

Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 January 2012
for
R N Smith Holdings Limited

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for the Year Ended 31 January 2012

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R N Smith Holdings Limited
Company Information
for the Year Ended 31 January 2012

DIRECTORS

D N Smith
R G Smith

SECRETARY

R G Smith

REGISTERED OFFICE

Rayrigg Showrooms
Rayrigg Road
Bowness on Windermere
Cumbria
LA23 3DN

REGISTERED NUMBER

00702316 (England and Wales)

AUDITORS

ASE Audit LLP
Statutory Auditors & Chartered Accountants
Rowan Court
Concord Business Park
Manchester
Greater Manchester
M22 0RR

Report of the Directors
for the Year Ended 31 January 2012

The directors present their report with the financial statements of the company and the group for the year ended 31 January 2012

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of motor engineers and garage proprietors and operating a school for boys with social, emotional and behavioural difficulties, learning difficulties and development challenges

REVIEW OF BUSINESS

Rayrigg Motor Group

2011 has been a very difficult trading year for the motor trade in general and ourselves in particular

Fortunately a full management overview in late 2011 has both introduced savings and found further opportunities to maximise sales

Our greatest problem was our Morecambe branch that produced unacceptable losses in most departments. The problem areas have now been identified and rectified, up to a point, giving in the first six months of 2012 an improvement of 86k over the same six months of 2011. Assuming that this trend will continue, we feel very confident that our budgeted profit of 100k will be achieved quite comfortably

In 2011 our Car Sales Department's have increased their profit per unit, on both new and used vehicles, with Kia new profit up by £51 per unit at Windermere and £113 per unit at Morecambe and used by approximately £100 per unit at both branches

The main concern area at Morecambe was the Service Department, which has now, with new and better personnel started to turn the corner. It is by no means the finished article but it is an area of potential financial improvement

North Lakes Children's Services Limited have now ceased being a financial drain on the Motor side and has, up to date, repaid 150k of their outstanding Loan, with further repayments due later in the year. This will now enable us to repay our used stocking loan and therefore allows us to gain better finance rewards for the future

Our first six months trading of 2012 has shown an overall improvement of 110k on 2011 and we feel very confident of a successful financial improvement for 2012

North Lakes Childrens Services

Finally the Financial results of NLCS have shown a Profit and although this is minimal, it indicates the direction in which the company is going

Our Turnover has increased by 650k and our results are showing a 270k improvement

Having received Ofsted Inspections in all our sites during the past 12 months, we are delighted to have attained a measure of Good overall with outstanding in areas

2011 has proved to be the turning point and 2012 will show the company will now start producing the profits we were always anticipating

The First six months of 2012 has produced a profit of 133k and we are on target to achieve our budget of 300k for the full year. With these profits this will enable NLCS to start repaying their loan to R Smith (Windermere) Limited which, in turn, will reduce their Interest charge

2012 should be a milestone for the company where we can go forward with confidence and start to look forward to a more assured and profitable future

DIVIDENDS

The total distribution of dividends for the year ended 31 January 2012 will be £125,876

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2011 to the date of this report

D N Smith
R G Smith

Report of the Directors
for the Year Ended 31 January 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, ASE Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD



D N Smith - Director

Date

7-9-12

Report of the Independent Auditors to the Members of
R N Smith Holdings Limited

We have audited the financial statements of R N Smith Holdings Limited for the year ended 31 January 2012 on pages five to twenty four. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 group's and the parent 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 Report of the Directors 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 group's and of the parent company's affairs as at 31 January 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

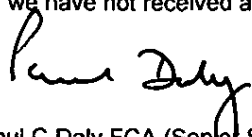
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.



Paul C Daly FCA (Senior Statutory Auditor)
for and on behalf of ASE Audit LLP
Statutory Auditors & Chartered Accountants
Rowan Court
Concord Business Park
Manchester
Greater Manchester
M22 0RR

Date

7.9.12

R N Smith Holdings Limited (Registered number: 00702316)

Consolidated Profit and Loss Account
for the Year Ended 31 January 2012

	Notes	31 1 12 £	31 1 11 £
TURNOVER	2	16,495,664	16,713,847
Cost of sales		13,160,161	13,902,400
GROSS PROFIT		3,335,503	2,811,447
Administrative expenses		3,233,663	3,238,949
		101,840	(427,502)
Other operating income		38,680	38,680
OPERATING PROFIT/(LOSS)	4	140,520	(388,822)
Interest receivable and similar income		19,171	824,861
		159,691	436,039
Interest payable and similar charges	5	168,116	163,931
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,425)	272,108
Tax on (loss)/profit on ordinary activities	6	(599)	51,200
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(7,826)	220,908
Minority interest - equity		221	(53,571)
(DEFICIT)/RETAINED PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		(8,047)	274,479

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year

R N Smith Holdings Limited (Registered number 00702316)

Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 31 January 2012

	31 1 12 £	31 1 11 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(8,047)	274,479
Revaluation of freehold property in year	-	(125,000)
Revaluation of investment property in year	-	45,000
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(8,047)</u>	<u>194,479</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material

Consolidated Balance Sheet
31 January 2012

	Notes	31 1 12 £	£	31 1 11 £	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		2,658,675		2,591,023
Investments	11		-		-
Investment property	12		570,000		570,000
			<u>3,228,675</u>		<u>3,161,023</u>
CURRENT ASSETS					
Stocks	13	1,613,691		1,935,101	
Debtors	14	1,136,246		1,284,305	
Investments	15	21,573		21,573	
Cash in hand		1,573		696	
		<u>2,773,083</u>		<u>3,241,675</u>	
CREDITORS					
Amounts falling due within one year	16	3,800,595		3,946,110	
NET CURRENT LIABILITIES					
			<u>(1,027,512)</u>		<u>(704,435)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			2,201,163		2,456,588
CREDITORS					
Amounts falling due after more than one year	17		(1,439,791)		(1,562,869)
PROVISIONS FOR LIABILITIES					
	21		(5,152)		(3,777)
MINORITY INTERESTS					
	22		317,731		317,952
NET ASSETS					
			<u>1,073,951</u>		<u>1,207,894</u>
CAPITAL AND RESERVES					
Called up share capital	23		15,000		15,020
Revaluation in the year	24		729,469		729,469
Other reserves	24		36,267		36,267
Revaluation in the year	24		293,215		427,138
SHAREHOLDERS' FUNDS					
	27		<u>1,073,951</u>		<u>1,207,894</u>

The financial statements were approved by the Board of Directors on its behalf by

7-9-12

and were signed on

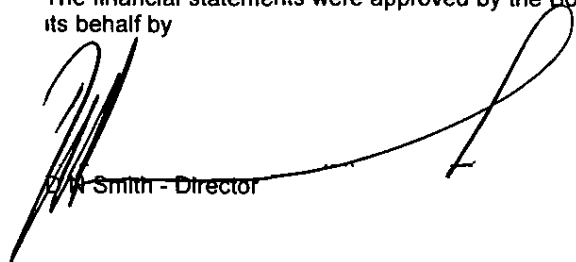
D N Smith - Director

R N Smith Holdings Limited (Registered number 00702316)

Company Balance Sheet
31 January 2012

	Notes	31 1 12 £	£	31 1 11 £	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		1,000		62
Investment property	12		-		-
			<u>1,000</u>		<u>62</u>
CURRENT ASSETS					
Debtors	14	<u>56,111</u>		<u>56,111</u>	
NET CURRENT ASSETS			<u>56,111</u>		<u>56,111</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>57,111</u>		<u>56,173</u>
CAPITAL AND RESERVES					
Called up share capital	23		15,000		15,000
Revaluation in the year	24		42,111		41,173
SHAREHOLDERS' FUNDS	27		<u>57,111</u>		<u>56,173</u>

The financial statements were approved by the Board of Directors on
its behalf by



D N Smith - Director

7-9-12

and were signed on

Consolidated Cash Flow Statement
for the Year Ended 31 January 2012

	Notes	31 1 12 £	£	31 1 11 £	£
Net cash inflow/(outflow) from operating activities	1		559,899		(320,082)
Returns on investments and servicing of finance	2		(148,945)		660,930
Taxation			(52,941)		2
Capital expenditure	2		(150,765)		(146,053)
Equity dividends paid			(125,876)		(120,876)
			81,372		73,921
Management of liquid resources	2		-		18,521
Financing	2		(97,502)		(122,048)
Decrease in cash in the period			(16,130)		(29,606)

**Reconciliation of net cash flow
to movement in net debt**

	3		
Decrease in cash in the period		(16,130)	(29,606)
Cash inflow from decrease in liquid resources		-	(18,521)
Cash outflow from decrease in debt and lease financing		97,483	122,048
Change in net debt resulting from cash flows		81,353	73,921
Movement in net debt in the period		81,353	73,921
Net debt at 1 February		(1,023,646)	(1,097,567)
Net debt at 31 January		(942,293)	(1,023,646)

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 January 2012**

1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31 1 12 £	31 1 11 £
Operating profit/(loss)	140,520	(388,822)
Depreciation charges	80,203	44,405
Loss on disposal of fixed assets	2,909	-
Decrease in stocks	321,411	106,542
Decrease/(increase) in debtors	153,264	(276,905)
(Decrease)/increase in creditors	(138,408)	194,698
Net cash inflow/(outflow) from operating activities	559,899	(320,082)

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31 1 12 £	31 1 11 £
Returns on investments and servicing of finance		
Interest received	19,171	824,861
Interest paid	(165,709)	(162,675)
Interest element of hire purchase payments	(2,407)	(1,256)
Net cash (outflow)/inflow for returns on investments and servicing of finance	(148,945)	660,930
Capital expenditure		
Purchase of tangible fixed assets	(155,344)	(146,653)
Sale of tangible fixed assets	4,579	600
Net cash outflow for capital expenditure	(150,765)	(146,053)
Management of liquid resources		
increase/(decrease) in liquid resources	-	18,521
Net cash inflow from management of liquid resources	-	18,521
Financing		
Loan repayments in year	(121,057)	(133,413)
New HP in the year	41,800	18,750
Capital repayments in year	(18,245)	(7,385)
Net cash outflow from financing	(97,502)	(122,048)

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 January 2012

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 2 11 £	Cash flow £	At 31 1 12 £
Net cash			
Cash at bank and in hand	696	877	1,573
Bank overdraft	(404,355)	(17,007)	(421,362)
	<u>(403,659)</u>	<u>(16,130)</u>	<u>(419,789)</u>
Liquid resources			
Current asset investments	21,573	-	21,573
	<u>21,573</u>	<u>-</u>	<u>21,573</u>
Debt			
Hire purchase	(16,545)	(23,555)	(40,100)
Debts falling due within one year	(123,108)	2,637	(120,471)
Debts falling due after one year	(501,907)	118,401	(383,506)
	<u>(641,560)</u>	<u>97,483</u>	<u>(544,077)</u>
Total	<u>(1,023,646)</u>	<u>81,353</u>	<u>(942,293)</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 January 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Goodwill

Goodwill, being the amount arising on consolidation of subsidiaries

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Freehold property	- Not provided
Improvements to property	- Over the period of the lease
Plant and machinery	- 20% on cost
Motor vehicles	- 25% on reducing balance

Although the Companies Act would normally require annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation on freehold property is necessary in order for the accounts to give a true and fair view since the buildings are maintained in good condition so that their value is not significantly impaired by the passage of time, and in consequence any element of depreciation would be immaterial

Improvements to freehold property are depreciated at 2% on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve

Investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Consignment stocks

Consignment vehicles that are regarded effectively as being under the control of the company due to the transfer of the risks and responsibilities, are included within stocks on the balance sheet, although legal title has not passed to the company, in accordance with FRS 5. The corresponding liability is included within trade creditors and is secured directly on these vehicles

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2012

1 ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future, have accrued at the balance sheet date

Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are revalued, unless by the balance sheet date, there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements

Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is measured on a non-discounted basis

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at valuation. Dividends are recognised in the profit and loss account when receivable

2 TURNOVER

The turnover and loss (2011 - profit) before taxation are attributable to the one principal activity of the group

An analysis of turnover by class of business is given below

	31 1 12	31 1 11
	£	£
Vehicle sales and servicing	14,334,633	15,204,016
Care and schooling	2,161,031	1,509,831
	<u>16,495,664</u>	<u>16,713,847</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2012

3 STAFF COSTS

	31 1 12	31 1 11
	£	£
Wages and salaries	1,817,555	1,686,988
Social security costs	160,561	153,521
Other pension costs	503	1,206
	<u>1,978,619</u>	<u>1,841,715</u>

The average monthly number of employees during the year was as follows

	31 1 12	31 1 11
Sales	10	12
Service	16	21
Office and administration	15	15
Directors	5	7
Teachers	15	14
Carers	23	23
Security	6	7
Managers	4	2
Cook, nurse and cleaner	3	3
	<u>97</u>	<u>104</u>

4 OPERATING PROFIT/(LOSS)

The operating profit (2011 - operating loss) is stated after charging/(crediting)

	31 1 12	31 1 11
	£	£
Hire of plant and machinery	11,897	12,030
Depreciation - owned assets	69,233	70,139
Depreciation - assets on hire purchase contracts	10,971	6,200
Loss on disposal of fixed assets	2,909	-
Goodwill amortisation	-	(31,938)
Auditors' remuneration	12,460	15,656
Auditors' remuneration for non audit work	8,900	10,200
	<u>122,448</u>	<u>120,327</u>
Directors' remuneration	503	1,206
Directors' pension contributions to money purchase schemes		

5 INTEREST PAYABLE AND SIMILAR CHARGES

	31 1 12	31 1 11
	£	£
Bank interest	11,592	10,133
Bank loan interest	10,517	13,042
Other loan interest	133,017	129,525
Stocking interest	10,583	9,975
Hire purchase	2,407	1,256
	<u>168,116</u>	<u>163,931</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2012

6 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

	31 1 12 £	31 1 11 £
Current tax		
UK corporation tax	(1,974)	50,261
Deferred tax	1,375	939
Tax on (loss)/profit on ordinary activities	<u>(599)</u>	<u>51,200</u>

7 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £126,814 (2011 - £120,876)

8 DIVIDENDS

	31 1 12 £	31 1 11 £
'A' Ordinary shares of £1 each Interim	5,832	5,832
'C' Ordinary shares of £1 each Interim	28,824	28,824
'E' Ordinary shares of £1 each Interim	61,908	61,908
'F' Ordinary shares of £1 each Interim	29,312	24,312
	<u>125,876</u>	<u>120,876</u>

9 INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 February 2011 and 31 January 2012	<u>(31,938)</u>
AMORTISATION	
At 1 February 2011 and 31 January 2012	<u>(31,938)</u>
NET BOOK VALUE	
At 31 January 2012	<u>-</u>
At 31 January 2011	<u>-</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2012**

10 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 February 2011	2,327,401	160,384	1,065,172	43,500	3,596,457
Additions	73,557	4,416	35,571	41,800	155,344
Disposals	-	-	-	(20,250)	(20,250)
At 31 January 2012	2,400,958	164,800	1,100,743	65,050	3,731,551
DEPRECIATION					
At 1 February 2011	4,558	29,915	953,835	17,126	1,005,434
Charge for year	-	11,351	56,606	12,247	80,204
Eliminated on disposal	-	-	-	(12,762)	(12,762)
At 31 January 2012	4,558	41,266	1,010,441	16,611	1,072,876
NET BOOK VALUE					
At 31 January 2012	2,396,400	123,534	90,302	48,439	2,658,675
At 31 January 2011	2,322,843	130,469	111,337	26,374	2,591,023

Cost or valuation at 31 January 2012 is represented by

	Freehold property £	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2011	1,350,000	-	-	-	1,350,000
Cost	1,050,958	164,800	1,100,743	65,050	2,381,551
	2,400,958	164,800	1,100,743	65,050	3,731,551

If freehold land and buildings had not been revalued they would have been included at the following historical cost

	31 1 12 £	31 1 11 £
Cost	948,400	948,400

Freehold land and buildings were valued on open market basis on 1 July 2011 by Peill & Company Chartered Surveyors

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2012

10 TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Motor vehicles £
COST OR VALUATION	
At 1 February 2011	31,000
Disposals	(12,250)
At 31 January 2012	18,750
DEPRECIATION	
At 1 February 2011	13,282
Charge for year	10,971
Eliminated on disposal	(9,645)
At 31 January 2012	14,608
NET BOOK VALUE	
At 31 January 2012	4,142
At 31 January 2011	17,718

11 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 February 2011	1,000
Additions	4,900
At 31 January 2012	5,900
PROVISIONS	
At 1 February 2011	938
Provision for year	3,962
At 31 January 2012	4,900
NET BOOK VALUE	
At 31 January 2012	1,000
At 31 January 2011	62

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries

R Smith (Windermere) Limited
Nature of business Motor trader

	% holding	31 1 12 £	31 1 11 £
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		2,232,891	2,423,668
(Loss)/profit for the year		(64,901)	588,025

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2012

11 FIXED ASSET INVESTMENTS - continued

Rayrigg Motor Group Limited
Nature of business Dormant

Class of shares	%
Ordinary	holding 100 00

Rayrigg Motors Limited
Nature of business Dormant

Class of shares	%
Ordinary	holding 100 00

	31 1 12	31 1 11
	£	£
Aggregate capital and reserves	2	2

North Lakes Childrens Services Limited
Nature of business School and care provider

Class of shares	%
Ordinary	holding 80 00

	31 1 12	31 1 11
	£	£
Aggregate capital and reserves	(1,588,654)	(1,589,760)
Profit/(loss) for the year	1,106	(267,855)

12 INVESTMENT PROPERTY

Group

COST OR VALUATION

At 1 February 2011 and 31 January 2012	Total £ 570,000
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NET BOOK VALUE

At 31 January 2012	570,000
At 31 January 2011	570,000

Cost or valuation at 31 January 2012 is represented by

Valuation in 2011	£ 570,000
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13 STOCKS

	Group	
	31 1 12	31 1 11
	£	£
Stocks	973,737	1,056,945
Parts and accessories	133,730	85,148
Consignment stock	506,224	793,008
	1,613,691	1,935,101

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2012

14 DEBTORS

	Group		Company	
	31 1 12	31 1 11	31 1 12	31 1 11
	£	£	£	£
Amounts falling due within one year				
Trade debtors	444,223	511,066	-	-
Other debtors	232,492	340,679	56,111	56,111
Tax	5,205	-	-	-
Prepayments and accrued income	93,432	120,252	-	-
	<u>775,352</u>	<u>971,997</u>	<u>56,111</u>	<u>56,111</u>
Amounts falling due after more than one year				
Other debtors	<u>360,894</u>	<u>312,308</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>1,136,246</u>	<u>1,284,305</u>	<u>56,111</u>	<u>56,111</u>

15 CURRENT ASSET INVESTMENTS

	Group	
	31 1 12	31 1 11
	£	£
Listed investments	<u>21,573</u>	<u>21,573</u>

Market value of listed investments held by the group at 31 January 2012 - £21,573 (2011 - £21,573)

16 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	31 1 12	31 1 11
	£	£
Bank loans and overdrafts (see note 18)	541,833	527,463
Hire purchase contracts (see note 19)	19,495	8,045
Trade creditors	1,192,762	1,331,714
Consignment creditor	506,224	793,008
Tax	554	50,263
Social security and other taxes	111,426	45,379
Other creditors	921,246	675,862
Accruals and deferred income	507,055	514,376
	<u>3,800,595</u>	<u>3,946,110</u>

17 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	31 1 12	31 1 11
	£	£
Bank loans (see note 18)	383,506	501,907
Hire purchase contracts (see note 19)	20,605	8,500
Other creditors	1,035,680	1,052,462
	<u>1,439,791</u>	<u>1,562,869</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2012

18 LOANS

An analysis of the maturity of loans is given below

	Group	
	31 1 12	31 1 11
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	421,362	404,355
Bank loans	120,471	123,108
	<u>541,833</u>	<u>527,463</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	122,579	-
Amounts falling due between two and five years		
Bank loans	260,927	394,550
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	-	107,357

19 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	31 1 12	31 1 11
	£	£
Net obligations repayable		
Within one year	19,495	8,045
Between one and five years	20,605	8,500
	<u>40,100</u>	<u>16,545</u>

The following operating lease payments are committed to be paid within one year

Group

	Land and buildings		Other operating leases	
	31 1 12	31 1 11	31 1 12	31 1 11
	£	£	£	£
Expiring				
Within one year	50,000	-	4,081	-
Between one and five years	64,448	25,000	-	-
In more than five years	-	89,448	-	-
	<u>114,448</u>	<u>114,448</u>	<u>4,081</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2012

20 SECURED DEBTS

The following secured debts are included within creditors

	Group	
	31 1 12	31 1 11
	£	£
Bank overdraft	421,362	404,355
Bank loans	503,977	625,015
Vehicle creditors	1,434,237	1,861,470
	<u>2,359,576</u>	<u>2,890,840</u>

The bank overdraft is secured by a first legal mortgage over Rayngg Showrooms, Rayngg Road, Bowness-on-Windermere and an unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets of the company

Bank loans are secured by a first legal mortgage over freehold land at White Lund Industrial Estate, Morecambe and Rayngg Showrooms, Rayngg Road, Bowness-on-Windermere Interest is charged at 1 25% above the base rate

Other loans are secured by a legal charge over Rayngg Showrooms, Rayngg Road, Bowness-on-Windermere

Vehicle creditors are secured against the vehicles to which they relate

21 PROVISIONS FOR LIABILITIES

	Group	
	31 1 12	31 1 11
	£	£
Deferred tax	<u>5,152</u>	<u>3,777</u>
Group		
		Deferred tax
		£
Balance at 1 February 2011		3,777
Accelerated capital allowances		<u>1,375</u>
Balance at 31 January 2012		<u>5,152</u>

22 MINORITY INTERESTS

	2012	2011
	£	£
Opening balance	(317,952)	(264,381)
Share of results for the year	<u>332</u>	<u>(53,571)</u>
Closing balance	<u>(317,620)</u>	<u>(317,952)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2012

23 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	31 1 12 £	31 1 11 £
12,000	Ordinary	£1	12,000	12,000
375	'A' Ordinary	£1	375	375
375	'B' Ordinary	£1	375	375
375	'C' Ordinary	£1	375	375
375	'D' Ordinary	£1	375	375
375	'E' Ordinary	£1	375	375
375	'F' Ordinary	£1	375	375
375	'G' Ordinary	£1	375	375
375	'H' Ordinary	£1	375	375
			<u>15,000</u>	<u>15,000</u>

All shares carry equal rights

24 RESERVES

Group	Revaluation in the year £	Revaluation in the year £	Other reserves £	Totals £
At 1 February 2011	427,138	729,469	36,267	1,192,874
Deficit for the year	(8,047)			(8,047)
Dividends	(125,876)			(125,876)
At 31 January 2012	<u>293,215</u>	<u>729,469</u>	<u>36,267</u>	<u>1,058,951</u>
Company				Revaluation in the year £
At 1 February 2011				41,173
Profit for the year				126,814
Dividends				(125,876)
At 31 January 2012				<u>42,111</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2012

25 RELATED PARTY DISCLOSURES

Group

Fairway (Golf Shop) Limited owed R Smith (Windermere) Limited £73,320 at 31 January 2012 (2011 £55,511) Fairway (Golf Shops) Limited is a company of which D N Smith is a director and shareholder Loan interest of £nil (2011 £nil) was charged during the year

Biskey Howe Investments Limited owed R Smith (Windermere) Limited £362,436 at 31 January 2012 (2011 £312,308) Biskey Howe Investments Limited is a company of which R G Smith and D N Smith are directors and shareholders Loan interest £16,424 (2011 £14,997) was charged during the year

R Smith (Windermere) Limited owed R Smith (Windermere) Directors Retirement Plan £267,000 at 31 January 2012 (2011 £280,000) The R Smith (Windermere) Directors Retirement Plan is a pension scheme of which R G Smith and D N Smith are trustees and members Loan interest of £10,200 (2011 £10,200) was charged during the year

At 31 January 2012 R Smith (Windermere) Limited had loans from the following related parties

	2012 £	2011 £
J I Smith (D N Smith's wife)	nil	(93,794)
R N Smith	72,844	70,641
R G Smith	26,540	43,902
D N Smith and J I Smith	610,000	610,000
R G Smith and R N Smith	399,141	398,560
A M Spiby	15,514	26,453

Company

R N Smith Settlement owed R N Smith (Holdings) Limited £44,430 at the year end (2011 £44,430)

26 ULTIMATE CONTROLLING PARTY

The company is controlled by R N Smith Settlement, of which D N Smith and R G Smith are trustees

27 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	31 1 12 £	31 1 11 £
(Loss)/profit for the financial year	(8,047)	274,479
Dividends	(125,876)	(120,876)
	(133,923)	153,603
Other recognised gains and losses relating to the year (net)	-	(80,000)
Other movements	(20)	-
Net (reduction)/addition to shareholders' funds	(133,943)	73,603
Opening shareholders' funds	1,207,894	1,134,291
Closing shareholders' funds	1,073,951	1,207,894

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2012

27 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	31 1 12	31 1 11
	£	£
Profit for the financial year	126,814	120,876
Dividends	(125,876)	(120,876)
Net addition to shareholders' funds	938	-
Opening shareholders' funds	56,173	56,173
Closing shareholders' funds	57,111	56,173