

DIRECTORS' REPORT

The directors present their report, together with the accounts for the year ended 30<sup>th</sup> November 2008.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES

The principal activity of the company is that of the sale of cars and car repairs.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests (including family interests) in the shares of the company at the beginning and end of the year, were as follows:

	<u>2008</u>		<u>2007</u>	
	Ordinary Shares of £1 each	A Ordinary Shares of £1 each	Ordinary Shares of £1 each	A Ordinary Shares of £1 each
W Morgan	4,500	-	4,500	-
M Thomas	-	1,500	-	1,500
M Hulme	4,500	-	4,500	-
T Pell	4,500	-	4,500	-

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

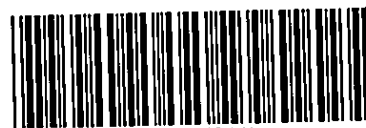
By Order of the Board

*Trevor Pell*

T PELL  
Secretary

12<sup>th</sup> February 2009

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HURLEYHOUSE (CARS) LIMITEDPROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30<sup>TH</sup> NOVEMBER 2008

	<u>Note</u>	<u>2008</u> £	<u>2007</u> £
TURNOVER	1	1,575,741	1,648,433
Cost of Sales		(1,321,870)	(1,385,490)
		<hr/>	<hr/>
GROSS PROFIT		253,871	262,943
Administrative Expenses		(248,015)	(243,354)
		<hr/>	<hr/>
OPERATING PROFIT	2	5,856	19,589
Interest Receivable		11	-
Interest Payable & Similar Charges		(2,639)	(2,387)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,228	17,202
Taxation	3	(894)	(2,919)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION, BEING THE PROFIT FOR THE FINANCIAL YEAR		2,334	14,283
		<hr/>	<hr/>

HURLEYHOUSE (CARS) LIMITEDBALANCE SHEET AS AT 30<sup>TH</sup> NOVEMBER 2008

	<u>Note</u>	<u>2008</u> £	<u>2007</u> £
<b>FIXED ASSETS</b>			
Tangible Assets	4	13,852	18,486
<b>CURRENT ASSETS</b>			
Stock		110,659	162,879
Debtors	5	15,354	21,225
Cash at Bank and in Hand		17,199	180
		<hr/> 143,212	<hr/> 184,284
CREDITORS: Amounts falling due within one year	6	(43,496)	(89,962)
<b>NET CURRENT ASSETS</b>		<hr/> 99,716	<hr/> 94,322
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> 113,568	<hr/> 112,808
CREDITORS: Amounts falling due after one year	7	(1,539)	(3,113)
		<hr/> 112,029	<hr/> 109,695
<b>CAPITAL &amp; RESERVES</b>			
Called up Share Capital	8	15,000	15,000
Share Premium Account	9	9,000	9,000
Profit & Loss Account	10	88,029	85,695
		<hr/> 112,029	<hr/> 109,695

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These accounts have not been audited because the company is entitled to the exemption provided by Section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the period, in accordance with Section 249B(2).

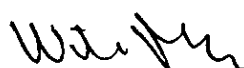
The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

Approved on behalf of the Board on 12<sup>th</sup> February 2009 by:



T PELL  
DIRECTOR



W MORGAN  
DIRECTOR

## HURLEYHOUSE (CARS) LIMITED

### DIRECTORS' RESPONSIBILITIES & ACCOUNTING POLICIES

#### DIRECTORS' RESPONSIBILITIES

In respect of preparation of the accounts:

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the directors 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 year. In preparing those accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare financial statements on a 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### ACCOUNTING POLICIES

##### Accounting Convention

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) under the historical cost convention.

##### Turnover

Turnover represents the fair value of goods and services supplied net of VAT during the year.

##### Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their useful lives:

Plant & Equipment – 25% reducing balance

##### Stock

Stocks are stated at the lower of cost and net realisable value on a first in, first out basis.

##### Deferred Taxation

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences, except for deferred tax assets, which are only recognised to the extent that they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.

##### Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to prevailing market rate is shorter than the full lease term, in which case, the shorter term is used.

HURLEYHOUSE (CARS) LIMITEDNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> NOVEMBER 20081. TURNOVER

The turnover is attributable to the principal activity and is within the UK.

2. <u>OPERATING PROFIT</u>	<u>2008</u>	<u>2007</u>
	£	£
This is stated after charging:		
Depreciation	4,617	6,161
Loss on Disposal of Fixed Assets	899	70
Directors' Emoluments	119,899	117,786
	<u>          </u>	<u>          </u>

3. TAXATION

Current taxation:

Corporation Tax	894	2,919
	<u>          </u>	<u>          </u>

4. TANGIBLE ASSETS

<u>COST</u>	<u>Plant &amp; Equipment</u>
	£
As at 1 <sup>st</sup> December 2007	61,722
Additions in the Year	882
Disposals	(3,225)
	<u>          </u>

As at 30 <sup>th</sup> November 2008	59,379
	<u>          </u>

DEPRECIATION

As at 1 <sup>st</sup> December 2007	43,236
Charged in the Year	4,617
Disposals	(2,326)
	<u>          </u>

As at 30 <sup>th</sup> November 2008	45,527
	<u>          </u>

NET BOOK VALUE

As at 30 <sup>th</sup> November 2008	13,852
	<u>          </u>

As at 1 <sup>st</sup> December 2007	18,486
	<u>          </u>

5. DEBTORS

	<u>2008</u>	<u>2007</u>
	£	£
Trade Debtors	3,644	5,010
Other Debtors	11,710	16,215
	<u>          </u>	<u>          </u>
	15,354	21,225
	<u>          </u>	<u>          </u>

HURLEYHOUSE (CARS) LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> NOVEMBER 2008 (Cont'd/...)

6. <u>CREDITORS: Amounts falling due within one year</u>	<u>2008</u>	<u>2007</u>
	£	£
Bank Overdraft & Loan (secured)	1,887	50,780
Corporation tax	894	2,919
Directors' Loan Account	78	78
Trade Creditors	12,979	18,437
Social Security & Other Taxes	12,451	8,221
Other Creditors	15,207	9,527
	<hr/>	<hr/>
	43,496	89,962
	<hr/>	<hr/>
7. <u>CREDITORS: Amounts falling due after one year</u>		
Bank Loan (secured)	1,539	3,113
	<hr/>	<hr/>
8. <u>SHARE CAPITAL</u>		
The authorised share capital comprises:		
18,500 Ordinary shares of £1 each	18,500	18,500
1,500 A Ordinary shares of £1 each	1,500	1,500
	<hr/>	<hr/>
	20,000	20,000
	<hr/>	<hr/>
Called up, allotted & fully paid:		
13,500 Ordinary shares of £1 each	13,500	13,500
1,500 A Ordinary shares of £1 each	1,500	1,500
	<hr/>	<hr/>
	15,000	15,000
	<hr/>	<hr/>
9. <u>SHARE PREMIUM ACCOUNT</u>	£	
Balance at 1 <sup>st</sup> December 2007 & 30 <sup>th</sup> November 2008	9,000	
	<hr/>	
10. <u>PROFIT &amp; LOSS ACCOUNT</u>		
Balance at 1 <sup>st</sup> December 2007	85,695	
Retained profit for the year	2,334	
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Balance at 30 <sup>th</sup> November 2008	88,029	
	<hr/>	
11. <u>OTHER FINANCIAL COMMITMENTS</u>		
At the year end, the company had annual commitments under non-cancellable operating leases due as follows:		
Expiring:	£	
Less than one year	4,282	
Between one and two years	2,400	
	<hr/>	
	6,682	
	<hr/>	

HURLEYHOUSE (CARS) LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> NOVEMBER 2008 (Cont'd/...)12. RELATED PARTY TRANSACTIONS

The company purchased cars from a business controlled by Mr Hulme, a director of the company. These purchases amounted to £275,904 and are included under cost of sales in the Profit & Loss Account.

The company paid rent during the year of £28,521 to Hurleyhouse Properties Ltd, a company with common shareholders. In addition, the company paid certain expenses on behalf of Hurleyhouse Properties Ltd and at the year end, the company was owed £6,943 by Hurleyhouse Properties Ltd.

The directors have provided personal guarantees for the bank and loan facilities.

13. CONTROL

The company is controlled by the directors who own 100% of the issued share capital.