

# Contract Vehicles Limited

Registered number 759126

## Abbreviated accounts

For the year ended 30 September 2012

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# CONTRACT VEHICLES LIMITED

## COMPANY INFORMATION

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|--------------------------|--|
| <b>Directors</b>         | J A Ross<br>A C Brown<br>N J Barrett<br>D Smith (Chief executive)  |
| <b>Company secretary</b> | N J Barrett  |
| <b>Company number</b>    | 759126   |
| <b>Registered office</b> | Unit 6 Airport West<br>Lancaster Way<br>Yeadon<br>Leeds<br>West Yorkshire<br>LS19 7ZA                          |
| <b>Auditors</b>          | Mazars LLP<br>Chartered Accountants & Statutory Auditor<br>The Lexicon<br>Mount Street<br>Manchester<br>M2 5NT |
| <b>Bankers</b>           | Barclays Bank PLC<br>3 Hardman Street<br>Spinningfields<br>Manchester<br>M3 3HF                                |

# **CONTRACT VEHICLES LIMITED**

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# **CONTRACT VEHICLES LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2012**

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

### **Principal activities**

The principal activity of the company is that of commercial vehicle Contract Hire and Fleet Management

### **Business review**

Contract Vehicles Limited is the main trading company of the Contract Vehicles Group Limited, along with its 100% owned subsidiary CVL Distribution Limited

The performance of the company for the year ended 30 September 2012 was, in the light of current economic conditions, very pleasing. Turnover increased by £7,327,000 (18%) in comparison with 2011. The number of vehicles under contract as at 30 September was 9,676, an increase of 18%. Gross margins have decreased slightly from 12.5% to 12.3% due to the mix of new business and a highly competitive market place.

The increase in vehicles under management was achieved from both existing and new customers.

The company's primary activity is contract hire and fleet management of commercial vehicles mainly for blue chip clients. It offers a range of services from full contract hire including the asset purchase, to pure fleet management where the asset may be owned by the customer or subject to a third party leasing arrangement. The board continues to be confident this outsourcing of fleet management along with the provision of quality management information, will continue to be an expanding market providing the company with good growth opportunities in the future. During the year there was further significant investment in, and development of, our IT systems, to ensure we continue to deliver and improve the service to our customers including the appointment of an experienced IT Manager. Our new management information and reporting platform 'Compass' continues to be developed and has given significant benefits to customers and internal reporting systems.

Due to the growth in the underlying business we employed more operational staff in our 24 hour operations centre, field operations and administration, as well as further investment in training.

Further improvements to staff communications were also made. We remain committed to staff development as this is seen as a key attribute in the company's existing and future success.

The funding arrangement for commercial vehicles where contract hire is the customers' preference is almost exclusively met by agency agreements with leading banks using our customers' credit rating, this removes any credit risk from ourselves.

The residual value risk is held by either the funder or the vehicle manufacturer and very occasionally by the company itself in cases of a secondary contract period, this again removes risk from ourselves.

Repair and maintenance is mainly provided through vehicle and ancillary product manufacturers' repair and maintenance contracts. This provides many advantages including a fixed price for the period of the contract and again removes any risk from ourselves.

It continues to be our intention to retain these low risk profiles wherever possible.

The company's debtor control and internal key performance indicators continue to show excellent results reflecting rigid control systems.

### **Going concern**

The use of the going concern basis of accounting is appropriate because there are no material uncertainties relating to events or conditions that may cast doubt over the ability of the company to continue as a going concern.

# **CONTRACT VEHICLES LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2012**

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### **Results and dividends**

The profit for the year, after taxation, amounted to £2,448,939 (2011 £2,582,130)

The company paid a dividend of £1,500,000 (2011 £Nil) during the period

### **Directors**

The directors who served during the year were

J A Ross  
A C Brown  
N J Barrett  
D Smith (Chief executive)

### **Risks and profit key performance indicators**

#### **Financial risk**

Financial risks are managed through strict internal management controls, accurate and timely management information and KPI reporting. Comprehensive credit checks and strict debtor control systems are in place. In addition to monitoring sales values, gross margins and expenses, management monitors the following to maximise its financial performance,

- Ratio of staff numbers/administration costs to vehicle numbers,
- Level of costs on own risk contracts,
- Level of outstanding Customer order number requests outstanding for recharge items, and
- Level and ageing of debtors

#### **Market risk**

Whilst all customers are under a contract agreement, there is a risk that the contract is not renewed at normal expiry through poor service or a competitor undercutting our pricing. We mitigate this risk by ensuring we provide unrivalled service levels, and cost control to provide competitive pricing – which result in excellent value for money for our customers

# CONTRACT VEHICLES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2012

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### Directors' responsibilities statement

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 judgments 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.

### Provision of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

### Auditors

The Auditors, Mazars LLP, have indicated their willingness to continue in office.

This report was approved by the board on 12<sup>th</sup> February 2013 and signed on its behalf



N J Barrett  
Secretary

# CONTRACT VEHICLES LIMITED

## INDEPENDENT AUDITORS' REPORT TO CONTRACT VEHICLES LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

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We have examined the abbreviated accounts set out on pages 5 to 16, together with the financial statements of Contract Vehicles Limited for the year ended 30 September 2012 prepared under section 396 of the Companies Act 2006

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 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 have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 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 are properly prepared.

### Opinion on financial statements

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 5 to 16 have been properly prepared in accordance with the regulations made under that section.

*Ian Wrightson,*

Ian Wrightson (Senior Statutory Auditor)

for and on behalf of  
**Mazars LLP**

Chartered Accountants  
Statutory Auditor

The Lexicon  
Mount Street  
Manchester  
M2 5NT

Date *12<sup>th</sup> February 2013.*

# CONTRACT VEHICLES LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2012

|   | Note | 2012<br>£   | 2011<br>£   |
|---|------|-------------|-------------|
| Turnover                                      | 1    | 48,755,986  | 41,428,629  |
| Gross profit                                  |      | 5,999,782   | 5,181,819   |
| Administrative expenses                       |      | (2,912,401) | (2,679,214) |
| Operating profit                              | 2    | 3,087,381   | 2,502,605   |
| Income from investment in subsidiary          |      | 261,022     | 280,182     |
| Interest receivable and similar income        |      | 53,826      | -           |
| Interest payable and similar charges          | 3    | (143,565)   | (158,926)   |
| Profit on ordinary activities before taxation |      | 3,258,664   | 2,623,861   |
| Tax on profit on ordinary activities          | 6    | (809,725)   | (41,731)    |
| Profit for the financial year                 | 14   | 2,448,939   | 2,582,130   |

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

The notes on pages 7 to 16 form part of these financial statements



# CONTRACT VEHICLES LIMITED

Registered number 759126

## ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 2012

|  | Note | £                   | 2012<br>£        | £                   | 2011<br>£        |
|--|------|---------------------|------------------|---------------------|------------------|
| <b>Fixed assets</b>  |      |                     |                  |                     |                  |
| Tangible assets  | 7    |                     | 956,491          |                     | 906,101          |
| Investments  | 8    |                     | 109,887          |                     | 274,716          |
|  |      |                     | <u>1,066,378</u> |                     | <u>1,180,817</u> |
| <b>Current assets</b>  |      |                     |                  |                     |                  |
| Debtors amounts falling due after more than one year           | 9    | 2,793,377           |                  | 2,778,621           |                  |
| Debtors amounts falling due within one year                    | 9    | 10,779,893          |                  | 10,523,731          |                  |
| Cash at bank   |      | 2,116,144           |                  | 3,338,264           |                  |
|  |      | <u>15,689,414</u>   |                  | <u>16,640,616</u>   |                  |
| <b>Creditors: amounts falling due within one year</b>          | 10   | <u>(10,739,792)</u> |                  | <u>(12,294,166)</u> |                  |
| <b>Net current assets</b>                                      |      |                     | 4,949,622        |                     | 4,346,450        |
| <b>Total assets less current liabilities</b>                   |      |                     | 6,016,000        |                     | 5,527,267        |
| <b>Creditors: amounts falling due after more than one year</b> | 11   |                     | (1,709,449)      |                     | (2,158,754)      |
| <b>Provisions for liabilities</b>                              |      |                     |                  |                     |                  |
| Deferred tax   | 12   |                     | -                |                     | (10,901)         |
| <b>Net assets</b>  |      |                     | <u>4,306,551</u> |                     | <u>3,357,612</u> |
| <b>Capital and reserves</b>                                    |      |                     |                  |                     |                  |
| Called up share capital  | 13   |                     | 11,385           |                     | 11,385           |
| Share premium account  | 14   |                     | 693              |                     | 693              |
| Profit and loss account  | 14   |                     | 4,294,473        |                     | 3,345,534        |
| <b>Shareholders' funds</b>                                     | 15   |                     | <u>4,306,551</u> |                     | <u>3,357,612</u> |

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 12<sup>th</sup> February 2013.

  
**N.J. Barrett**  
Director

The notes on pages 7 to 16 form part of these financial statements

# CONTRACT VEHICLES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

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### 1. Accounting Policies

#### 1.1 Basis of preparation of financial statements

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

The company is itself a subsidiary company of Contract Vehicles Group Limited and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### 1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                  |                        |
|------------------|------------------------|
| Motor vehicles   | - 25% straight line    |
| Office equipment | - 10-25% straight line |

#### 1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

#### 1.5 Investments

Investments in subsidiary undertakings are stated at cost less amounts written off. Dividends received and receivable are credited to the company's profit and loss account to the extent that they represent a realised profit for the company.

Unlisted investments held as fixed assets are shown at cost less provision for impairment.

#### 1.6 Turnover

Turnover comprises revenue recognised by the company in respect of commercial vehicle contract hire and fleet management services exclusive of Value Added Tax and trade discounts.

#### 1.7 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

# **CONTRACT VEHICLES LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2012**

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### **1. Accounting Policies (continued)**

#### **1.8 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

#### **1.9 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

#### **1.10 Employer Financed Retirement Benefit Schemes (EFRBS)**

During the year the Company established an employer financed retirement benefit scheme for the benefit of its officers, employees and their wider families, The Contract Vehicles Limited Decanting EFRBS ("the Scheme")

In accordance with UITF Abstract 32 "Employee Benefit Trusts and other intermediate payment arrangements", the Company does not include the assets and liabilities of the Scheme on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the Scheme and will not have control of the rights or other access to those future economic benefits

#### **1.11 Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual agreement 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

# CONTRACT VEHICLES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 2. Operating profit

The operating profit is stated after charging/(crediting)

|  | 2012<br>£                   | 2011<br>£                   |
|--|-----------------------------|-----------------------------|
| Depreciation of tangible fixed assets                    |                             |                             |
| - owned by the company                                   | 567,628                     | 353,359                     |
| - held under finance leases                              | -                           | 22,823                      |
| Auditors' remuneration                                   | 19,000                      | 10,000                      |
| Auditors' remuneration - non-audit                       | 16,687                      | 15,067                      |
| Operating lease rentals                                  |                             |                             |
| - plant and machinery                                    | 23,226,867                  | 18,997,908                  |
| - other operating leases                                 | 100,000                     | 100,000                     |
| Employer financed retirement benefit scheme contribution | 100                         | -                           |
| Profit on sale of tangible assets                        | (24,117)                    | (448)                       |
| Impairment of investment                                 | -                           | 274,715                     |
|  | <u>                    </u> | <u>                    </u> |

### 3. Interest payable

|                        | 2012<br>£                   | 2011<br>£                   |
|------------------------|-----------------------------|-----------------------------|
| Pension loan interest  | 133,705                     | 154,897                     |
| Hire purchase interest | 9,860                       | 4,029                       |
|                        | <u>                    </u> | <u>                    </u> |
|                        | 143,565                     | 158,926                     |
|                        | <u>                    </u> | <u>                    </u> |

### 4. Staff costs and numbers

Staff costs, including directors' remuneration, were as follows

|                       | 2012<br>£                   | 2011<br>£                   |
|-----------------------|-----------------------------|-----------------------------|
| Wages and salaries    | 1,590,864                   | 1,351,369                   |
| Social security costs | 177,844                     | 151,025                     |
| Pension costs         | 33,666                      | 26,048                      |
|                       | <u>                    </u> | <u>                    </u> |
|                       | 1,802,374                   | 1,528,442                   |
|                       | <u>                    </u> | <u>                    </u> |

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

|                            | 2012<br>No.                 | 2011<br>No.                 |
|----------------------------|-----------------------------|-----------------------------|
| Administration and selling | 59                          | 46                          |
|                            | <u>                    </u> | <u>                    </u> |

# CONTRACT VEHICLES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 5. Directors' remuneration

|  | 2012<br>£ | 2011<br>£ |
|--|-----------|-----------|
| Emoluments excluding pension contributions | 151,828   | 131,119   |

The highest paid director, excluding pension contributions, received £134,300 (2011 £114,150) in the year

During the year the Company, in order to motivate and incentivise its officers and employees, established an employer financed retirement benefit scheme for the benefit of the Company's officers, employees and their wider families, The Contract Vehicles Limited Decanting EFRBS ("the Scheme") The Scheme contributions made during the year amounted to £100 Because the value created in the Scheme is held on terms which are discretionary and no earmarking has yet taken place, it is not considered that this amount can be regarded as directors' remuneration and, therefore, it has been excluded from the overall figure above and the remuneration of the highest paid director

### 6. Taxation

|  | 2012<br>£ | 2011<br>£ |
|--|-----------|-----------|
| <b>Analysis of tax charge in the year</b>        |           |           |
| <b>Current tax</b> (see note below)              |           |           |
| UK corporation tax charge on profit for the year | 866,193   | 46,393    |
| Adjustments in respect of prior periods          | 3,012     | -         |
| <b>Total current tax</b>                         | 869,205   | 46,393    |
| <b>Deferred tax</b> (see note 12)                |           |           |
| Origination and reversal of timing differences   | (59,480)  | (4,662)   |
| <b>Tax on profit on ordinary activities</b>      | 809,725   | 41,731    |

# CONTRACT VEHICLES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 6. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 25% (2011 - 27%) The differences are explained below

|  | 2012<br>£      | 2011<br>£     |
|--|----------------|---------------|
| Profit on ordinary activities before tax   | 3,258,664      | 2,623,861     |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2011 - 27%) | 814,666        | 708,442       |
| <b>Effects of:</b>   |                |               |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                  | 15,491         | 13,829        |
| Capital allowances for year is less than depreciation  | 60,085         | 16,067        |
| Dividends from subsidiary  | (65,256)       | (75,649)      |
| Utilisation of tax losses  | -              | (688,500)     |
| Adjustments to tax charge in respect of prior periods  | 3,012          | -             |
| Impairment of investment   | 41,207         | 74,173        |
| Marginal relief  | -              | (1,969)       |
| <b>Current tax charge for the year (see note above)</b>  | <b>869,205</b> | <b>46,393</b> |

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges

The liability to tax for the current year will be settled in part (£224,281) by the payment for group relief to its parent company

# CONTRACT VEHICLES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 7. Tangible fixed assets

|                       | Motor<br>vehicles<br>£ | Office<br>equipment<br>£ | Total<br>£ |
|-----------------------|------------------------|--------------------------|------------|
| <b>Cost</b>           |                        |                          |            |
| At 1 October 2011     | 887,476                | 634,335                  | 1,521,811  |
| Additions             | 696,703                | 150,373                  | 847,076    |
| Disposals             | (446,917)              | (83,100)                 | (530,017)  |
| At 30 September 2012  | 1,137,262              | 701,608                  | 1,838,870  |
| <b>Depreciation</b>   |                        |                          |            |
| At 1 October 2011     | 344,460                | 271,250                  | 615,710    |
| Charge for the year   | 464,215                | 103,413                  | 567,628    |
| On disposals          | (217,859)              | (83,100)                 | (300,959)  |
| At 30 September 2012  | 590,816                | 291,563                  | 882,379    |
| <b>Net book value</b> |                        |                          |            |
| At 30 September 2012  | 546,446                | 410,045                  | 956,491    |
| At 30 September 2011  | 543,016                | 363,085                  | 906,101    |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

|                |         |         |
|----------------|---------|---------|
| Motor vehicles | 191,901 | 165,736 |
|----------------|---------|---------|

### 8. Fixed asset investments

|  | Investments<br>in<br>subsidiary<br>companies<br>£ | Unlisted<br>investments<br>£ | Total<br>£ |
|--|---|------------------------------|------------|
| <b>Cost</b>                                |   |                              |            |
| At 1 October 2011 and 30<br>September 2012 | 1   | 549,430                      | 549,431    |
| <b>Impairment</b>                          |   |                              |            |
| At 1 October 2011                          | -   | 274,715                      | 274,715    |
| Charge for the year                        | -   | 164,829                      | 164,829    |
| At 30 September 2012                       | -   | 439,544                      | 439,544    |
| <b>Net book value</b>                      |   |                              |            |
| At 30 September 2012                       | 1   | 109,886                      | 109,887    |
| At 30 September 2011                       | 1   | 274,715                      | 274,716    |

# CONTRACT VEHICLES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 8. Fixed asset investments (continued)

The company owns the whole issued share capital of CVL Distribution Limited, a company incorporated in England whose principal activity is freight transport. Its profit after tax for the year ended 30 September 2012 was £261,022 (2011 £280,181) and its net assets at 30 September 2012 were £1 (2011 £1).

The company's investment in unlisted investments is in Big Screen Productions 19 LLP.

### 9. Debtors

|                                     | 2012<br>£         | 2011<br>£         |
|-------------------------------------|-------------------|-------------------|
| <b>Due after more than one year</b> |                   |                   |
| Prepayments and accrued income      | 2,793,377         | 2,778,621         |
|                                     | <u>2,793,377</u>  | <u>2,778,621</u>  |
|                                     | 2012<br>£         | 2011<br>£         |
| <b>Due within one year</b>          |                   |                   |
| Trade debtors                       | 3,755,436         | 3,995,162         |
| Amounts owed by group undertakings  | 2,641,138         | 2,737,878         |
| Corporation tax recoverable         | -                 | 257,949           |
| Advance payments re vehicles        | 1,048,709         | 2,015,822         |
| Other debtors                       | 229,324           | 181,145           |
| Prepayments and accrued income      | 3,056,707         | 1,335,775         |
| Deferred tax asset (see note 12)    | 48,579            | -                 |
|                                     | <u>10,779,893</u> | <u>10,523,731</u> |

### 10. Creditors: Amounts falling due within one year

|  | 2012<br>£         | 2011<br>£         |
|--|-------------------|-------------------|
| Other loans  | -                 | 2,500,000         |
| Net obligations under finance leases and hire purchase contracts | 70,150            | 50,525            |
| Trade creditors  | 6,344,864         | 7,509,400         |
| Amounts owed to group undertakings                               | 504,235           | 163,940           |
| Corporation tax  | 640,919           | -                 |
| Social security and other taxes                                  | 451,887           | 306,421           |
| Other creditors  | 460,578           | 331,172           |
| Accruals and deferred income                                     | 2,267,159         | 1,432,708         |
|  | <u>10,739,792</u> | <u>12,294,166</u> |



# CONTRACT VEHICLES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 11. Creditors: Amounts falling due after more than one year

|  | 2012<br>£        | 2011<br>£        |
|--|------------------|------------------|
| Net obligations under finance leases and hire purchase contracts | 111,507          | 116,287          |
| Accruals and deferred income                                     | 1,597,942        | 2,042,467        |
|  | <u>1,709,449</u> | <u>2,158,754</u> |

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

|                            | 2012<br>£      | 2011<br>£      |
|----------------------------|----------------|----------------|
| Between one and five years | <u>111,507</u> | <u>116,287</u> |

### 12. Deferred taxation

|                      | 2012<br>£     | 2011<br>£       |
|----------------------|---------------|-----------------|
| At beginning of year | (10,901)      | (15,563)        |
| Released during year | 59,480        | 4,662           |
| At end of year       | <u>48,579</u> | <u>(10,901)</u> |

The deferred taxation balance is made up as follows

|                                | 2012<br>£     | 2011<br>£       |
|--------------------------------|---------------|-----------------|
| Accelerated capital allowances | <u>48,579</u> | <u>(10,901)</u> |

### 13. Share capital

|   | 2012<br>£     | 2011<br>£     |
|---|---------------|---------------|
| <b>Authorised, allotted, called up and fully paid</b> |               |               |
| 11,385 Ordinary shares of £1 each                     | <u>11,385</u> | <u>11,385</u> |

# CONTRACT VEHICLES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 14. Reserves

|                          | Share<br>premium<br>account<br>£ | Profit and<br>loss account<br>£ |
|--------------------------|----------------------------------|---------------------------------|
| At 1 October 2011        | 693                              | 3,345,534                       |
| Profit for the year      | -                                | 2,448,939                       |
| Dividends Equity capital | -                                | (1,500,000)                     |
| At 30 September 2012     | 693                              | 4,294,473                       |

### 15. Reconciliation of movement in shareholders' funds

|                             | 2012<br>£   | 2011<br>£ |
|-----------------------------|-------------|-----------|
| Opening shareholders' funds | 3,357,612   | 775,482   |
| Profit for the year         | 2,448,939   | 2,582,130 |
| Dividends (Note 16)         | (1,500,000) | -         |
| Closing shareholders' funds | 4,306,551   | 3,357,612 |

### 16. Dividends

|                                  | 2012<br>£ | 2011<br>£ |
|----------------------------------|-----------|-----------|
| Dividends paid on equity capital | 1,500,000 | -         |

### 17. Pension costs

The company operates a defined contribution scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £33,666 (2011: £26,048). There were no outstanding or prepaid contributions either at the beginning or end of the financial period.

# CONTRACT VEHICLES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 18. Contingent liabilities

The company holds a composite cross guarantee with Contract Vehicles Group Limited Under this guarantee the potential liability so guaranteed at the period end amounted to £Nil (2011 £Nil)

A contingent liability exists in respect of a guarantee provided by the company in the ordinary course of business of loans amounting to £1,461,700 from Edenglen Investments Limited to The Contract Vehicles Limited Decanting EFRBS and loans of £136,100 from The Contract Vehicles Limited EFRBS to The Contract Vehicles Limited Decanting EFRBS The directors are of the opinion that no provision for this amount should be recognised in the financial statements as no transfer of funds to settle this obligation is probable at the year end

At the beginning of the current accounting period, the Company owed £2,500,000 to the Contract Vehicles Limited Employer Financed Retirement Benefits Scheme ("the Scheme"), bearing interest at 5.94% per annum On 8th March 2012, the Company's liability to repay a loan from the Scheme was agreed to be novated As a result, the Company assumed liability to the following directors/employees and they became indebted to the Scheme as follows

|                    |            |
|--------------------|------------|
| John Allan Ross    | £1,047,195 |
| Alec Charles Brown | £1,047,195 |
| Nigel John Barrett | £523,597   |

### 19. Operating lease commitments

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

|                         | Land and buildings |         |           | Other     |
|-------------------------|--------------------|---------|-----------|-----------|
|                         | 2012               | 2011    | 2012      | 2011      |
|                         | £                  | £       | £         | £         |
| <b>Expiry date:</b>     |                    |         |           |           |
| Within 1 year           | -                  | -       | 218,876   | 217,978   |
| Between 2 and 5 years   | -                  | -       | 1,247,921 | 1,229,778 |
| After more than 5 years | 106,000            | 106,000 | 443,195   | 214,647   |

The commitment relating to other assets represents one month's rental on leases which are cancellable at one month's notice

### 20. Ultimate parent company

The company's ultimate parent company is Contract Vehicles Group Limited, a company registered in England and Wales The consolidated financial statements of Contract Vehicles Group Limited are available to the public and may be obtained from Companies House, Crown Way, Malind, Cardiff, CF4 3UZ