company Limited



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COMPANIES HOUSE 31/10/2006

Glenvarigill Company Limited

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for the Year Ended 31 December 2005

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Glenvarigill Company Limited
Company Information
for the Year Ended 31 December 2005

DIRECTOR:	K E Lamb
SECRETARY.	MD Secretaries Limited
REGISTERED OFFICE:	3 Roseburn Terrace Edinburgh EH12 5NG
REGISTERED NUMBER.	SC043039 (Scotland)
AUDITORS:	Trevor Jones Registered Auditor & Chartered Accountants Sutton House Acorn Business Park Heaton Lane Stockport Cheshire SK4 1AS
BANKERS.	Bank of Scotland Chester Business Centre Douglas House 117 Foregate Street Chester Cheshire CH1 1HE
SOLICITORS.	McGrigors Princes Exchange 1 Earl Grey Street Edinburgh EH3 9AQ

Glenvarigill Company Limited

Report of the Director
for the Year Ended 31 December 2005

The director presents his report with the financial statements of the company for the year ended 31 December 2005

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of sales and service of motor vehicles

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

The results for the Company are set out in detail on page 5

The loss on ordinary activities after taxation was £3,282,000 (2004: £12,062,000) a reduction in loss on continuing activities of 45% and 73% including discontinued activities

Although a loss has been made in the year, the pace of improvement is extremely encouraging with a number of key objectives being met. Turnover on continuing operations has increased by 17% in line with our manufacturer targets, although this has been achieved partly at the expense of margin

Overhead levels have continued to improve, with a further £1,247,000 removed from continuing activities. Other operating income has seen an increase from last year for continuing activities of 14%. In addition to the reduction in overheads, the transactions completed in 2004 have enabled the group to reduce its outstanding debt with HBOS plc and remove £358,000 of interest cost

The Company continues to be in a negative net assets position, however the parent company Glenvarigill Group Limited, and HBOS plc remain fully supportive of the business. As such, the Company has been able to meet all its debts as they fall due and the Director is satisfied that it is appropriate for the financial statements to have been prepared on a going concern basis

On 11 February 2005, HBOS plc demonstrated their commitment to the business by the conversion of £5m of debt into preference shares in the parent company. However, the introduction of FRS 25 (IAS 32) Financial Instruments Disclosure and Presentation requires these preference shares to be shown as debt albeit with a reduced repayment requirement

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2005

DIRECTORS

The directors during the year under review were

T J Bartlett
K E Lamb

resigned 31 10 05

The director holding office at 31 December 2005 did not hold any beneficial interest in the issued share capital of the company at 1 January 2005 or 31 December 2005

EMPLOYEE INVOLVEMENT

The company has an active policy of communicating with its staff and keeping employees informed regarding its achievements and prospects. The directors are committed to developing genuine and effective involvement in the company's activities

DISABLED PERSONS

The company recognises its social and statutory duty to employ disabled persons and pursues a policy of providing, wherever possible, the same employment opportunities to disabled persons as to others

ANNUAL GENERAL MEETING

Under the provisions of section 366A of the Companies Act 1985, the company has elected to dispense with the holding of annual general meetings and the requirement to lay the financial statements before the company in general meetings

Glenvarigill Company Limited

Report of the Director
for the Year Ended 31 December 2005

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

Pursuant to a shareholders' resolution the company is not obliged to reappoint its auditors annually and Trevor Jones will therefore continue in office

ON BEHALF OF THE BOARD:

Alan Deam
DIRECTOR FOR AND

ON BEHALF OF

MD Secretaries Limited Secretary

Date 27 OCTOBER 2006

**Report of the Independent Auditors to the Shareholders of
Glenvarigill Company Limited**

We have audited the financial statements of Glenvarigill Company Limited for the year ended 31 December 2005 on pages five to sixteen. 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 auditors' 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 director and auditors

As described on page three, the company's director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Report of the Director is not consistent with the financial statements, if 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 director's remuneration and other transactions is not disclosed.

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

Basis of audit 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 director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements

give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Trevor Jones
Registered Auditor & Chartered Accountants
Sutton House
Acorn Business Park
Heaton Lane
Stockport
Cheshire
SK4 1AS

Date 27.10.06

Glenvarigill Company Limited

Profit and Loss Account
for the Year Ended 31 December 2005

		31 12.05			31 12 04		
	Notes	Continuing Operations £'000	Discontinued Operations £'000	Total £'000	Continuing Operations £'000	Discontinued Operations £'000	Total £'000
TURNOVER		124,424		124,424	106,366	32,692	139,058
Cost of sales		(122,688)		(122,688)	(103,479)	(32,828)	(136,307)
GROSS PROFIT/(LOSS)		1,736		1,736	2,887	(136)	2,751
Administrative expenses		(4,415)		(4,415)	(5,476)	(2,513)	(7,989)
Other operating income		873		873	765	50	815
OPERATING LOSS	4	(1,806)		(1,806)	(1,824)	(2,599)	(4,423)
Exceptional items	5				(1,587)	(3,207)	(4,794)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(1,806)		(1,806)	(3,411)	(5,806)	(9,217)
Interest payable and similar charges	6	(1,476)		(1,476)	(1,834)	(267)	(2,101)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,282)		(3,282)	(5,245)	(6,073)	(11,318)
Tax on loss on ordinary activities	7				(744)		(744)
RETAINED LOSS FOR FINANCIAL YEAR	18	(3,282)		(3,282)	(5,989)	(6,073)	(12,062)

An analysis of continuing and discontinued operations may be found at note 2

The notes form part of these financial statements

Glenvarigill Company Limited

Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2005

	31.12.05	31 12 04
	£'000	£'000
LOSS FOR THE FINANCIAL YEAR	(3,282)	(12,062)
Revaluation of freehold property		650
Goodwill write back		
on discontinued activities	<u> </u>	<u>3,207</u>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>(3,282)</u>	<u>(8,205)</u>

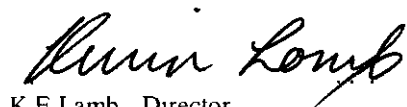
The notes form part of these financial statements

Glenvarigill Company Limited

Balance Sheet
31 December 2005

	Notes	31.12.05 £'000	£'000	31 12 04 £'000	£'000
FIXED ASSETS					
Intangible assets	8		231		300
Tangible assets	9		<u>3,784</u>		<u>3,334</u>
			4,015		3,634
CURRENT ASSETS					
Stocks	10	12,300		16,869	
Debtors	11	3,332		4,098	
Cash in hand				<u>2</u>	
		15,632		20,969	
CREDITORS					
Amounts falling due within one year	12	<u>15,508</u>		<u>17 468</u>	
NET CURRENT ASSETS			<u>124</u>		<u>3,501</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,139		7,135
CREDITORS					
Amounts falling due after more than one year	13		<u>19,109</u>		<u>18,823</u>
NET LIABILITIES			<u>(14,970)</u>		<u>(11,688)</u>
CAPITAL AND RESERVES					
Called up share capital	17		10,000		10,000
Revaluation reserve	18		650		650
Profit and loss account	18		<u>(25,620)</u>		<u>(22,338)</u>
SHAREHOLDERS' FUNDS	22		<u>(14,970)</u>		<u>(11,688)</u>

ON BEHALF OF THE BOARD



K E Lamb Director

Approved by the Board on 27 October 2006

The notes form part of these financial statements

Glenvarigill Company Limited
Notes to the Financial Statements
for the Year Ended 31 December 2005

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with applicable accounting standards. They have been prepared on a going concern basis as the company has the continued support of its parent company, Glenvarigill Group Limited, and that of its bankers, The Bank of Scotland.

As the company is a wholly owned subsidiary of Glenvarigill Group Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated accounts of Glenvarigill Group Limited can be obtained from the address given in note 19.

Turnover

Turnover represents sales to third parties, exclusive of value added tax.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration paid over the fair value of the separable net assets acquired) arising on business combinations is capitalised and classified as an asset on the balance sheet. Amortisation is calculated to write off the capitalised goodwill in equal instalments over its estimated useful life of ten years. Goodwill is reviewed for impairment following the first full year after the acquisition and in other years if events or changes in circumstances indicate that the carrying values may not be recoverable.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	2% on cost or valuation
Improvements to property	Over the period of the lease
Plant and machinery	Between 10% 20% on cost
Fixtures and fittings	20% on cost

Included within fixtures and fittings are personalised number plates which have a high residual value and are therefore not depreciated.

Stocks

Stocks are stated at the lower of cost and net realisable value. Stocks on consignment and their related obligations are recognised in current assets and creditors respectively on adoption of the stock when the risks and rewards of ownership pass to the company.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences, except as otherwise required by FRS 19.

Hire purchase and leasing commitments

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

The group operates defined contribution schemes in respect of employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Contract hire income

Income from contract hire is credited to the profit and loss account in equal monthly instalments over the hire term.

Glenvarigill Company Limited

Notes to the Financial Statements continued
for the Year Ended 31 December 2005

1 ACCOUNTING POLICIES continued

Financial Reporting Standard Number 1

The company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

2 ANALYSIS OF OPERATIONS

Continuing and discontinued operations after exceptional items is analysed as follows

	31.12.05			31 12 04		
	Continuing £000	Discontinued £000	Total £000	Continuing £000	Discontinued £000	Total £000
Furnover	124,424		124,424	106,366	32,692	139,058
Cost of sales	(122,688)		(122,688)	(103,479)	(32,828)	(136,307)
Gross profit/(loss)	1,736		1,736	2,887	(136)	2,751
Administrative expenses	(4,415)		(4,415)	(5,476)	(2,513)	(7,989)
Other operating income	873		873	765	50	815
Operating loss	(1,806)		(1,806)	(1,824)	(2,599)	(4,423)

Discontinued operations in the prior year reflects the closure of Stirling Honda in February 2004, sale of the Renault dealerships in March 2004 and the sale of the Porsche, Ferrari and Maserati dealerships in July 2004

3 STAFF COSTS

	31.12 05	31 12 04
	£'000	£'000
Wages and salaries	6,219	7,668
Social security costs	650	760
Other pension costs	45	68
	<u>6,914</u>	<u>8,496</u>

Glenvarigill Company Limited

Notes to the Financial Statements continued
for the Year Ended 31 December 2005

3 STAFF COSTS continued

The average monthly number of employees during the year was as follows

	31.12.05	31.12.04
Management and administration	35	46
Sales and service	<u>265</u>	<u>333</u>
	<u>300</u>	<u>379</u>

4 OPERATING LOSS

The operating loss is stated after charging

	31.12.05 £'000	31.12.04 £'000
Hire of plant and machinery	87	99
Other operating leases	969	934
Depreciation owned assets	395	746
Depreciation assets on hire purchase contracts	6	43
Goodwill amortisation	69	63
Auditors' remuneration	25	23
Dilapidation charges	<u>350</u>	<u> </u>
	31.12.05 £	31.12.04 £
Directors' emoluments	149,667	203,350
Directors' pension contributions to money purchase schemes	31,347	46,428
Compensation to director for loss of office	<u>30,000</u>	<u> </u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

DILAPIDATION CHARGES

During the year the Directors undertook an exercise to identify the dilapidation liability that has been created since the inception of a number of leases throughout the group. The directors have valued this dilapidation liability at 31 December 2005 to be £350,000. This has been based on independent valuation and adjustment on specific factors excluded from the valuation.

5 EXCEPTIONAL ITEMS

In the comparative year, the carrying values of the fixed assets were reviewed with reference to physical existence and current value. The exercise identified a number of fixed assets that had not been depreciated and assets that had been scrapped or disposed, for which no transactions had been recorded. This exercise identified a reduction in the carrying value of the fixed assets of £1,587,000. This write off is recorded as an exceptional item. Goodwill amounting to £3,207,000 purchased prior to the implementation of FRS 10 was eliminated against the profit and loss reserve. Subsequently the business to which it related has been disposed and the goodwill is charged to the profit and loss account. Because of the tax loss position of the company, the exceptional item did not result in any related tax credit in the profit and loss account.

Glenvarigill Company Limited

Notes to the Financial Statements continued
for the Year Ended 31 December 2005

6 INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.05	31.12.04
	£'000	£'000
Bank overdrafts	413	349
Other loans	468	1,115
Other interest	595	637
	<u>1,476</u>	<u>2,101</u>

7 TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows

	31.12.05	31.12.04
	£'000	£'000
Deferred tax	-	744
Tax on loss on ordinary activities	-	744

Factors that may affect future tax charges

The Company has trading and capital losses carried forward that equate to a potential deferred tax asset of £5,359,000 (2004 £4,991,000). The asset has not been recorded in accordance with the provisions of FRS 19

8 INTANGIBLE FIXED ASSETS

	Goodwill
	£'000
COST	
At 1 January 2005	
and 31 December 2005	<u>557</u>
AMORTISATION	
At 1 January 2005	257
Amortisation for year	<u>69</u>
At 31 December 2005	<u>326</u>
NET BOOK VALUE	
At 31 December 2005	<u>231</u>
At 31 December 2004	<u>300</u>

Glenvarigill Company Limited

Notes to the Financial Statements continued
for the Year Ended 31 December 2005

9 TANGIBLE FIXED ASSETS

	Freehold property £'000	Improvements to property £'000	Plant and machinery £'000	Fixtures and fittings £'000	Totals £'000
COST OR VALUATION					
At 1 January 2005	2,930	228	1,891	309	5,358
Additions	821	4	110	11	946
Disposals	—	—	(102)	(8)	(110)
At 31 December 2005	<u>3,751</u>	<u>232</u>	<u>1,899</u>	<u>312</u>	<u>6,194</u>
DEPRECIATION					
At 1 January 2005	380	78	1,346	220	2,024
Charge for year	93	2	257	49	401
Eliminated on disposal	—	—	(13)	(2)	(15)
At 31 December 2005	<u>473</u>	<u>80</u>	<u>1,590</u>	<u>267</u>	<u>2,410</u>
NET BOOK VALUE					
At 31 December 2005	<u>3,278</u>	<u>152</u>	<u>309</u>	<u>45</u>	<u>3,784</u>
At 31 December 2004	<u>2,550</u>	<u>150</u>	<u>545</u>	<u>89</u>	<u>3,334</u>

Included in the net book value of fixtures and fittings is the amount of £24,000 (2004 £24,000) in respect of personalised number plates

Freehold property was revalued at 31 December 2004 on the basis of certain indicative offers received by potential purchasers. The directors believe the carrying value of Freehold property is not materially different to the current open market value

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £'000
COST OR VALUATION	
At 1 January 2005 and 31 December 2005	<u>98</u>
DEPRECIATION	
At 1 January 2005	43
Charge for year	<u>6</u>
At 31 December 2005	<u>49</u>
NET BOOK VALUE	
At 31 December 2005	<u>49</u>
At 31 December 2004	<u>55</u>

Glenvarigill Company Limited

Notes to the Financial Statements continued
for the Year Ended 31 December 2005

10 STOCKS

	31.12.05	31 12 04
	£'000	£'000
New and used vehicles	11,691	16,052
Parts	563	735
Work in progress	46	82
	<u>12,300</u>	<u>16,869</u>

New and used vehicle stock excludes vehicles on consignment which are held on a sale or return basis from the manufacturers. Title to the stock passes to the company at the earlier of when the vehicle is sold or between 90 and 180 days from date of consignment. The manufacturers retain the right to re-allocate consigned vehicles. Deposits are required on certain vehicles which are subsequently repaid at the adoption date. At 31 December 2005 the consigned stock totalled £3 247,000 (2004 £4,052,000)

11 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.05	31 12 04
	£'000	£'000
Trade debtors	2,614	2,580
Other debtors	389	1 163
Prepayments and accrued income	329	355
	<u>3,332</u>	<u>4,098</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.05	31 12 04
	£'000	£'000
Bank loans and overdrafts (see note 14)	272	200
Hire purchase contracts (see note 15)	26	40
Trade creditors	12,514	14,875
Social security and other taxes	282	426
Other creditors	470	678
Accrued expenses	1,771	1,116
Payments in advance	173	133
	<u>15,508</u>	<u>17,468</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.05	31 12 04
	£'000	£'000
Hire purchase contracts (see note 15)	26	100
Amounts owed to group undertakings	<u>19,083</u>	<u>18,723</u>
	<u>19,109</u>	<u>18,823</u>

The repayment terms of the parent company loan are reviewed on an annual basis. Repayment of the loan is not due to commence until 2007 at the earliest.

Glenvarigill Company Limited

Notes to the Financial Statements continued
for the Year Ended 31 December 2005

14 LOANS

An analysis of the maturity of loans is given below

	31.12.05	31 12 04
	£'000	£'000
Amounts falling due within one year or on demand		
Bank overdrafts	<u>272</u>	<u>200</u>

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	31.12.05	31 12 04
	£'000	£'000
Net obligations repayable		
Within one year	26	40
Between one and five years	<u>26</u>	<u>100</u>
	<u>52</u>	<u>140</u>

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	31.12.05	31 12 04	31.12 05	31 12 04
	£'000	£'000	£'000	£'000
Expiring				
Within one year			48	2
Between one and five years	105	98	33	94
In more than five years	<u>734</u>	<u>770</u>	<u>11</u>	<u> </u>
	<u>839</u>	<u>868</u>	<u>92</u>	<u>96</u>

16 SECURED DEBTS

The following secured debts are included within creditors

	31.12.05	31 12 04
	£'000	£'000
Bank overdrafts	272	200
Trade creditors	<u>3,247</u>	<u>4,052</u>
	<u>3,519</u>	<u>4,252</u>

Bank loans and overdrafts are repayable on demand. They are secured by bonds and floating charges over the whole of the company's assets, along with cross guarantees from all group companies and an assignment of Keyman Life Assurance policies.

Trade creditors represents cars held on consignment, and these cars are normally purchased before the expiry of the adoption period.

Glenvarigill Company Limited

Notes to the Financial Statements continued
for the Year Ended 31 December 2005

17 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid		Nominal value	31.12.05 £	31.12.04 £
Number	Class			
10,000,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

18 RESERVES

	Profit and loss account £'000	Revaluation reserve £'000	Totals £'000
At 1 January 2005	(22,338)	650	(21,688)
Deficit for the year	<u>(3,282)</u>		<u>(3,282)</u>
At 31 December 2005	<u>(25,620)</u>	<u>650</u>	<u>(24,970)</u>

19 ULTIMATE PARENT COMPANY

The company's parent company is Glenvarigill Group Limited a company registered in Scotland. Copies of the accounts of Glenvarigill Group Limited may be obtained from

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

20 CONTINGENT LIABILITIES

The company has entered into cross guarantee arrangements with its principal bankers in respect of the bank borrowings of Glenvarigill Group Limited and its subsidiary undertakings. At 31 December 2005 group borrowings amounted to £15,999,000 (2004 £22,450,000).

21 RELATED PARTY DISCLOSURES

During the year, Glenrental Limited, a company in which Timothy Bartlett (a Director during the year) is the sole shareholder, purchased used vehicles for a total of £ 4,000 (2004 £89,550). As at 31 December 2005, £ 4,000 (2004 £3,097) was due from Glenrental Limited in respect of these vehicles. This amount is included in trade debtors due within one year.

There were no other material transactions or amounts owed or owing with any of the Group's directors or members of their close family.

Glenvarigill Company Limited

Notes to the Financial Statements continued
for the Year Ended 31 December 2005

22 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.12.05	31 12 04
	£'000	£'000
Loss for the financial year	(3,282)	(12,062)
Other recognised gains and losses relating to the year (net)	—	3,857
Net reduction of shareholders' funds	(3,282)	(8,205)
Opening shareholders' funds	(11,688)	(3,483)
Closing shareholders' funds	(14,970)	(11,688)
 Equity interests	 (14,970)	 (11,688)