

Registration number: 587618

Leeds Commercial Limited

Directors' Report and Abbreviated Accounts
for the Year Ended 30 September 2008

Fullertons
Chartered Accountants & Registered Auditors
Westbourne House
60 Bagley Lane
Farsley
Leeds
LS28 5LY

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Leeds Commercial Limited

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Leeds Commercial Limited
Company Information

Directors	G M Parkin C J Miller A Bagglely
Secretary	G M Parkin
Registered office	The Roundhouse Wellington Road Leeds West Yorkshire England LS12 1DR
Auditors	Fullertons Chartered Accountants & Registered Auditors Westbourne House 60 Bagley Lane Farsley Leeds LS28 5LY

Leeds Commercial Limited
Directors' Report for the Year Ended 30 September 2008

The directors present their report and the audited financial statements for the year ended 30 September 2008.

Principal activity

The principal activity of the company is Vehicle hire.

Business review

Managing Director's review of the year

Review of the Years Operations

The company has continue to maintain five operating depots: Leeds, Bradford, Barnsley, Sherburn and Manchester. All depots have been fully operational during the year and have contributed positively to the result for the year. The company has during this year opened a small depot in the Midlands anticipating future growth.

Development and performance of the business

	2008
Turnover	£20,196,764
Turnover growth	5%
Gross profit margin	27%
Profit before tax	£1,304,256
Turnover and profit	

Turnover increased largely as a result of growth in the value of the fleet and tighter control of vehicle utilisation. This is an improvement on the previous years performance. Profits after tax increased to £905,754 due to the positive effect of profits from vehicle disposals. The current year is not expected to show a similar result due to pressure on profits from the economic downturn, although costs will be vigorously reviewed for possible savings. The company does expect to see reduced interest costs from the dramatic reduction in interest rates.

Fleet portfolio

The company will continue to invest only where necessary to maintain its rental fleet, particularly in view of the control of emissions regulations being introduced to the commercial vehicle market. The size of the fleet at the year end is not significantly different from last year.

Position of the business

At the end of the year, the net assets totalled £6,679,140.

Principal risks and uncertainties

The commercial vehicle hire market has suffered a significant downturn since the year end. Current indications are that rates will remain under pressure for at least the next twelve months. We anticipate that 2009 will be a difficult trading year and that profits achieved from vehicle disposals will also decline due to the lack of demand in the market.

The company's customer base is mainly Mid Cap 250 and is dependant upon the level of activity in the construction industry. Competition for business will be fierce during the next year, cost control and cash flow management are the main issues facing the company as we act to counter the impact of bad debts and the continuing economic problems.

Leeds Commercial Limited
Directors' Report for the Year Ended 30 September 2008

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Financial risk

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors, loans to the business and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise loans from various financial institutions. The interest rate and monthly repayments on the loans from financial institutions are variable. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments.

Results and dividend

The results for the company are set out in the financial statements.

An interim ordinary dividend of £172,125 was paid during the year.

Directors

The directors who held office during the year were as follows:

- G M Parkin
- C J Miller
- A Bagglely

Approved by the Board on 9 March 2009 and signed on its behalf by:



C J Miller
Director

**Independent Auditors' Report to
Leeds Commercial Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts of Leeds Commercial Limited, set out on pages 5 to 17, together with the financial statements of the company for the year ended 30 September 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 17 are properly prepared in accordance with those provisions.



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Fullertons
Chartered Accountants & Registered Auditors

9 March 2009

Westbourne House
60 Bagley Lane
Farsley
Leeds
LS28 5LY

Leeds Commercial Limited
Abbreviated Profit and Loss Account for the Year Ended 30 September 2008

	Note	2008 £	2007 £
Gross profit		5,510,165	5,173,508
Administrative expenses		(2,745,542)	(2,633,642)
Operating profit	3	<u>2,764,623</u>	<u>2,539,866</u>
Other interest receivable and similar income		31,599	27,384
Interest payable and similar charges	6	(1,491,966)	(1,329,093)
Profit on ordinary activities before taxation		<u>1,304,256</u>	<u>1,238,157</u>
Tax on profit on ordinary activities	7	(398,502)	(378,936)
Profit for the financial year	16	<u>905,754</u>	<u>859,221</u>
Profit and loss reserve brought forward		5,940,511	5,801,290
Other profit and loss reserve movements	16	-	(600,000)
Dividends	8	(172,125)	(120,000)
Profit and loss reserve carried forward		<u><u>6,674,140</u></u>	<u><u>5,940,511</u></u>

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

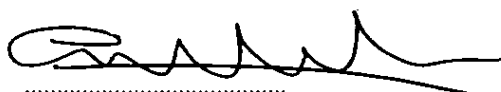
The notes on pages 8 to 17 form an integral part of these financial statements.

Leeds Commercial Limited
Abbreviated Balance Sheet as at 30 September 2008

		2008	2007
	Note	£	£
Fixed assets			
Tangible assets	9	29,423,955	28,310,626
Current assets			
Stocks	10	226,047	126,270
Debtors	11	3,783,100	4,174,272
Cash at bank and in hand		<u>722,917</u>	<u>511,062</u>
		4,732,064	4,811,604
Creditors: Amounts falling due within one year	12	<u>(13,255,477)</u>	<u>(12,599,557)</u>
Net current liabilities		<u>(8,523,413)</u>	<u>(7,787,953)</u>
Total assets less current liabilities		20,900,542	20,522,673
Creditors: Amounts falling due after more than one year	13	(13,671,222)	(14,095,318)
Provisions for liabilities	14	<u>(550,180)</u>	<u>(481,844)</u>
Net assets		<u>6,679,140</u>	<u>5,945,511</u>
Capital and reserves			
Called up share capital	15	2,025	2,025
Other reserves	16	2,975	2,975
Profit and loss reserve	16	<u>6,674,140</u>	<u>5,940,511</u>
Shareholders' funds	17	<u>6,679,140</u>	<u>5,945,511</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the Board on 9 March 2009 and signed on its behalf by:



C J Miller
Director

The notes on pages 8 to 17 form an integral part of these financial statements.

Leeds Commercial Limited
Cash Flow Statement for the Year Ended 30 September 2008

		2008	2007
	Note	£	£
Net cash flow from operating activities	21	8,665,707	8,774,466
Returns on investment and servicing of finance	22	(43,382)	(29,567)
Taxation	22	(157,803)	(222,107)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(14,105,722)	(16,285,579)
Sale of tangible fixed assets		5,971,463	5,352,053
		<u>(8,134,259)</u>	<u>(10,933,526)</u>
Equity dividends paid		<u>(172,125)</u>	<u>(120,000)</u>
Cash inflow/(outflow) before management of liquid resources and financing		158,138	(2,530,734)
Financing			
Increase in loans and borrowings		11,763,691	11,826,344
Repayment of loans and borrowings		(134,265)	-
Redemption of shares		-	(600,000)
Capital element of hire purchase payments		<u>(11,575,709)</u>	<u>(8,658,659)</u>
		<u>53,717</u>	<u>2,567,685</u>
Net cash flow		<u>211,855</u>	<u>(36,951)</u>

The notes on pages 8 to 17 form an integral part of these financial statements.

Leeds Commercial Limited

Notes to the abbreviated accounts for the Year Ended 30 September 2008

1 Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Plant and machinery	25% reducing balance basis
Fixtures and fittings	25% reducing balance basis
Motor vehicles	25% reducing balance basis
Land and buildings	2% straight line basis

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Hire purchase and finance lease contracts

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, are capitalised in the balance sheet as tangible fixed assets and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Leeds Commercial Limited

Notes to the abbreviated accounts for the Year Ended 30 September 2008

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Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Other operating income

	2008 £	2007 £
Rent receivable	<u>140,982</u>	<u>139,633</u>

3 Operating profit

Operating profit is stated after charging/(crediting):

	2008 £	2007 £
Hire of plant and machinery - operating leases	24,802	21,647
Hire of other assets - operating leases	215,453	262,728
The audit of the company's annual accounts	14,465	13,995
Profit on disposal of tangible fixed assets	(2,161,292)	(1,481,605)
Depreciation of owned assets	9,172,286	8,715,585
Depreciation of assets held under finance leases and hire purchase contracts	<u>9,936</u>	<u>4,141</u>

Leeds Commercial Limited

Notes to the abbreviated accounts for the Year Ended 30 September 2008

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4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2008 No.	2007 No.
Directors	3	3
Administration	13	13
Sales	13	13
Mechanics	75	71
	<u>104</u>	<u>100</u>

The aggregate payroll costs of these persons were as follows:

	2008 £	2007 £
Wages and salaries	3,280,509	2,967,233
Other pension costs	56,303	72,224
	<u>3,336,812</u>	<u>3,039,457</u>

5 Directors' emoluments

The directors' emoluments for the year are as follows:

	2008 £	2007 £
Directors' remuneration (including benefits in kind)	<u>386,977</u>	<u>392,557</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £235,007 (2007 - £231,658).

6 Interest payable and similar charges

	2008 £	2007 £
Bank interest payable	366	-
Bank loan interest payable	74,615	56,951
Hire purchase interest	1,416,985	1,272,142
	<u>1,491,966</u>	<u>1,329,093</u>

Leeds Commercial Limited

Notes to the abbreviated accounts for the Year Ended 30 September 2008

..... continued

7 Taxation

Analysis of current period tax charge

	2008 £	2007 £
Current tax		
Corporation tax charge	<u>330,166</u>	<u>168,409</u>
Deferred tax		
Origination and reversal of timing differences	<u>68,336</u>	<u>210,527</u>
Total tax on profit on ordinary activities	<u><u>398,502</u></u>	<u><u>378,936</u></u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2007 - lower than) the standard rate of corporation tax in the UK of 28.00% (2007 - 30.00%).

The differences are reconciled below:

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>1,304,256</u>	<u>1,238,157</u>
Standard rate corporation tax charge	365,192	371,447
Effect of marginal rate reductions	(7,157)	(23,505)
Other adjustments arising	40,467	21,618
Accelerated capital allowances	(68,336)	(193,621)
Indexation on capital gains	-	(7,530)
Total current tax for the year	<u><u>330,166</u></u>	<u><u>168,409</u></u>

8 Dividends

	2008 £	2007 £
Paid	<u>172,125</u>	<u>120,000</u>

Leeds Commercial Limited

Notes to the abbreviated accounts for the Year Ended 30 September 2008

..... continued

9 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
As at 1 October 2007	2,266,378	544,909	48,802,527	51,613,814
Additions	-	53,054	14,052,668	14,105,722
Disposals	-	-	(10,276,552)	(10,276,552)
As at 30 September 2008	<u>2,266,378</u>	<u>597,963</u>	<u>52,578,643</u>	<u>55,442,984</u>
Depreciation				
As at 1 October 2007	109,816	332,027	22,861,345	23,303,188
Eliminated on disposals	-	-	(6,466,381)	(6,466,381)
Charge for the year	39,368	59,569	9,083,285	9,182,222
As at 30 September 2008	<u>149,184</u>	<u>391,596</u>	<u>25,478,249</u>	<u>26,019,029</u>
Net book value				
As at 30 September 2008	<u>2,117,194</u>	<u>206,367</u>	<u>27,100,394</u>	<u>29,423,955</u>
As at 30 September 2007	<u>2,156,562</u>	<u>212,882</u>	<u>25,941,182</u>	<u>28,310,626</u>

Land and buildings

The net book value of land and buildings includes:

	Land and buildings	
	2008 £	2007 £
Freehold	1,336,470	1,365,902
Long leasehold	780,724	790,660
	<u>2,117,194</u>	<u>2,156,562</u>

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £22,885,867 (2007 - £21,668,717) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £7,628,622 (2007 - £7,295,571).

Leeds Commercial Limited

Notes to the abbreviated accounts for the Year Ended 30 September 2008

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10 Stocks and work in progress

	2008 £	2007 £
Stocks	<u>226,047</u>	<u>126,270</u>

11 Debtors

	2008 £	2007 £
Trade debtors	3,425,330	3,764,839
Other debtors	19,686	48,182
Prepayments and accrued income	338,084	361,251
	<u>3,783,100</u>	<u>4,174,272</u>

12 Creditors: Amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	129,279	129,279
Obligations under finance leases and hire purchase contracts	10,213,494	9,735,681
Trade creditors	1,274,293	1,736,746
Corporation tax	334,496	162,133
Taxation and social security	458,808	176,530
Other creditors	126,738	78,470
Director current accounts	1,199	21,654
Accruals and deferred income	717,170	559,064
	<u>13,255,477</u>	<u>12,599,557</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	2008 £	2007 £
Hire purchase contracts	10,213,494	9,735,681
Bank loans and overdrafts	129,279	129,279
	<u>10,342,773</u>	<u>9,864,960</u>

Leeds Commercial Limited

Notes to the abbreviated accounts for the Year Ended 30 September 2008

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13 Creditors: Amounts falling due after more than one year

	2008	2007
	£	£
Bank loans and overdrafts	906,932	1,041,197
Obligations under finance leases and hire purchase contracts	12,764,290	13,054,121
	<u>13,671,222</u>	<u>14,095,318</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company:

	2008	2007
	£	£
Hire purchase contracts	12,764,290	13,054,121
Bank loans and overdrafts	906,932	1,041,197
	<u>13,671,222</u>	<u>14,095,318</u>

Hire purchase contracts are secured on the assets to which they relate. Bank loans and overdrafts are secured by a fixed and floating charge over all other assets of the company.

Included in the creditors are the following amounts due after more than five years:

	2008	2007
	£	£
After more than five years by instalments		
Bank loan & overdrafts	296,933	431,198
	<u>296,933</u>	<u>431,198</u>

14 Provisions for liabilities

	Deferred tax provision
	£
As at 1 October 2007	481,844
Deferred tax provision charged to the profit and loss account	68,336
As at 30 September 2008	<u>550,180</u>

Deferred tax

Deferred tax is provided at 28.00% (2007 - 30.00%).

	2008	2007
	£	£
Accelerated capital allowances	<u>550,180</u>	<u>481,844</u>

Leeds Commercial Limited

Notes to the abbreviated accounts for the Year Ended 30 September 2008

..... continued

15 Share capital

	2008 £	2007 £
Authorised		
Equity		
10,000 Ordinary shares shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
Equity		
2,025 Ordinary shares shares of £1 each	<u>2,025</u>	<u>2,025</u>

16 Reserves

	Other reserves £	Profit and loss reserve £	Total £
Balance at 1 October 2007	2,975	5,940,511	5,943,486
Transfer from profit and loss account for the year	-	905,754	905,754
Dividends	-	(172,125)	(172,125)
Balance at 30 September 2008	<u>2,975</u>	<u>6,674,140</u>	<u>6,677,115</u>

17 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit attributable to members of the company	905,754	859,221
Dividends	<u>(172,125)</u>	<u>(120,000)</u>
	733,629	739,221
Other recognised losses for the year	-	(599,650)
Reduction in share capital	-	(350)
Net addition to shareholders' funds	<u>733,629</u>	<u>139,221</u>
Opening shareholders' funds	<u>5,945,511</u>	<u>5,806,290</u>
Closing shareholders' funds	<u>6,679,140</u>	<u>5,945,511</u>

Leeds Commercial Limited

Notes to the abbreviated accounts for the Year Ended 30 September 2008

..... continued

18 Capital commitments

Expenditure contracted for but not provided in the financial statements:

	2008 £	2007 £
Contracted for but not provided for in these accounts	<u>1,178,279</u>	<u>1,670,148</u>

19 Operating lease commitments

As at 30 September 2008 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	Land and Buildings		Other	
	2008 £	2007 £	2008 £	2007 £
Within one year	10,000	10,000	27,184	136,121
Within two and five years	-	-	153,082	99,522
Over five years	<u>240,750</u>	<u>240,750</u>	<u>-</u>	<u>-</u>
	<u>250,750</u>	<u>250,750</u>	<u>180,266</u>	<u>235,643</u>

20 Pension scheme

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £56,303 (2007 - £72,224).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Leeds Commercial Limited

Notes to the abbreviated accounts for the Year Ended 30 September 2008

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21 Reconciliation of operating profit to operating cash flows

	2008	2007
	£	£
Operating profit	1,347,638	1,267,724
Depreciation, amortisation and impairment charges	9,182,222	8,719,726
Profit on disposal of fixed assets	(2,161,292)	(1,481,605)
Increase in stocks	(99,777)	(6,077)
Decrease/(increase) in debtors	391,172	(63,297)
Increase in creditors	5,744	337,995
Net cash inflow from operating activities	<u><u>8,665,707</u></u>	<u><u>8,774,466</u></u>

22 Analysis of cash flows

	2008	2007
	£	£
Returns on investment and servicing of finance		
Other interest paid	(74,981)	(56,951)
Interest received	31,599	27,384
	<u><u>(43,382)</u></u>	<u><u>(29,567)</u></u>
 Taxation		
Taxation paid	<u><u>(157,803)</u></u>	<u><u>(222,107)</u></u>