

REGISTERED NUMBER: SC043039 (Scotland)

Report of the Director and
Financial Statements for the Year Ended 31 December 2007
for
Glenvarigill Company Limited

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Glenvarigill Company Limited

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for the Year Ended 31 December 2007

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Glenvarigill Company Limited
Company Information
for the Year Ended 31 December 2007

DIRECTOR:	K E Lamb
SECRETARY:	MD Secretaries Limited
REGISTERED OFFICE:	The Triangle Dunkeld Road Perth PH1 3GA
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 2007

The director presents his report with the financial statements of the company for the year ended 31 December 2007.

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 financial statements have been prepared on a break up basis as it is expected the business will be liquidated in 2009.

On 30 May 2007, the company disposed of its Honda trading operations to a fellow subsidiary undertaking Manor Oak (HMG) Limited.

On 30 May 2007, the company disposed of its Peugeot trading operations to a fellow subsidiary undertaking Manor Oak (PMG) Limited.

Both transactions were undertaken on an arms length basis.

The directors report a loss before taxation for the period of £1,593,000 (2006 Profit £287,000).

This result is disappointing but arises largely from central costs incurred during the course of the year and following the business disposals.

Financial position

The Company has negative net assets and does not trade. It is the expectation of the director that the company will be placed in liquidation in 2009.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2007.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR

K E Lamb held office during the whole of the period from 1 January 2007 to the date of this report.

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 2007

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

ON BEHALF OF THE BOARD:

Alan Drumm
DIRECTOR FOR AND ON BEHALF OF

MD Secretaries Limited - Secretary

Date: 5 FEBRUARY 2009

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 2007 on pages five to thirteen. 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

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

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 Director 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 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, except that the scope of our work was limited as explained below.

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 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.

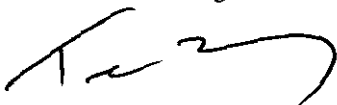
Without qualifying our opinion, we draw attention to Note 1 of the financial statements and the basis of preparation which indicates that in order to continue operating as a going concern the company is exposed to significant risks and uncertainties and the availability of funding.

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 2007 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 Director is consistent with the financial statements.



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

Date: 5.2.09

Glenvarigill Company Limited

Profit and Loss Account
for the Year Ended 31 December 2007

	Notes	31.12.07 £'000	£'000	31.12.06 £'000	£'000
TURNOVER			32,682		95,710
Continuing operations		-		48,237	
Discontinued operations		<u>32,682</u>		<u>47,473</u>	
 Cost of sales	2		<u>31,843</u>		<u>93,163</u>
GROSS PROFIT	2		839		2,547
Net operating expenses	2		<u>1,834</u>		<u>3,344</u>
OPERATING LOSS	4		(995)		(797)
Continuing operations		-		(699)	
Discontinued operations		<u>(995)</u>		<u>(98)</u>	
 Profit on disposal of fixed assets			<u>415</u>		<u>2,418</u>
			(580)		1,621
 Interest payable and similar charges	5		<u>1,013</u>		<u>1,334</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(1,593)		287
Tax on (loss)/profit on ordinary activities	6		-		-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			<u>(1,593)</u>		<u>287</u>

TOTAL RECOGNISED GAINS AND LOSSES

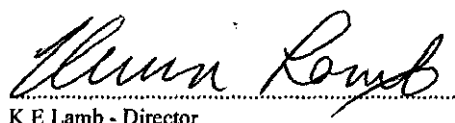
The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

Glenvarigill Company Limited

Balance Sheet
31 December 2007

	Notes	31.12.07 £'000	£'000	31.12.06 £'000	£'000
FIXED ASSETS					
Intangible assets	7		-		39
Tangible assets	8		<u>-</u>		<u>2,213</u>
			-		2,252
CURRENT ASSETS					
Stocks	9	-		4,243	
Debtors	10	3,084		2,871	
Assets held for resale		1,017		-	
Cash in hand		<u>-</u>		<u>7</u>	
		4,101		7,121	
CREDITORS					
Amounts falling due within one year	11	<u>20,377</u>		<u>16,003</u>	
NET CURRENT LIABILITIES			(16,276)		(8,882)
TOTAL ASSETS LESS CURRENT LIABILITIES			(16,276)		(6,630)
CREDITORS					
Amounts falling due after more than one year	12		<u>-</u>		<u>8,053</u>
NET LIABILITIES			<u>(16,276)</u>		<u>(14,683)</u>
CAPITAL AND RESERVES					
Called up share capital	16		10,000		10,000
Revaluation reserve	17		650		650
Profit and loss account	17		<u>(26,926)</u>		<u>(25,333)</u>
SHAREHOLDERS' FUNDS			(16,276)		(14,683)

The financial statements were approved by the director on 5 February 2009 and were signed by:


K E Lamb - Director

Glenvarigill Company Limited

Notes to the Financial Statements
for the Year Ended 31 December 2007

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on a break-up basis and in accordance with applicable accounting standards. They have not been prepared on a going concern basis as the company is no longer trading and liquidation is expected in 2009.

As the company is a wholly owned subsidiary of Manor Oak Motor 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 Manor Oak Motor Group Limited can be obtained from the address given in note 18.

Changes in accounting policies

The principal impact of preparing the accounts on a break up basis has been to transfer fixed assets to current assets held for resale at the lower of cost and net realisable value. In addition, liabilities in excess of one year have been reclassified to amounts falling due within one year

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.

Freehold property	- 2% on cost or valuation
Improvements to property	- Over the period of the lease
Plant and machinery	- Between 20% - 33% 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.

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.

Pension costs and other post-retirement benefits

The company participates in a group 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.

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.

Glenvarigill Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

2. ANALYSIS OF OPERATIONS

	Continuing £'000	31.12.07 Discontinued £'000	Total £'000
Cost of sales	<u>-</u>	<u>31,843</u>	<u>31,843</u>
Gross profit	<u>-</u>	<u>839</u>	<u>839</u>
Net operating expenses:			
Administrative expenses	-	2,130	2,130
Other operating income	<u>-</u>	<u>(296)</u>	<u>(296)</u>
	<u>-</u>	<u>1,834</u>	<u>1,834</u>

	Continuing £'000	31.12.06 Discontinued £'000	Total £'000
Cost of sales	<u>47,171</u>	<u>45,992</u>	<u>93,163</u>
Gross profit	<u>1,066</u>	<u>1,481</u>	<u>2,547</u>
Net operating expenses:			
Administrative expenses	2,210	1,998	4,208
Other operating income	<u>(445)</u>	<u>(419)</u>	<u>(864)</u>
	<u>1,765</u>	<u>1,579</u>	<u>3,344</u>

3. STAFF COSTS

	31.12.07 £'000	31.12.06 £'000
Wages and salaries	1,716	5,210
Social security costs	169	516
Other pension costs	<u>1</u>	<u>25</u>
	<u>1,886</u>	<u>5,751</u>

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

	31.12.07	31.12.06
Management and administration	12	32
Sales and service	<u>55</u>	<u>203</u>
	<u>67</u>	<u>235</u>

Glenvarigill Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

4. OPERATING LOSS

The operating loss is stated after charging:

	31.12.07	31.12.06
	£'000	£'000
Hire of plant and machinery	32	46
Other operating leases	773	888
Depreciation - owned assets	104	336
Depreciation - assets on hire purchase contracts	-	8
Goodwill amortisation	-	28
Auditors' remuneration	30	30
Dilapidation charges	-	50
	<u>-</u>	<u>-</u>

	31.12.07	31.12.06
	£	£
Director's emoluments	75,000	97,500
Director's pension contributions to money purchase schemes	<u>-</u>	<u>2,000</u>

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

Money purchase schemes	<u>-</u>	<u>1</u>
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5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.07	31.12.06
	£'000	£'000
Bank overdrafts	716	511
Other loans	224	328
Other interest	<u>73</u>	<u>495</u>
	<u>1,013</u>	<u>1,334</u>

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2007 nor for the year ended 31 December 2006.

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 £5,800,000 (2006 - £5,800,000). The asset has not been recorded in accordance with the provisions of FRS 19.

Glenvarigill Company Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2007**

7. INTANGIBLE FIXED ASSETS

	Goodwill £'000
COST	
At 1 January 2007	53
Disposals	<u>(53)</u>
At 31 December 2007	<u>-</u>
AMORTISATION	
At 1 January 2007	14
Eliminated on disposal	<u>(14)</u>
At 31 December 2007	<u>-</u>
NET BOOK VALUE	
At 31 December 2007	<u>-</u>
At 31 December 2006	<u>39</u>

8. 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 2007	2,123	72	980	116	3,291
Additions	-	-	5	2	7
Disposals	(813)	-	(176)	(75)	(1,064)
Transfer to current assets	<u>(1,310)</u>	<u>(72)</u>	<u>(809)</u>	<u>(43)</u>	<u>(2,234)</u>
At 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEPRECIATION					
At 1 January 2007	72	43	858	104	1,077
Charge for year	29	3	70	2	104
Eliminated on disposal	(47)	-	(140)	(65)	(252)
Transfer to current assets	<u>(54)</u>	<u>(46)</u>	<u>(788)</u>	<u>(41)</u>	<u>(929)</u>
At 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE					
At 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2006	<u>2,051</u>	<u>29</u>	<u>122</u>	<u>12</u>	<u>2,214</u>

Included in the net book value of fixtures and fittings is the amount of £nil (2006 - £24,000) in respect of personalised number plates.

9. STOCKS

	31.12.07 £'000	31.12.06 £'000
New and used vehicles	-	4,002
Parts	-	226
Work-in-progress	<u>-</u>	<u>15</u>
	<u>-</u>	<u>4,243</u>

Glenvarigill Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.07	31.12.06
	£'000	£'000
Trade debtors	106	1,450
Amounts owed by group undertakings	2,564	-
Other debtors	196	1,142
Social security and other taxes	76	-
Prepayments and accrued income	<u>142</u>	<u>279</u>
	<u><u>3,084</u></u>	<u><u>2,871</u></u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.07	31.12.06
	£'000	£'000
Bank loans and overdrafts (see note 13)	5,590	9,913
Hire purchase contracts (see note 14)	-	8
Trade creditors	57	4,670
Amounts owed to group undertakings	13,224	-
Social security and other taxes	-	163
Other creditors	281	93
Accrued expenses	1,015	877
Payments in advance	<u>210</u>	<u>279</u>
	<u><u>20,377</u></u>	<u><u>16,003</u></u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.07	31.12.06
	£'000	£'000
Bank loans (see note 13)	-	525
Hire purchase contracts (see note 14)	-	8
Amounts owed to group undertakings	<u>-</u>	<u>7,520</u>
	<u><u>-</u></u>	<u><u>8,053</u></u>

13. LOANS

An analysis of the maturity of loans is given below:

	31.12.07	31.12.06
	£'000	£'000
Amounts falling due within one year or on demand:		
Bank overdrafts	5,590	9,843
Bank loans	<u>-</u>	<u>70</u>
	<u><u>5,590</u></u>	<u><u>9,913</u></u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>70</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>210</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans - over 5 years	<u>-</u>	<u>245</u>

Glenvarigill Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	31.12.07	31.12.06
	£'000	£'000
Net obligations repayable:		
Within one year	-	8
Between one and five years	-	8
	<u>-</u>	<u>16</u>

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

	Land and buildings		Other operating leases	
	31.12.07	31.12.06	31.12.07	31.12.06
	£'000	£'000	£'000	£'000
Expiring:				
Within one year	62	-	37	33
Between one and five years	-	290	4	9
In more than five years	<u>578</u>	<u>581</u>	<u>-</u>	<u>-</u>
	<u>640</u>	<u>871</u>	<u>41</u>	<u>42</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.07	31.12.06
	£'000	£'000
Bank overdrafts	5,590	9,843
Bank loans	<u>-</u>	<u>595</u>
	<u>5,590</u>	<u>10,438</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 certain group companies and an assignment of Keyman Life Assurance policies.

16. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.07	31.12.06
			£'000	£'000
10,000,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

17. RESERVES

	Profit and loss account £'000	Revaluation reserve £'000	Totals £'000
At 1 January 2007	(25,333)	650	(24,683)
Deficit for the year	<u>(1,593)</u>	<u>-</u>	<u>(1,593)</u>
At 31 December 2007	<u>(26,926)</u>	<u>650</u>	<u>(26,276)</u>

Glenvarigill Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

18. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Manor Oak Motor Group Limited, a company registered in England. The company's immediate parent company is Manor Oak Holdings Limited (previously Glenvarigill Group Limited), a company registered in Scotland. Copies of the accounts of Manor Oak Motor Group Limited and Manor Oak Holdings Limited may be obtained from:

The Registrar of Companies
Companies House
Crown Way
Maindy
Cardiff
CF14 3UZ

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

19. CONTINGENT LIABILITIES

The company has entered into cross-guarantee arrangements with its principal bankers in respect of the bank borrowings of certain group undertakings being Manor Oak Property Limited, Manor Oak Holdings Limited and Manor Oak Motor Group Limited.

20. POST BALANCE SHEET EVENTS

Missives were agreed on 1 February 2008 for the sale of the freehold property at Colinton Road, Edinburgh. The property, valued in the financial statements at £1,050,000 was subsequently agreed for sale at £1,650,000 creating a gain on sale of £600,000.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.07	31.12.06
	£'000	£'000
(Loss)/Profit for the financial year	<u>(1,593)</u>	<u>287</u>
Net (reduction)/addition to shareholders' funds	(1,593)	287
Opening shareholders' funds	<u>(14,683)</u>	<u>(14,970)</u>
Closing shareholders' funds	<u>(16,276)</u>	<u>(14,683)</u>