

Registration number 587618

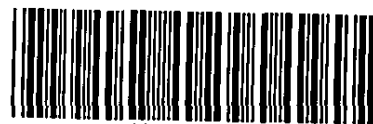
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# Leeds Commercial Limited

Directors' Report and Abbreviated Accounts  
for the Year Ended 30 September 2009

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

THURSDAY



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## **Leeds Commercial Limited**

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## **Leeds Commercial Limited**

### **Company Information**

<b>Directors</b>	G M Parkin C J Miller A Bagglely
<b>Secretary</b>	G M Parkin
<b>Registered office</b>	The Roundhouse Wellington Road Leeds West Yorkshire England LS12 1DR
<b>Auditors</b>	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 2009**

The directors present their report and the audited financial statements for the year ended 30 September 2009

**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 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

***Development and performance of the business***

	2009	2008	2007
Turnover	£18,075,559	£20,196,764	£19,173,710
Turnover growth	(11)%	5%	
Gross profit margin	19%	27%	26%
Profit before tax	£553,081	£1,304,256	£1,238,157

**Turnover and profit**

Turnover decreased largely as expected due to a fall in the size of the fleet and from issues relating to vehicle utilisation This has resulted in an 11% reduction on the previous year's figure Profits before tax reduced to £553,081 due to the effect of reduced turnover and lower profits from vehicle disposals Measures to cut costs and dispose of surplus vehicles were instigated during the year and had an immediate impact These will continue to be reviewed and challenged in the following year

The current year is expected to show a similar result due to pressure on profits from the economic downturn, although costs will be vigorously reviewed for further possible savings The company expects to see continued reduced interest costs from the dramatic reduction in interest rates in the short term

**Fleet portfolio**

The company will continue to invest only where necessary to maintain its rental fleet, particularly in view of the reduction in fleet size The size of the fleet at the year end is 4% down from last year

***Position of the business***

At the end of the year, the net assets totalled £7,055,373

**Leeds Commercial Limited**  
**Directors' Report for the Year Ended 30 September 2009**

*continued*

***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 2010 will be a difficult trading year and that profits achieved from vehicle disposals will be difficult to maintain due to the lack of demand in the market.

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 impact of bad debts and the continuing economic problems.

**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.

The directors do not recommend the payment of a dividend.

**Directors**

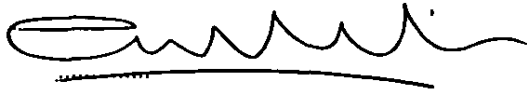
The directors who held office during the year were as follows:

- G M Parkin
- C J Miller
- A Bagglely

**Leeds Commercial Limited**  
**Directors' Report for the Year Ended 30 September 2009**

*continued*

Approved by the Board on 2 February 2010 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'C J Miller', with a horizontal line drawn underneath it.

C J Miller  
Director

**Independent Auditors' Report to  
Leeds Commercial Limited  
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts of Leeds Commercial Limited, set out on pages 6 to 18, together with the financial statements of the company for the year ended 30 September 2009 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. 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 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts to be delivered are properly prepared in accordance with the regulations made under that section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 "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 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 6 to 18 are properly prepared in accordance with the regulations made under that section.



John Richard Fullerton  
Senior Statutory Auditor

for and on behalf of  
Fullertons, Statutory Auditor

Westbourne House  
60 Bagley Lane  
Farsley  
Leeds  
LS28 5LY

2 February 2010

**Leeds Commercial Limited**  
**Abbreviated Profit and Loss Account for the Year Ended 30 September 2009**

	Note	2009 £	2008 £
Turnover		<u>18,075,559</u>	<u>20,196,764</u>
Gross profit		3,614,950	5,510,165
Administrative expenses		(2,381,162)	(2,745,542)
Operating profit	3	<u>1,233,788</u>	<u>2,764,623</u>
Other interest receivable and similar income		7,710	31,599
Interest payable and similar charges	6	(688,417)	(1,491,966)
Profit on ordinary activities before taxation		<u>553,081</u>	<u>1,304,256</u>
Tax on profit on ordinary activities	7	(176,848)	(398,502)
Profit for the financial year	16	<u>376,233</u>	<u>905,754</u>
Profit and loss reserve brought forward		6,674,140	5,940,511
Dividends	8	-	(172,125)
Profit and loss reserve carried forward		<u>7,050,373</u>	<u>6,674,140</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 9 to 18 form an integral part of these financial statements




**Leeds Commercial Limited**  
**Abbreviated Balance Sheet as at 30 September 2009**

		2009		2008	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		26,103,547		29,423,955
<b>Current assets</b>					
Stocks	10	167,175		226,047	
Debtors	11	3,016,918		3,783,100	
Cash at bank and in hand		<u>701,842</u>		<u>722,917</u>	
		3,885,935		4,732,064	
<b>Creditors: Amounts falling due within one year</b>	12	<u>(11,819,321)</u>		<u>(13,255,477)</u>	
<b>Net current liabilities</b>			<u>(7,933,386)</u>		<u>(8,523,413)</u>
<b>Total assets less current liabilities</b>			18,170,161		20,900,542
<b>Creditors: Amounts falling due after more than one year</b>	13		(10,946,030)		(13,671,222)
<b>Provisions for liabilities</b>	14		<u>(168,758)</u>		<u>(550,180)</u>
<b>Net assets</b>			<u>7,055,373</u>		<u>6,679,140</u>
<b>Capital and reserves</b>					
Called up share capital	15		2,025		2,025
Other reserves	16		2,975		2,975
Profit and loss reserve	16		<u>7,050,373</u>		<u>6,674,140</u>
<b>Shareholders' funds</b>	17		<u>7,055,373</u>		<u>6,679,140</u>

The abbreviated accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to medium-sized companies.

Approved by the Board on 2 February 2010 and signed on its behalf by



C J Miller  
Director

The notes on pages 9 to 18 form an integral part of these financial statements

**Leeds Commercial Limited**  
**Cash Flow Statement for the Year Ended 30 September 2009**

		2009	2008
	Note	£	£
Net cash flow from operating activities	21	8,935,562	8,665,707
Returns on investment and servicing of finance	22	(680,707)	(43,382)
Taxation	22	(331,138)	(157,803)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(7,675,242)	(14,105,722)
Sale of tangible fixed assets		3,828,898	5,971,463
		<u>(3,846,344)</u>	<u>(8,134,259)</u>
Equity dividends paid		-	(172,125)
<b>Cash inflow before management of liquid resources and financing</b>		4,077,373	158,138
<b>Financing</b>			
Increase in loans and borrowings		7,611,128	11,763,691
Repayment of loans and borrowings		(167,347)	(134,265)
Capital element of hire purchase payments		(11,542,229)	(11,575,709)
		<u>(4,098,448)</u>	<u>53,717</u>
<b>(Decrease)/increase in cash</b>		<u>(21,075)</u>	<u>211,855</u>

The notes on pages 9 to 18 form an integral part of these financial statements

## **Leeds Commercial Limited**

### **Notes to the abbreviated accounts for the Year Ended 30 September 2009**

#### **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

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 2009

*continued*

#### 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

	2009 £	2008 £
Rent receivable	<u>161,044</u>	<u>140,982</u>

#### 3 Operating profit

Operating profit is stated after charging/(crediting)

	2009 £	2008 £
Hire of plant and machinery - operating leases	13,934	24,802
Hire of other assets - operating leases	188,396	215,453
The audit of the company's annual accounts	18,080	14,465
Profit on disposal of tangible fixed assets	(852,836)	(2,161,292)
Depreciation of owned assets	8,009,653	9,172,286
Depreciation of assets held under finance leases and hire purchase contracts	<u>9,935</u>	<u>9,936</u>

## Leeds Commercial Limited

### Notes to the abbreviated accounts for the Year Ended 30 September 2009

*continued*

#### 4 Particulars of employees

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

	2009 No	2008 No.
Directors	3	3
Administration	13	13
Sales	13	13
Mechanics	75	75
	<u>104</u>	<u>104</u>

The aggregate payroll costs of these persons were as follows

	2009 £	2008 £
Wages and salaries	3,102,448	3,280,509
Other pension costs	74,380	56,303
	<u>3,176,828</u>	<u>3,336,812</u>

#### 5 Directors' remuneration

The directors' remuneration for the year are as follows

	2009 £	2008 £
Directors' remuneration (including benefits in kind)	<u>267,555</u>	<u>386,977</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £211,407 (2008 - £235,007)

#### 6 Interest payable and similar charges

	2009 £	2008 £
Interest on bank borrowings	16,676	74,981
Finance charges	671,741	1,416,985
	<u>688,417</u>	<u>1,491,966</u>

# Leeds Commercial Limited

## Notes to the abbreviated accounts for the Year Ended 30 September 2009

*continued*

### 7 Taxation

#### Analysis of current period tax charge

	2009 £	2008 £
<b>Current tax</b>		
Corporation tax charge	<u>558,270</u>	<u>330,166</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(381,422)</u>	<u>68,336</u>
<b>Total tax on profit on ordinary activities</b>	<u><u>176,848</u></u>	<u><u>398,502</u></u>

#### Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2008 - lower than) the standard rate of corporation tax in the UK of 28.00% (2008 - 28.00%)

The differences are reconciled below

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>553,081</u>	<u>1,304,256</u>
Standard rate corporation tax charge	154,863	365,192
Effect of marginal rate reductions	-	(7,157)
Other adjustments arising	21,985	40,467
Accelerated capital allowances	<u>381,422</u>	<u>(68,336)</u>
<b>Total current tax for the year</b>	<u><u>558,270</u></u>	<u><u>330,166</u></u>

### 8 Dividends

	2009 £	2008 £
Paid	<u>-</u>	<u>172,125</u>

# Leeds Commercial Limited

## Notes to the abbreviated accounts for the Year Ended 30 September 2009

*continued*

### 9 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
As at 1 October 2008	2,266,378	597,963	52,578,643	55,442,984
Additions	-	32,221	7,643,021	7,675,242
Disposals	-	-	(8,479,235)	(8,479,235)
As at 30 September 2009	<u>2,266,378</u>	<u>630,184</u>	<u>51,742,429</u>	<u>54,638,991</u>
<b>Depreciation</b>				
As at 1 October 2008	149,184	391,596	25,478,249	26,019,029
Eliminated on disposals	-	-	(5,503,173)	(5,503,173)
Charge for the year	<u>39,367</u>	<u>52,568</u>	<u>7,927,653</u>	<u>8,019,588</u>
As at 30 September 2009	<u>188,551</u>	<u>444,164</u>	<u>27,902,729</u>	<u>28,535,444</u>
<b>Net book value</b>				
As at 30 September 2009	<u>2,077,827</u>	<u>186,020</u>	<u>23,839,700</u>	<u>26,103,547</u>
As at 30 September 2008	<u>2,117,194</u>	<u>206,367</u>	<u>27,100,394</u>	<u>29,423,955</u>

#### Land and buildings

The net book value of land and buildings includes

	Land and buildings	
	2009 £	2008 £
Freehold	1,307,038	1,336,470
Long leasehold	<u>770,789</u>	<u>780,724</u>
	<u>2,077,827</u>	<u>2,117,194</u>

#### Hire purchase agreements

Included within the total net book value of tangible fixed assets is £20,096,560 (2008 - £22,885,867) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £6,698,853 (2008 - £7,628,622).

# Leeds Commercial Limited

## Notes to the abbreviated accounts for the Year Ended 30 September 2009

*continued*

### 10 Stocks and work in progress

	2009 £	2008 £
Stocks	<u>167,175</u>	<u>226,047</u>

### 11 Debtors

	2009 £	2008 £
Trade debtors	2,662,337	3,425,330
Other debtors	8,855	19,686
Prepayments and accrued income	<u>345,726</u>	<u>338,084</u>
	<u>3,016,918</u>	<u>3,783,100</u>

### 12 Creditors Amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	129,279	129,279
Obligations under finance leases and hire purchase contracts	8,840,238	10,213,494
Trade creditors	1,105,947	1,274,293
Corporation tax	561,628	334,496
Taxation and social security	343,825	458,808
Other creditors	186,667	126,738
Director current accounts	26,487	1,199
Accruals and deferred income	<u>625,250</u>	<u>717,170</u>
	<u>11,819,321</u>	<u>13,255,477</u>

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

	2009 £	2008 £
Hire purchase contracts	8,840,238	10,213,494
Bank loans and overdrafts	<u>129,279</u>	<u>129,279</u>
	<u>8,969,517</u>	<u>10,342,773</u>



# Leeds Commercial Limited

## Notes to the abbreviated accounts for the Year Ended 30 September 2009

*continued*

### 13 Creditors: Amounts falling due after more than one year

	2009	2008
	£	£
Bank loans and overdrafts	739,585	906,932
Obligations under finance leases and hire purchase contracts	10,206,445	12,764,290
	<u>10,946,030</u>	<u>13,671,222</u>

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

	2009	2008
	£	£
Hire purchase contracts	10,206,445	12,764,290
Bank loans and overdrafts	739,585	906,932
	<u>10,946,030</u>	<u>13,671,222</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

	2009	2008
	£	£
After more than five years by instalments	<u>129,586</u>	<u>296,933</u>

### 14 Provisions for liabilities

	Deferred tax provision
	£
As at 1 October 2008	550,180
Deferred tax provision charged to the profit and loss account	(381,422)
As at 30 September 2009	<u>168,758</u>

#### Deferred tax

Deferred tax is provided at 28.00% (2008 - 28.00%)

	2009	2008
	£	£
Accelerated capital allowances	<u>168,758</u>	<u>550,180</u>

# Leeds Commercial Limited

## Notes to the abbreviated accounts for the Year Ended 30 September 2009

*continued*

### 15 Share capital

	2009 £	2008 £
<b>Allotted, called up and fully paid</b>		
<b>Equity</b>		
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 2008	2,975	6,674,140	6,677,115
Transfer from profit and loss account for the year	-	376,233	376,233
Balance at 30 September 2009	<u>2,975</u>	<u>7,050,373</u>	<u>7,053,348</u>

### 17 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit attributable to members of the company	376,233	905,754
Dividends	<u>-</u>	<u>(172,125)</u>
	376,233	733,629
Opening shareholders' funds	<u>6,679,140</u>	<u>5,945,511</u>
Closing shareholders' funds	<u>7,055,373</u>	<u>6,679,140</u>

### 18 Capital commitments

Expenditure contracted for but not provided in the financial statements

	2009 £	2008 £
Contracted for but not provided for in these accounts	<u>1,055,803</u>	<u>1,178,279</u>

## Leeds Commercial Limited

### Notes to the abbreviated accounts for the Year Ended 30 September 2009

*continued*

#### 19 Operating lease commitments

As at 30 September 2009 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	Land and Buildings		Other	
	2009 £	2008 £	2009 £	2008 £
Within one year	10,000	10,000	153,082	27,184
Within two and five years	240,750	-	-	153,082
Over five years	-	240,750	-	-
	<u>250,750</u>	<u>250,750</u>	<u>153,082</u>	<u>180,266</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 £74,380 (2008 - £56,303).

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 2009

*continued*

### 21 Reconciliation of operating profit to operating cash flows

	2009	2008
	£	£
Operating profit	1,233,788	1,347,638
Depreciation, amortisation and impairment charges	8,019,588	9,182,222
Profit on disposal of fixed assets	(852,836)	(2,161,292)
Decrease/(increase) in stocks	58,872	(99,777)
Decrease in debtors	766,182	391,172
(Decrease)/increase in creditors	(290,032)	5,744
<b>Net cash inflow from operating activities</b>	<b>8,935,562</b>	<b>8,665,707</b>

### 22 Analysis of cash flows

	2009	2008
	£	£
<b>Returns on investment and servicing of finance</b>		
HP interest paid	(671,741)	-
Other interest paid	(16,676)	(74,981)
Interest received	7,710	31,599
	<u>(680,707)</u>	<u>(43,382)</u>
<b>Taxation</b>		
Taxation paid	<u>(331,138)</u>	<u>(157,803)</u>

### 23 Analysis of net debt

	At start of period £	Cash flow £	Other non-cash changes £	At end of period £
Cash at bank and in hand	722,917	(21,075)	-	701,842
Debt due within one year	(129,279)	129,279	(129,279)	(129,279)
Debt due after one year	(906,932)	38,068	129,279	(739,585)
Finance leases and hire purchase contracts	(22,977,784)	11,542,229	(7,611,128)	(19,046,683)
Change in debt	<u>(24,013,995)</u>	<u>11,709,576</u>	<u>(7,611,128)</u>	<u>(19,915,547)</u>
<b>Net debt</b>	<b><u>(23,291,078)</u></b>	<b><u>11,688,501</u></b>	<b><u>(7,611,128)</u></b>	<b><u>(19,213,705)</u></b>