

Abbey (Holmethorpe) Limited
Financial statements
For the year ended 31 December 2008

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Company No. 1148212

Company information

Company registration number	1148212
Registered office	Shaw's Corner Hatchlands Road Redhill Surrey RH1 6AU
Directors	Mr L A Hoad Mrs E J Pay
Secretary	Mrs E J Pay
Bankers	HSBC Bank Plc 9 The Boulevard Crawley West Sussex RH10 1UT
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditor The Explorer Building Fleming Way Manor Royal Crawley West Sussex RH10 9GT

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2008.

Principal activities and business review

The principal activity of the company during the year is the operation of motor vehicle dealerships.
[To be updated]

Following the implementation of changes within the organisation and with the introduction of new models the directors are pleased to see a return to profitability, as indicated in last year's directors' report. The directors are hopeful that this will be maintained during the current year despite the difficult trading conditions.

Directors

The directors who served the company during the year and up to the date of this report are listed on page 1.

Neither director had any interest in any of the shares of the company. The directors' interests in the share capital of the ultimate parent undertaking, Atoyota (Holdings) Limited, are shown in that company's financial statements.

Fixed assets

In the opinion of the directors, the freehold property shown in the financial statements at a net book value of £34,750 has a market value of approximately £180,000.

Directors' responsibilities

The directors are responsible for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD



Secretary

3 June 2009

Report of the independent auditor to the members of Abbey (Holmethorpe) Limited

We have audited the financial statements of Abbey (Holmethorpe) Limited for the year ended 31 December 2008 which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement and notes 1 to 15. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Report of the independent auditor to the members of Abbey (Holmethorpe) Limited (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.


GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

GATWICK

5 June 2009

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year.

Turnover

Turnover comprises amounts derived from the provision of goods and services in the ordinary course of business net of discounts and value added tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & tools	-	3-5 years straight line
Motor vehicles	-	4 years straight line
Office furniture & equipment	-	4 years straight line
Leasehold improvements	-	over period of lease

Stocks

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

Vehicles on consignment from manufacturers that are the subject of interest charges or where the company carries commercially significant risks relating to the vehicles are included at cost. The associated liability is included in creditors.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

Contributions to the company's group personal pension scheme and to a small self-administered scheme set up for the benefit of the directors are charged to the profit and loss account in the year in which they become payable.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Profit and loss account

	Note	2008 £	2007 £
Turnover, continuing activities		6,659,816	7,371,623
Cost of sales		5,476,369	6,151,430
Gross profit		1,183,447	1,220,193
Other operating charges	1	1,117,589	1,120,210
Operating profit	2	65,858	99,983
Interest receivable		969	433
Interest payable and similar charges		(26,290)	(39,104)
Profit on ordinary activities before taxation		40,537	61,312
Tax on profit on ordinary activities	4	(178)	(86)
Profit for the financial year	12	40,359	61,226

There are no recognised gains or losses other than the profit for the year.

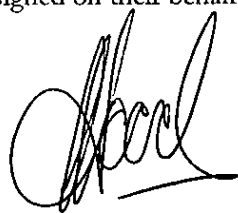
Balance sheet

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	5	<u>96,656</u>	<u>110,455</u>
Current assets			
Stocks	6	784,136	871,227
Debtors	7	714,171	674,844
Cash in hand		7,538	8,107
		<u>1,505,845</u>	<u>1,554,178</u>
Creditors: amounts falling due within one year	8	<u>1,121,498</u>	<u>1,223,989</u>
Net current assets		<u>384,347</u>	<u>330,189</u>
Total assets less current liabilities		<u>481,003</u>	<u>440,644</u>
Capital and reserves			
Called-up equity share capital	11	200,711	200,711
Profit and loss account	12	280,292	239,933
Shareholders' funds		<u>481,003</u>	<u>440,644</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors on 3rd June 2009 and are signed on their behalf by:

Director



Cash flow statement

	Note	2008 £	2007 £
Net cash inflow from operating activities	13	22,552	222,640
Returns on investments and servicing of finance			
Interest received		969	433
Interest paid		(26,290)	(39,104)
Tax Paid		(73)	-
Net cash outflow from returns on investments and servicing of finance		(25,394)	(38,671)
Capital expenditure			
Payments to acquire tangible fixed assets		(6,776)	(11,680)
Receipts from sale of fixed assets		4,000	-
Net cash outflow from capital expenditure		(2,776)	(11,680)
Cash (outflow)/ inflow before financing		(5,618)	172,289
(Decrease)/Increase in cash	14	(5,618)	172,289

Notes to the financial statements

1 Other operating charges

	2008 £	2007 £
Administrative expenses	<u>1,117,589</u>	<u>1,120,210</u>

2 Operating profit

Operating profit is stated after charging/(crediting):

	2008 £	2007 £
Staff pension contributions	8,069	8,643
Depreciation of owned fixed assets	18,877	57,864
Profit on disposal of fixed assets	2,302	-
Auditor's fees	<u>12,000</u>	<u>12,000</u>

3 Directors

Remuneration in respect of directors was as follows:

	2008 £	2007 £
Emoluments	102,853	94,365
Value of company pension contributions to money purchase schemes	<u>5,000</u>	<u>5,000</u>
	<u>107,853</u>	<u>99,365</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2008 No	2007 No
Money purchase schemes	<u>2</u>	<u>2</u>

4 Taxation on ordinary activities

	2008 £	2007 £
Current tax		
UK corporation tax based on the results for the year at 20.75% (2007:20%)	191	86
Under provision in prior year	(13)	-
Total Current tax	<u>178</u>	<u>86</u>

Factors affecting current tax charge

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>40,537</u>	<u>61,312</u>
Profit on ordinary activities by rate of tax 20.75% (2007 20%)	8,412	12,262
Expenses not deductible for tax purposes	1,282	1,022
Capital allowances for period in excess of depreciation	(9,503)	6,319
(Utilised)/unrelieved tax losses	-	(19,517)
Total current tax	<u>191</u>	<u>86</u>

Factors that may affect future tax charges

Tax losses of £199,000 (2007: £340,000) are available to be carried forward against future profits of the company. No deferred tax asset has been recognised on these losses in accordance with the company's accounting policy.

5 Tangible fixed assets

	Freehold property £	Plant and tools £	Motor vehicles £	Office furniture and equipment £	Leasehold improve- ments £	Total £
Cost						
At 1 Jan 2008	34,750	214,557	49,563	242,764	137,780	679,414
Additions	-	5,876	-	900	-	6,776
Disposals	-	-	(11,648)	-	-	(11,648)
At 31 Dec 2008	<u>34,750</u>	<u>220,433</u>	<u>37,915</u>	<u>243,664</u>	<u>137,780</u>	<u>674,542</u>
Depreciation						
At 1 Jan 2008	-	197,871	41,637	232,594	96,857	568,959
Charge for the year	-	8,025	4,612	3,276	2,964	18,877
Disposals	-	-	(9,950)	-	-	(9,950)
At 31 Dec 2008	<u>-</u>	<u>205,896</u>	<u>36,299</u>	<u>235,870</u>	<u>99,821</u>	<u>577,886</u>
Net book value						
At 31 Dec 2008	<u>34,750</u>	<u>14,537</u>	<u>1,616</u>	<u>7,794</u>	<u>37,959</u>	<u>96,656</u>
At 31 Dec 2007	<u>34,750</u>	<u>16,686</u>	<u>7,926</u>	<u>10,170</u>	<u>40,923</u>	<u>110,455</u>

6 Stocks

	2008 £	2007 £
Parts	60,235	69,431
Work in progress	8,771	11,175
Motor vehicles	297,567	229,947
Vehicles on consignment	417,563	560,674
	<u>784,136</u>	<u>871,227</u>

There were no significant differences between the replacement costs and the values disclosed for stock.

7 Debtors

	2008 £	2007 £
Trade debtors	261,038	207,477
Amounts owed by group undertakings	381,055	381,055
Prepayments and accrued income	72,078	86,312
	<u>714,171</u>	<u>674,844</u>

Included within amounts owed by group undertakings is £381,055 (2007 £381,055) due in more than one year.

8 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	40,288	35,239
Trade creditors	479,712	449,893
Corporation tax	191	86
Social security and other taxes	56,728	62,560
Other creditors - consignment creditor	417,563	560,674
Accruals and deferred income	127,016	115,537
	<u>1,121,498</u>	<u>1,223,989</u>

The bank overdraft is secured by fixed and floating charges over the company's assets.

9 Related party transactions

Abbey (Holmethorpe) Limited is a subsidiary of Atoyota (Holdings) Limited. Taken together, the group qualifies as a medium-sized group under section 248 of the Companies Act 1985, and consolidated financial statements are therefore not prepared. The balance between the company and its holding undertaking is disclosed in note 7.

During the year, the company paid rent to a small self-administered pension scheme of which the directors are beneficiaries of £34,000 (2007: £34,000).

10 Ultimate parent undertaking/Controlling related party

The ultimate parent undertaking of the company is Atoyota (Holdings) Limited, a company incorporated in England and Wales. Mr L A Hoad is the company's controlling related party by virtue of his majority shareholding in Atoyota (Holdings) Limited.

11 Share capital

Authorised share capital:

	2008 £	2007 £
160,000 Ordinary 'A' shares of £1 each	160,000	160,000
40,000 Ordinary 'B' shares of £1 each	40,000	40,000
16,215 Ordinary 'A' deferred shares of £0.01 each	162	162
29,940 Ordinary 'B' deferred shares of £0.01 each	299	299
25,035 Ordinary 'C' deferred shares of £0.01 each	250	250
	<u>200,711</u>	<u>200,711</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary 'A' shares of £1 each	160,000	160,000	160,000	160,000
Ordinary 'B' shares of £1 each	40,000	40,000	40,000	40,000
Ordinary 'A' deferred shares of £0.01 each	16,215	162	16,215	162
Ordinary 'B' deferred shares of £0.01 each	29,940	299	29,940	299
Ordinary 'C' deferred shares of £0.01 each	25,035	250	25,035	250
	<u>271,190</u>	<u>200,711</u>	<u>271,190</u>	<u>200,711</u>

Amounts presented in equity:

	2008 £	2007 £
Ordinary 'A' shares of £1 each	160,000	160,000
Ordinary 'B' shares of £1 each	40,000	40,000
Ordinary 'A' deferred shares of £0.01 each	162	162
Ordinary 'B' deferred shares of £0.01 each	299	299
Ordinary 'c' deferred shares of £0.01 each	250	250
	<u>200,711</u>	<u>200,711</u>

Ordinary shares

The holders of the ordinary shares are entitled to vote and receive dividends.

Ordinary deferred shares

The holders of the deferred shares have no voting rights and are not entitled to any dividends. On the fifth, tenth and fifteenth anniversaries of the issue of the deferred shares, if certain financial performance targets are met, those shareholders have the option to convert their deferred shares to fully paid ordinary shares at par.

12 Profit and loss account

	2008	2007
	£	£
Balance brought forward	239,933	178,707
Profit for the financial year	40,359	61,226
Balance carried forward	<u>280,292</u>	<u>239,933</u>

13 Reconciliation of operating profit to net cash inflow from operating activities

	2008	2007
	£	£
Operating profit	65,858	99,983
Depreciation	18,877	57,864
Profit on disposal of fixed assets	(2,302)	-
Decrease/(Increase) in stocks	87,091	(115,760)
(Increase)/Decrease in debtors	(39,327)	19,576
(Decrease)/Increase in creditors	(107,645)	160,977
Net cash inflow from operating activities	<u>22,552</u>	<u>222,640</u>

14 Reconciliation of net cash flow to movement in net debt

	2008	2007
	£	£
(Decrease)/Increase in cash in the period	(5,618)	172,289
Net debt at 1 January 2008	<u>(27,132)</u>	<u>(199,421)</u>
Net debt at 31 December 2008	<u>(32,750)</u>	<u>(27,132)</u>

15 Analysis of changes in net debt

	At 1 Jan 2008 £	Cash flows £	At 31 Dec 2008 £
Net cash:			
Cash in hand and at bank	8,107	(569)	7,538
Overdrafts	(35,239)	(5,049)	(40,288)
Net debt	<u>(27,132)</u>	<u>(5,618)</u>	<u>(32,750)</u>