

PREP-POINT LIMITED



Directors' Report And Financial Statements
For the year ended 31 December 2012

PREP-POINT LIMITED

COMPANY INFORMATION

Directors	R C D Smith M J Wilson
Secretary	M J Wilson
Company number	00660067
Registered office	25 Dulwich Village London SE21 7BW
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

PREP-POINT LIMITED

CONTENTS

	Page
Directors' report	1
Independent auditors' report	2 - 3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 12

PREP-POINT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities

The principal activity of the company continued to be that of vehicle sales, distribution and service

Directors

The following directors have held office since 1 January 2012

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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

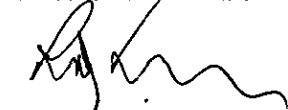
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



26/01/2013

R C D Smith

Director

PREP-POINT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PREP-POINT LIMITED

We have audited the financial statements of Prep-Point Limited for the year ended 31 December 2012 set out on pages 4 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 so that we might state to the company's members those matters we are required to state to them in an 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 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 page 1, 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 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.

PREP-POINT LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF PREP-POINT LIMITED

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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



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

26/09/2013

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

PREP-POINT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Turnover		1,224,217	996,811
Cost of sales		(447,323)	(366,718)
Gross profit		776,894	630,093
Administrative expenses		(258,246)	(254,232)
Other operating charges		(428,406)	(391,280)
Other operating income		29,334	26,628
Operating profit	2	119,576	11,209
Interest payable and similar charges	3	(5,156)	(6,170)
Profit on ordinary activities before taxation		114,420	5,039
Tax on profit on ordinary activities	4	(5,994)	(3,673)
Profit for the year	11	108,426	1,366

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

PREP-POINT LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	5		336,910		353,749
Current assets					
Stocks		5,750		8,012	
Debtors	6	65,064		61,264	
Cash at bank and in hand		200		200	
		<u>71,014</u>		<u>69,476</u>	
Creditors: amounts falling due within one year	7	<u>(224,185)</u>		<u>(303,946)</u>	
Net current liabilities			<u>(153,171)</u>		<u>(234,470)</u>
Total assets less current liabilities			183,739		119,279
Creditors: amounts falling due after more than one year	8		<u>(136,755)</u>		<u>(180,721)</u>
			<u>46,984</u>		<u>(61,442)</u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account	11		46,884		(61,542)
Shareholders' funds	12		<u>46,984</u>		<u>(61,442)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

Approved by the Board and authorised for issue on 26/09/2013



R C D. Smith
Director

Company Registration No. 00660067

PREP-POINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

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 amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost 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

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged to the profit and loss account as incurred

1.6 Stocks and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value

1.7 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 Operating profit

	2012	2011
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	16,839	18,660
Auditors' remuneration -audit	750	1,125
Auditors' remuneration -non audit	250	375
	<hr/>	<hr/>

PREP-POINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

3	Interest payable	2012	2011
		£	£
	Bank loans and overdrafts	4,868	5,792
	Finance lease interest	288	378
		<u>5,156</u>	<u>6,170</u>
4	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	7,500	3,673
	Total current tax	<u>7,500</u>	<u>3,673</u>
	Deferred tax		
	Deferred tax credit current year	(1,506)	-
		<u>5,994</u>	<u>3,673</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>114,420</u>	<u>5,039</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2011 - 26.00%)	<u>22,884</u>	<u>1,310</u>
	Effects of		
	Depreciation add back	2,848	4,795
	Capital allowances	(701)	(2,206)
	Adjustments to previous periods	-	3,673
	Group relief	(17,531)	(3,899)
		<u>(15,384)</u>	<u>2,363</u>
	Current tax charge for the year	<u>7,500</u>	<u>3,673</u>

PREP-POINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

5 Tangible fixed assets

	Freehold buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2012 & at 31 December 2012	347,843	57,121	24,553	3,643	433,160
Depreciation					
At 1 January 2012	19,684	34,372	21,712	3,643	79,411
Charge for the year	4,457	9,541	2,841	-	16,839
At 31 December 2012	24,141	43,913	24,553	3,643	96,250
Net book value					
At 31 December 2012	323,702	13,208	-	-	336,910
At 31 December 2011	328,159	22,749	2,841	-	353,749

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £
Net book values	
At 31 December 2012	10,176
At 31 December 2011	12,774
Depreciation charge for the year	
At 31 December 2012	2,598
At 31 December 2011	216

PREP-POINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

6 Debtors	2012	2011
	£	£
Trade debtors	1,501	3,124
Other debtors	23,814	25,348
Prepayments and accrued income	37,268	31,817
Deferred tax asset (see note 9)	2,481	975
	<u>65,064</u>	<u>61,264</u>

7 Creditors, amounts falling due within one year	2012	2011
	£	£
Bank loans and overdrafts	18,132	21,541
Net obligations under finance leases	4,430	4,431
Trade creditors	48,104	74,776
Amounts due to group undertakings	94,561	169,374
Corporation tax	7,500	4,937
Accruals and deferred income	51,458	28,887
	<u>224,185</u>	<u>303,946</u>

The bank loan is secured by a fixed charge over the company's freehold land and buildings, fixed charges over the freehold land and buildings of S G Smith (Motors) Insurances and Management Services Limited and a cross guarantee with other group companies

The net obligations under finance leases are secured on the related assets

PREP-POINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

8 Creditors' amounts falling due after more than one year	2012 £	2011 £
Bank loans	133,507	173,144
Net obligations under finance leases	3,248	7,577
	<u>136,755</u>	<u>180,721</u>
Analysis of loans		
Wholly repayable within five years	151,639	194,685
Included in current liabilities	(18,132)	(21,541)
	<u>133,507</u>	<u>173,144</u>
Loan maturity analysis		
In more than one year but not more than two years	22,088	24,698
In more than two years but not more than five years	111,419	148,446
	<u>133,507</u>	<u>173,144</u>
Net obligations under finance leases		
Repayable within one year	4,430	4,431
Repayable between one and five years	3,248	7,577
	<u>7,678</u>	<u>12,008</u>
Included in liabilities falling due within one year	(4,430)	(4,431)
	<u>3,248</u>	<u>7,577</u>

PREP-POINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

9 Deferred Taxation

The deferred tax asset (included in debtors, note 6) is made up as follows:

	2012 £
Balance at 1 January 2012	(975)
Profit and loss account	(1,506)
Balance at 31 December 2012	<u>(2,481)</u>

	2012 £	2011 £
Decelerated capital allowances	<u>(2,481)</u>	<u>(975)</u>

10 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2012	(61,542)
Profit for the year	108,426
Balance at 31 December 2012	<u>46,884</u>

12 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	108,426	1,366
Opening shareholders' funds	(61,442)	(62,808)
Closing shareholders' funds	<u>46,984</u>	<u>(61,442)</u>

PREP-POINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

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 2012 were £151,639 (2011 £194,685)

14 Employees

Number of employees

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

	2012 Number	2011 Number
Production and sales	4	3
Administration	1	1
Other Staff	4	4
	<u>9</u>	<u>8</u>

Employment costs

	2012 £	2011 £
Wages and salaries	240,664	217,602
Social security costs	32,700	26,829
Other pension costs	6,611	6,354
	<u>279,975</u>	<u>250,785</u>

The directors did not receive any remuneration from the company during 2011 or 2012

15 Ultimate parent undertaking

The ultimate parent company is S G Smith (Motors) Insurances and Management Services Limited, a company registered in England and Wales. S G Smith (Motors) Insurances and Management Services Limited 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 Control

The company is controlled by R C D Smith, the chairman, by virtue of his shareholding and those of trusts of which he is a trustee, in the ultimate parent undertaking S G Smith (Motors) Insurances and Management Services Limited