

Leeds Commercial Limited

Directors' Report and Financial Statements
for the Year Ended 30 September 2012



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

Leeds Commercial Limited
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The following pages do not form part of the statutory financial statements

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Leeds Commercial Limited
Company Information

| | |
|--------------------------|---|
| Directors | Mr C J Miller Mr P J Graham Mr P R Bumford Mr A Bagglely |
| Registered office | The Roundhouse Wellington Road Leeds West Yorkshire LS12 1DR |
| Auditors | Fullertons Accountants Chartered Accountants & Registered Auditors Westbourne House 60 Bagley Lane Farsley Leeds West Yorkshire LS28 5LY |

Leeds Commercial Limited
Directors' Report for the Year Ended 30 September 2012

The directors present their report and the financial statements for the year ended 30 September 2012

Directors of the company

The directors who held office during the year were as follows

Mr C J Miller

Mr P J Graham

Mr P R Bumford

Mr A Baggleley

Principal activity

The principal activity of the company is vehicle hire

Business review

Fair review of the business

The company has continued 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. As expected turnover increased due to the rise in the size of the fleet and the improvement in utilisation levels. This has resulted in a 9% increase on the previous year's figure. Profit before tax increased to £1,740,796 due to the effect of reduced costs, increased turnover and improved profits from vehicle disposals. Measures to cut costs and dispose of surplus vehicles have continued during the year. These will continue to be reviewed and challenged in the following year for further savings.

The current year is expected to show a further increase to the year's results due to continuing efforts on reducing costs and improvements in utilisation.

The company will continue to invest only where necessary to maintain its rental fleet.

The company's key financial and other performance indicators during the year were as follows

| | Unit | 2012 | 2011 |
|---------------------|------|------|------|
| Turnover growth | % | 9 | 19 |
| Gross profit margin | % | 26 | 25 |

Principal risks and uncertainties

The commercial vehicle hire market continues to suffer from the downturn with many major works projects being delayed since the year end. Current indications are that rates will remain under pressure for at least the next twelve months. We anticipate that 2013 will be a difficult trading year but profits achieved from vehicle disposals will be at a similar level to last year.

The company's customer base is changing to be more widely spread and whilst still construction industry based we are now better positioned to gain from any upturn in the general economy. 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 effect of any bad debts and the continuing economic uncertainty. Turnover for 2013 is expected to show a modest increase.

Leeds Commercial Limited

Directors' Report for the Year Ended 30 September 2012

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Financial instruments

Objectives and policies

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

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

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 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 and comply with agreed payment terms.

Loans comprise of funds from various institutions. The interest rate and monthly repayments on the loans from these institutions are variable. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the repayments as they fall due.

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring there are sufficient funds to meet the repayments as they fall due.

Important post balance sheet events

The company has now opened a small branch in Bristol to service a major new account. This is expected to increase turnover and costs in the short term.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on 24 May 2013 and signed on its behalf by



Mr C J Miller
Director

Leeds Commercial Limited

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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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.

Independent Auditor's Report to the Members of Leeds Commercial Limited

We have audited the financial statements of Leeds Commercial Limited for the year ended 30 September 2012 set out on pages 7 to 20. 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 so that we might state to the company's members those matters we are required to state to them in an auditor's 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 directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 (APB'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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2012 and of its profit 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.

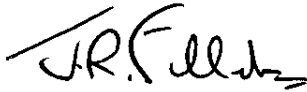
**Independent Auditor's Report to the Members of
Leeds Commercial Limited**

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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



John Fullerton Msc FCA (Senior Statutory Auditor)
For and on behalf of Fullertons Accountants, Statutory Auditor

Westbourne House
60 Bagley Lane
Farsley
Leeds
West Yorkshire
LS28 5LY

24 May 2013

Leeds Commercial Limited
Profit and Loss Account for the Year Ended 30 September 2012

| | Note | 2012 £ | 2011 £ |
|---|------|-------------------------|-------------------------|
| Turnover | | 22 435,538 | 20 639,186 |
| Cost of sales | | <u>(16,589,744)</u> | <u>(15 377,204)</u> |
| Gross profit | | 5 845 794 | 5 261,982 |
| Administrative expenses | | (3,248,364) | (3,086,756) |
| Other operating income | | <u>103,513</u> | <u>121,838</u> |
| Operating profit | 2 | 2,700,943 | 2,297,064 |
| Other interest receivable and similar income | 5 | 7,171 | 18 882 |
| Interest payable and similar charges | 6 | <u>(967,318)</u> | <u>(730,889)</u> |
| Profit on ordinary activities before taxation | | 1,740,796 | 1,585,057 |
| Tax on profit on ordinary activities | 7 | <u>(367,120)</u> | <u>(432,572)</u> |
| Profit for the financial year | 16 | <u><u>1,373,676</u></u> | <u><u>1,152,485</u></u> |

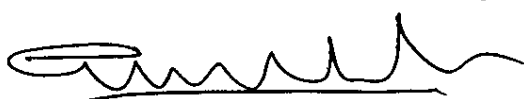
Turnover and operating profit derive wholly from continuing operations

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

Leeds Commercial Limited
(Registration number: 587618)
Balance Sheet at 30 September 2012

| | Note | 2012 £ | 2011 £ |
|--|------|--------------|--------------|
| Fixed assets | | | |
| Tangible fixed assets | 8 | 38,215,608 | 30,901,612 |
| Current assets | | | |
| Stocks | 9 | 104,026 | 93,174 |
| Debtors | 10 | 4,781,496 | 4,173,598 |
| Cash at bank and in hand | | 2,043,382 | 1,197,590 |
| | | 6,928,904 | 5,464,362 |
| Creditors Amounts falling due within one year | 11 | (15,814,092) | (13,092,150) |
| Net current liabilities | | (8,885,188) | (7,627,788) |
| Total assets less current liabilities | | 29,330,420 | 23,273,824 |
| Creditors Amounts falling due after more than one year | 12 | (19,661,121) | (14,978,201) |
| Provisions for liabilities | 13 | (36,572) | (36,572) |
| Net assets | | 9,632,727 | 8,259,051 |
| Capital and reserves | | | |
| Called up share capital | 14 | 255,150 | 255,150 |
| Other reserves | 16 | 2,975 | 2,975 |
| Profit and loss account | 16 | 9,374,602 | 8,000,926 |
| Shareholders' funds | 17 | 9,632,727 | 8,259,051 |

Approved by the Board on 24 May 2013 and signed on its behalf by



Mr C J Miller
Director

Leeds Commercial Limited
Cash Flow Statement for the Year Ended 30 September 2012

Reconciliation of operating profit to net cash flow from operating activities

| | 2012 £ | 2011 £ |
|---|-------------------|------------------|
| Operating profit | 2 700 943 | 2 297 064 |
| Depreciation, amortisation and impairment charges | 9,904,783 | 8,640,541 |
| Profit on disposal of fixed assets | (1,896,962) | (1,455,118) |
| (Increase)/decrease in stocks | (10,852) | 65,401 |
| Increase in debtors | (607,898) | (370,465) |
| Increase in creditors | 1,101,478 | 809,540 |
| Net cash inflow from operating activities | <u>11,191,492</u> | <u>9,986,963</u> |

Cash flow statement

| | 2012 £ | 2011 £ |
|--|---------------------|---------------------|
| Net cash inflow from operating activities | <u>11,191,492</u> | <u>9,986,963</u> |
| Returns on investments and servicing of finance | | |
| Interest received | 7,171 | 18,882 |
| HP and finance lease interest | (921,965) | (717,307) |
| Interest paid | <u>(45,353)</u> | <u>(13,582)</u> |
| | <u>(960,147)</u> | <u>(712,007)</u> |
| Taxation paid | <u>(390,442)</u> | <u>(495,223)</u> |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (20,480,235) | (16,188,085) |
| Sale of tangible fixed assets | <u>5,158,415</u> | <u>4,662,841</u> |
| | <u>(15,321,820)</u> | <u>(11,525,244)</u> |
| Equity dividends paid | <u>-</u> | <u>(137,781)</u> |
| Net cash outflow before management of liquid resources and financing | <u>(5 480 917)</u> | <u>(2 883 292)</u> |
| Financing | | |
| Repayment of loans and borrowings | (176 506) | (185,240) |
| Repayment of capital element of finance leases and HP contracts | <u>6 601 507</u> | <u>3,666 360</u> |
| | <u>6,425,001</u> | <u>3,481,120</u> |
| Increase in cash | <u>944,084</u> | <u>597 828</u> |

Leeds Commercial Limited
Cash Flow Statement for the Year Ended 30 September 2012

..... *continued*

Reconciliation of net cash flow to movement in net debt

| | Note | 2012 £ | 2011 £ |
|---|------|----------------------------|----------------------------|
| Increase in cash | | 944,087 | 597,828 |
| Cash outflow from repayment of loans | | 176,506 | 185,240 |
| Cash outflow from repayment of capital element of finance leases and hire purchase contracts | | <u>(6,601,507)</u> | <u>(3,666,360)</u> |
| Change in net debt resulting from cash flows | 20 | <u>(5,480,914)</u> | <u>(2,883,292)</u> |
| Movement in net debt | 20 | (5,480,914) | (2,883,292) |
| Net debt at 1 October | 20 | <u>(23,237,822)</u> | <u>(20,354,530)</u> |
| Net debt at 30 September | 20 | <u><u>(28,718,736)</u></u> | <u><u>(23,237,822)</u></u> |

Leeds Commercial Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

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

| Asset class | Depreciation method and rate |
|-----------------------|-------------------------------------|
| Land and buildings | 2% straight line basis |
| Motor vehicles | 20% to 25% reducing balance basis |
| Fixtures and fittings | 25% reducing balance 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 tax

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 leasing

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

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 the shorter of the lease term and 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 the shorter of the lease term and 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 and represent a constant proportion of the balance of capital repayments outstanding

Leeds Commercial Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

..... continued

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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

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

2 Operating profit

Operating profit is stated after charging

| | 2012 £ | 2011 £ |
|---|-------------|-------------|
| Operating leases - plant and machinery | 7,930 | 7,692 |
| Operating leases - other assets | 8,263 | 20,066 |
| Auditor's remuneration - The audit of the company's annual accounts | 8,600 | 8,510 |
| Profit on sale of tangible fixed assets | (1,896,962) | (1,455,118) |
| Depreciation of owned assets | 9,904,783 | 8,640,541 |

3 Particulars of employees

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

| | 2012 No | 2011 No |
|----------------------------|------------|------------|
| Administration and support | 18 | 18 |
| Sales | 13 | 12 |
| Other departments | 79 | 78 |
| | <u>110</u> | <u>108</u> |

The aggregate payroll costs were as follows

Leeds Commercial Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

..... continued

| | 2012 £ | 2011 £ |
|--------------------|------------------|------------------|
| Wages and salaries | 4,061,780 | 3,675,157 |
| Staff pensions | 68,923 | 67,676 |
| | <u>4,130,703</u> | <u>3,742,833</u> |

4 Directors' remuneration

The directors' remuneration for the year was as follows

| | 2012 £ | 2011 £ |
|---|-----------|-----------|
| Remuneration (including benefits in kind) | 658,792 | 454,638 |

In respect of the highest paid director

| | 2012 £ | 2011 £ |
|--------------|-----------|-----------|
| Remuneration | 376,943 | 180,974 |

5 Other interest receivable and similar income

| | 2012 £ | 2011 £ |
|--------------------------|--------------|---------------|
| Bank interest receivable | <u>7,171</u> | <u>18,882</u> |

6 Interest payable and similar charges

| | 2012 £ | 2011 £ |
|-----------------------------|----------------|----------------|
| Interest on bank borrowings | 10,410 | 11,426 |
| Other interest payable | 34,943 | 2,156 |
| Finance charges | <u>921,965</u> | <u>717,307</u> |
| | <u>967,318</u> | <u>730,889</u> |

Leeds Commercial Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

... .. continued

7 Taxation

Tax on profit on ordinary activities

| | 2012 £ | 2011 £ |
|--|----------------|----------------|
| Current tax | | |
| Corporation tax charge | 367,120 | 396,000 |
| Deferred tax | | |
| Origination and reversal of timing differences | - | 36,572 |
| Total tax on profit on ordinary activities | <u>367,120</u> | <u>432,572</u> |

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 25% (2011 - 27%)

The differences are reconciled below

| | 2012 £ | 2011 £ |
|---|------------------|------------------|
| Profit on ordinary activities before taxation | <u>1,740,796</u> | <u>1,585,057</u> |
| Corporation tax at standard rate | 435,199 | 427,965 |
| Short term timing differences | (899) | 4,613 |
| Disallowable expenses | 20,254 | 17,217 |
| Depreciation in excess of capital allowances | <u>(87,434)</u> | <u>(53,795)</u> |
| Total current tax | <u>367,120</u> | <u>396,000</u> |

Leeds Commercial Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

..... continued

8 Tangible fixed assets

| | Freehold land and buildings £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|--------------------------|--|-------------------------------|------------------------|-------------------|
| Cost or valuation | | | | |
| At 1 October 2011 | 2,744,436 | 772,836 | 58,155,357 | 61,672,629 |
| Additions | - | 97,945 | 20,382,290 | 20,480,235 |
| Disposals | - | - | (11,657,950) | (11,657,950) |
| At 30 September 2012 | <u>2,744,436</u> | <u>870,781</u> | <u>66,879,697</u> | <u>70,494,914</u> |
| Depreciation | | | | |
| At 1 October 2011 | 267,286 | 546,922 | 29,956,809 | 30,771,017 |
| Charge for the year | 39,367 | 71,505 | 9,793,914 | 9,904,786 |
| Eliminated on disposals | - | - | (8,396,497) | (8,396,497) |
| At 30 September 2012 | <u>306,653</u> | <u>618,427</u> | <u>31,354,226</u> | <u>32,279,306</u> |
| Net book value | | | | |
| At 30 September 2012 | <u>2,437,783</u> | <u>252,354</u> | <u>35,525,471</u> | <u>38,215,608</u> |
| At 30 September 2011 | <u>2,477,150</u> | <u>225,914</u> | <u>28,198,548</u> | <u>30,901,612</u> |

Leased assets

Included within the net book value of tangible fixed assets is £26,362,970 (2011 - £21,766,447) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £8,787,656 (2011 - £7,255,482).

9 Stocks

| | 2012 £ | 2011 £ |
|--------|----------------|---------------|
| Stocks | <u>104,026</u> | <u>93,174</u> |

Leeds Commercial Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

..... continued

10 Debtors

| | 2012 £ | 2011 £ |
|--------------------------------|------------------|------------------|
| Trade debtors | 4,016,814 | 3 748,567 |
| Other debtors | 497,137 | 20,901 |
| Prepayments and accrued income | 267,545 | 404,130 |
| | <u>4,781,496</u> | <u>4,173,598</u> |

11 Creditors: Amounts falling due within one year

| | 2012 £ | 2011 £ |
|---|-------------------|-------------------|
| Trade creditors | 2,676,741 | 1,064,496 |
| Bank loans and overdrafts | 142,608 | 240,843 |
| Obligations under finance lease and hire purchase contracts | 10,958,389 | 9,216,368 |
| Corporation tax | 380,293 | 403,615 |
| Other taxes and social security | 105 046 | 463,969 |
| Other creditors | 229,155 | 229,115 |
| Directors' current accounts | 232,580 | 411,077 |
| Accruals and deferred income | 1,089,280 | 1,062,667 |
| | <u>15,814,092</u> | <u>13,092,150</u> |

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

| | 2012 £ | 2011 £ |
|----------------------------------|-------------------|------------------|
| Hire purchase and finance leases | 10,958,389 | 9,216,368 |
| Bank loans and overdrafts | 142,608 | 240 843 |
| | <u>11 100 997</u> | <u>9 457 211</u> |

Leeds Commercial Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

..... .. continued

12 Creditors Amounts falling due after more than one year

| | 2012 £ | 2011 £ |
|---|-------------------|-------------------|
| Bank loans and overdrafts | 182,924 | 359,490 |
| Obligations under finance lease and hire purchase contracts | 19,478,197 | 14,618,711 |
| | <u>19,661,121</u> | <u>14,978,201</u> |

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

| | 2012 £ | 2011 £ |
|----------------------------------|-------------------|-------------------|
| Hire purchase and finance leases | 19,478,197 | 14,618,711 |
| Bank loans and overdrafts | 182,924 | 359,490 |
| | <u>19,661,121</u> | <u>14,978,201</u> |

Obligations under finance leases and HP contracts

Amounts repayable:

| | 2012 £ | 2011 £ |
|-------------------------------|-------------------|-------------------|
| In one year or less on demand | 10,958,389 | 9,216,368 |
| Between one and two years | 9,297,182 | 7,142,673 |
| Between two and five years | 10,181,015 | 7,476,038 |
| | <u>30,436,586</u> | <u>23,835,079</u> |

13 Provisions

| | Deferred tax £ | Total £ |
|----------------------|-------------------|---------------|
| At 1 October 2011 | 36,572 | 36,572 |
| At 30 September 2012 | <u>36,572</u> | <u>36,572</u> |

Leeds Commercial Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

. continued

Analysis of deferred tax

| | 2012 £ | 2011 £ |
|---|---------------|---------------|
| Difference between accumulated depreciation and amortisation and capital allowances | 53,795 | 53,795 |
| Other timing differences | (17,223) | (17,223) |
| | <u>36,572</u> | <u>36,572</u> |

14 Share capital

Allotted, called up and fully paid shares

| | 2012 | | 2011 | |
|----------------------------|----------------|----------------|----------------|----------------|
| | No | £ | No | £ |
| Ordinary shares of £1 each | <u>255,150</u> | <u>255,150</u> | <u>255,150</u> | <u>255,150</u> |

15 Dividends

| | 2012 £ | 2011 £ |
|--------------------------------|-----------|----------------|
| Dividends paid | | |
| Prior year final dividend paid | <u>-</u> | <u>137,781</u> |

16 Reserves

| | Other reserves £ | Profit and loss account £ | Total £ |
|----------------------|------------------------|---------------------------------|------------------|
| At 1 October 2011 | 2,975 | 8 000 926 | 8,003 901 |
| Profit for the year | <u>-</u> | <u>1 373,676</u> | <u>1,373 676</u> |
| At 30 September 2012 | <u>2 975</u> | <u>9 374,602</u> | <u>9 377 577</u> |

Leeds Commercial Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

..... . *continued*

17 Reconciliation of movement in shareholders' funds

| | 2012 £ | 2011 £ |
|---|-----------|-----------|
| Profit attributable to the members of the company | 1 373,676 | 1,152,485 |
| Dividends | - | (137,781) |
| Net addition to shareholders' funds | 1,373,676 | 1,014,704 |
| Shareholders' funds at 1 October | 8,259,051 | 7,244,347 |
| Shareholders' funds at 30 September | 9,632,727 | 8,259,051 |

18 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £68,923 (2011 - £67,676)

19 Commitments

Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £1,211,492 (2011 - £1,064,416)

Operating lease commitments

As at 30 September 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

| | 2012 £ | 2011 £ |
|---------------------------|-----------|-----------|
| Land and buildings | | |
| Within one year | 10,000 | 10,000 |
| Within two and five years | 240,750 | 240,750 |
| | 250,750 | 250,750 |
| Other | | |
| Within two and five years | 269,066 | 345,942 |

Leeds Commercial Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

.... continued

20 Analysis of net debt

| | At 1 October 2011 £ | Cash flow £ | At 30 September 2012 £ |
|--|---------------------------|--------------------|------------------------------|
| Cash at bank and in hand | 1,197,590 | 845,792 | 2,043,382 |
| Bank overdraft | (98,295) | 98,295 | - |
| | <u>1,099,295</u> | <u>944,087</u> | <u>2,043,382</u> |
| Debt due within one year | (142,548) | (60) | (142,608) |
| Debt due after more than one year | (359,490) | 176,566 | (182,924) |
| Finance leases and hire purchase contracts | (23,835,079) | (6 601,507) | (30,436,586) |
| Net debt | <u>(23,237,822)</u> | <u>(5,480,914)</u> | <u>(28,718,736)</u> |

21 Post balance sheet events

The company has now opened a small branch in Bristol to service a major new account. This is expected to increase turnover and costs in the short term.

22 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

CJ Miller

(Directors current account)

At the balance sheet date the amount due to CJ Miller was £232,580 (2011 - £426,386)

23 Control

The company is controlled by the directors who own 53% of the called up share capital.