

S G. SMITH (MOTORS) LIMITED



Directors' Report And Financial Statements

For the year ended 31 December 2010

Company Registration No 00287379 (England And Wales)

# S G SMITH (MOTORS) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R C D Smith M J Wilson
<b>Secretary</b>	M J Wilson
<b>Company number</b>	00287379
<b>Registered office</b>	25 Dulwich Village London SE21 7BW
<b>Auditors</b>	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

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# S G SMITH (MOTORS) LIMITED

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# S. G SMITH (MOTORS) LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

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The directors present their report and financial statements for the year ended 31 December 2010

### **Principal activities and review of the business**

The principal activity of the company continued to be that of property holding

### **Results and dividends**

The results for the year are set out on page 5

### **Directors**

The following directors have held office since 1 January 2010

R C D Smith  
M J Wilson

### **Auditors**

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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.

# S G SMITH (MOTORS) LIMITED

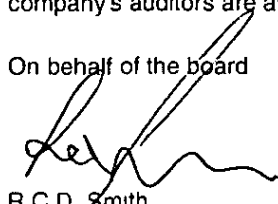
## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

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### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

A handwritten signature in black ink, appearing to be 'R C D Smith', written over the text 'On behalf of the board'.

R C D Smith

**Director**

26 September 2011

# S G SMITH (MOTORS) LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S G SMITH (MOTORS) LIMITED

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We have audited the financial statements of S G Smith (Motors) Limited for the year ended 31 December 2010 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 and express an opinion on 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- 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.

# S. G SMITH (MOTORS) LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF S G SMITH (MOTORS) LIMITED

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### 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, or

*Christopher Lane*

Christopher Lane (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP

29/9/11

Chartered Accountants  
Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

# S G SMITH (MOTORS) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
<b>Turnover</b>	<b>2</b>	181,764	173,345
Cost of sales		(39,248)	(43,756)
<b>Gross profit</b>		142,516	129,589
Administrative expenses		(30,234)	(41,592)
Other operating charges		(61,750)	(62,937)
Other operating income		1,235	135
<b>Operating profit</b>	<b>3</b>	51,767	25,195
Interest payable and similar charges	<b>4</b>	(53,989)	(59,993)
<b>Loss on ordinary activities before taxation</b>		(2,222)	(34,798)
Tax on loss on ordinary activities	<b>5</b>	(6,003)	(3,770)
<b>Loss for the year</b>	<b>11</b>	(8,225)	(38,568)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

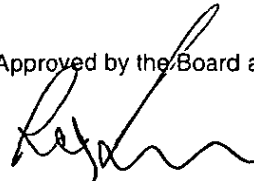


# S G SMITH (MOTORS) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2010

	Notes	2010 £	£	2009 £	£
<b>Fixed assets</b>					
Tangible assets	6		926,328		944,908
<b>Current assets</b>					
Debtors	7	684,649		674,867	
<b>Creditors amounts falling due within one year</b>	8	<u>(74,832)</u>		<u>(75,019)</u>	
<b>Net current assets</b>			609,817		599,848
<b>Total assets less current liabilities</b>			1,536,145		1,544,756
<b>Provisions for liabilities</b>	9		-		(386)
			<u>1,536,145</u>		<u>1,544,370</u>
<b>Capital and reserves</b>					
Called up share capital	10		3,000		3,000
Revaluation reserve	11		628,920		628,920
Profit and loss account	11		904,225		912,450
<b>Shareholders' funds</b>	12		<u>1,536,145</u>		<u>1,544,370</u>

Approved by the Board and authorised for issue on 26 September 2011

  
R C D Smith  
Director

Company Registration No 00287379

# S. G. SMITH (MOTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.3 Turnover

Turnover represents rent receivable net of VAT

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, using the straight-line method as follows

Freehold buildings	2%
Plant and machinery	10 - 33%
Fixtures, fittings & equipment	10 - 33%
Motor vehicles	10 - 33%

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

#### 1.6 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

### 3 Operating profit

	2010	2009
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	18,580	18,685
Auditors' remuneration		
-audit	1,125	1,125
-non audit	375	375
	<u>          </u>	<u>          </u>

# S G SMITH (MOTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

<b>4</b>	<b>Interest payable</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	47,844	56,784
	Trade interest	6,145	3,209
		<u>53,989</u>	<u>59,993</u>
<b>5</b>	<b>Taxation</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	6,987	3,944
	<b>Total current tax</b>	<u>6,987</u>	<u>3,944</u>
	<b>Deferred tax</b>		
	Deferred tax charge credit current year	(984)	(174)
		<u>6,003</u>	<u>3,770</u>
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(2,222)	(34,798)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2009 - 28.00%)	<u>(467)</u>	<u>(9,743)</u>
	Effects of		
	Depreciation add back	3,902	3,888
	Capital allowances	(333)	-
	Group relief	3,885	(1,315)
	Small companies relief	-	15,900
	Other tax adjustments	-	(4,786)
		<u>7,454</u>	<u>13,687</u>
	<b>Current tax charge for the year</b>	<u>6,987</u>	<u>3,944</u>

# S G. SMITH (MOTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

### 6 Tangible fixed assets

	Freehold buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 January 2010	1,061,015	3,572	9,392	30,378	1,104,357
Disposals	-	-	-	(8,062)	(8,062)
At 31 December 2010	1,061,015	3,572	9,392	22,316	1,096,295
<b>Depreciation</b>					
At 1 January 2010	125,874	2,125	4,853	26,597	159,449
On disposals	-	-	-	(8,062)	(8,062)
Charge for the year	13,018	560	1,221	3,781	18,580
At 31 December 2010	138,892	2,685	6,074	22,316	169,967
<b>Net book value</b>					
At 31 December 2010	922,123	887	3,318	-	926,328
At 31 December 2009	935,141	1,447	4,539	3,781	944,908

### 7 Debtors

	2010 £	2009 £
Trade debtors	43,414	60,956
Amounts owed by parent and fellow subsidiary undertakings	626,843	588,514
Other debtors	-	5,334
Prepayments and accrued income	13,794	20,063
Deferred tax asset (see note 9)	598	-
	684,649	674,867

# S G SMITH (MOTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

<b>8 Creditors amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade creditors	21,052	26,590
Corporation tax	6,987	3,944
Other creditors	41,040	41,067
Accruals and deferred income	5,753	3,418
	<u>74,832</u>	<u>75,019</u>

### 9 Deferred tax

The deferred tax asset (included in debtors, note 7) is made up as follows

	<b>2010</b>
	<b>£</b>
Balance at 1 January 2010	386
Credit in the year	(984)
Balance at 31 December 2010	<u>(598)</u>

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
(Decelerated)/accelerated capital allowances	<u>(598)</u>	<u>386</u>

<b>10 Share capital</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
3,000 Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>

# S G SMITH (MOTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

### 11 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 January 2010	628,920	912,450
Loss for the year	-	(8,225)
Balance at 31 December 2010	628,920	904,225

### 12 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Loss for the financial year	(8,225)	(38,568)
Opening shareholders' funds	1,544,370	1,582,938
Closing shareholders' funds	1,536,145	1,544,370

### 13 Contingent liabilities

The company has provided joint and several guarantees to secure loan and overdraft facilities to group undertakings. The amounts advanced under these facilities at 31 December 2010 were £103,116 (2009 £45,616).

In addition, the company's freehold property is charged to the company's bankers to secure advances made to the company.

# S G SMITH (MOTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

### 14 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
Production and sales	2	3
Administration	2	2
	<u>4</u>	<u>5</u>

#### Employment costs

	2010 £	2009 £
Wages and salaries	63,807	76,004
Social security costs	5,567	6,439
	<u>69,374</u>	<u>82,443</u>

### 15 Ultimate parent undertaking

The ultimate parent company is S G Smith (Motors) Insurance and Management Services Limited, a company registered in England and Wales. S G Smith (Motors) Insurance and Management Services Limited prepares group financial statements and copies can be obtained from 25 Dulwich Village, London, SE21 7BW.

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

### 16 Related party relationships and transactions

The company is controlled by R C D Smith, the chairman, by virtue of this shareholding and those of trusts of which he is a trustee.