

Abbey (Holmethorpe) Limited
Financial statements
For the year ended 31 December 2011



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 2011

Principal activities and business review

The principal activity of the company during the year is the operation of motor vehicle dealerships. The financial statements showed a small profit for the year prior to a bad debt of approximately £27,000 which related to December 2011 trading but which only arose in January 2012. The directors were pleased with the initial level of profitability of the company despite ongoing difficult trading conditions.

The directors anticipate that next year the trading conditions will be the same as 2011 returning to the same level of profitability. As a result they have continued to adopt the going concern basis of accounting.

Directors

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

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 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 485 of the Companies Act 2006.

Small company provisions

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

ON BEHALF OF THE BOARD



E J Pay

9 May 2012

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 2011 which comprise the principal accounting policies, the profit and loss account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities Effective April 2008 (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 auditors

As explained more fully in the Directors' Responsibilities Statement, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

Grant Thornton UK LLP

Nicholas Page
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Gatwick

9 May 2012

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 April 2008)

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

Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate, notwithstanding the fact that the company has incurred a loss of £12,217 during the period.

The directors have prepared projected cash flow information for the next twelve months and this assumes the generation of revenues and prudent management of costs. The projections show that the company has sufficient funding to be able to meet its forecast liabilities as they fall due. Accordingly the company continues to adopt the going concern basis in preparing these financial statements.

The financial statements do not include any adjustments that would result in the event that the company was unable to meet its liabilities as they fall due. In the event that the going concern basis is not applicable, and in accordance with generally accepted accounting policies, adjustments would have to be made to the amounts to restate the value of assets to the recoverable amount, to provide for any further liabilities which might arise and to reclassify fixed assets as current assets.

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.

Sales of motor vehicles, parts and accessories are recognised when the significant risks and rewards of ownership have been transferred to the buyer. In general this occurs when vehicles or parts are delivered to the customer and title has passed. Servicing revenue is recognised on completion of the agreed work.

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 & equipment	-	3-5 years straight line
Motor vehicles	-	4 years straight line
Office furniture & equipment	-	4 years straight line
Leasehold improvements	-	over period of lease
Freehold property is not depreciated as the charge is considered to be immaterial		

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.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

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.

Profit and loss account

	Note	2011 £	2010 £
Turnover, continuing activities		6,228,574	6,918,274
Cost of sales		5,083,553	5,663,325
Gross profit		<u>1,145,021</u>	<u>1,254,949</u>
Other operating charges	1	1,143,651	1,168,213
Operating profit	2	<u>1,370</u>	<u>86,736</u>
Interest receivable		2	3
Interest payable and similar charges		(13,223)	(13,859)
(Loss) / profit on ordinary activities before taxation		<u>(11,851)</u>	<u>72,880</u>
Tax on (loss) / profit on ordinary activities	4	(366)	12,942
(Loss)/ profit for the financial year	13	<u>(12,217)</u>	<u>85,822</u>

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

The accompanying accounting policies and notes form part of these financial statements.

Company Number 1148212

Balance sheet

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	5	<u>109,415</u>	<u>99,658</u>
Current assets			
Stocks	6	1,307,537	904,811
Debtors	7	556,564	739,869
Cash in hand		<u>138,818</u>	<u>202,330</u>
		<u>2,002,919</u>	<u>1,847,010</u>
Creditors amounts falling due within one year	8	<u>1,514,474</u>	<u>1,336,591</u>
Net current assets		<u>488,445</u>	<u>510,419</u>
Total assets less current liabilities		<u>597,860</u>	<u>610,077</u>
Capital and reserves			
Called-up equity share capital	12	200,711	200,711
Profit and loss account	13	<u>397,149</u>	<u>409,366</u>
Shareholders' funds		<u>597,860</u>	<u>610,077</u>

These financial statements have been prepared in accordance with the special provisions for small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors on 9 May 2012 and are signed on their behalf by

L A Hoad

Director

The accompanying accounting policies and notes form part of these financial statements.

Cash flow statement

	Note	2011 £	2010 £
Net cash (outflow) / inflow from operating activities	14	(14,931)	266,578
Returns on investments and servicing of finance			
Interest received		2	3
Interest paid		(13,223)	(13,859)
Net cash outflow from returns on investments and servicing of finance		(13,221)	(13,856)
Capital expenditure			
Payments to acquire tangible fixed assets		(48,242)	(10,849)
Receipts from sale of fixed assets		12,882	-
Net cash outflow from capital expenditure		(35,360)	(10,849)
(Decrease) / increase in cash	15	<u>(63,512)</u>	<u>241,873</u>

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Other operating charges

	2011 £	2010 £
Administrative expenses	<u>1,143,651</u>	<u>1,168,213</u>

2 Operating profit

Operating profit is stated after charging/(crediting)

	2011 £	2010 £
Staff pension contributions	9,459	6,438
Depreciation of owned fixed assets	25,729	17,511
Profit on disposal of fixed assets	(126)	-
Auditor's remuneration	<u>12,750</u>	<u>13,500</u>

3 Directors

Remuneration in respect of directors was as follows

	2011 £	2010 £
Emoluments	125,374	126,830
Value of company pension contributions to money purchase schemes	<u>5,000</u>	<u>5,000</u>
	<u>130,374</u>	<u>131,830</u>

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

	2011 No	2010 No
Money purchase schemes	<u>2</u>	<u>2</u>

4 Taxation on ordinary activities

	2011 £	2010 £
Current tax		
UK corporation tax based on the results for the year at 20 25% (2010 21%)	-	-
Total current corporation tax	-	-
Deferred tax		
Origination and reversal of timing differences	(251)	(12,942)
Effect of tax rate change on opening balance	617	-
Tax charge/(credit) on profit on ordinary activities	366	(12,942)
Factors affecting current tax charge		
	2011 £	2010 £
(Loss)/profit on ordinary activities before taxation	(11,851)	72,880
(Loss)/profit on ordinary activities by rate of tax 20 25% (2010 21%)	(2,400)	15,305
Expenses not deductible for tax purposes	2,147	1,927
Capital allowances for period in excess of depreciation	(3,489)	(643)
Utilised tax losses	3,742	(16,589)
Total current tax	-	-

Factors that may affect future tax charges

Tax losses of £104,126 (2010 £85,646) are available to be carried forward against future profits of the company. A deferred tax asset of £20,825 (2010 £17,986) has been recognised on these losses.

5 Tangible fixed assets

	Freehold property £	Plant and equipment £	Motor vehicles £	Office furniture and equipment £	Leasehold improve- ments £	Total £
Cost						
At 1 Jan 2011	34,750	237,650	44,461	249,143	137,780	703,784
Additions	-	6,576	13,871	17,465	10,330	48,242
Disposals	-	-	(18,170)	-	-	(18,170)
At 31 Dec 2011	<u>34,750</u>	<u>244,226</u>	<u>40,162</u>	<u>266,608</u>	<u>148,110</u>	<u>733,856</u>
Depreciation						
At 1 Jan 2011	-	224,312	35,150	242,954	101,710	604,126
Charge for the year	-	9,424	7,149	6,328	2,828	25,729
Disposals	-	-	(5,414)	-	-	(5,414)
At 31 Dec 2011	<u>-</u>	<u>233,736</u>	<u>36,885</u>	<u>249,282</u>	<u>104,538</u>	<u>624,441</u>
Net book value						
At 31 Dec 2011	<u>34,750</u>	<u>10,490</u>	<u>3,277</u>	<u>17,326</u>	<u>43,572</u>	<u>109,415</u>
At 31 Dec 2010	<u>34,750</u>	<u>13,338</u>	<u>9,311</u>	<u>6,189</u>	<u>36,070</u>	<u>99,658</u>

6 Stocks

	2011 £	2010 £
Parts	55,777	51,826
Work in progress	5,347	5,713
Motor vehicles	371,876	339,946
Vehicles on consignment	874,537	507,326
	<u>1,307,537</u>	<u>904,811</u>

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

7 Debtors

	2011 £	2010 £
Trade debtors	113,137	285,938
Amounts owed by group undertakings	381,055	381,055
Deferred tax asset	12,576	12,942
Prepayments and accrued income	49,796	59,934
	<u>556,564</u>	<u>739,869</u>

Amounts owed by group undertakings of £381,055 (2010 £381,055) and the deferred tax asset of £12,576 (2010 £12,942) are due in more than one year

Deferred taxation

	2011 £	2010 £
Accelerated capital allowances	8,438	5,242
Short term timing differences	(189)	(198)
Tax losses carried forward and other deductions	(20,825)	(17,986)
	<u>(12,576)</u>	<u>(12,942)</u>

8 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	415,304	568,605
Social security and other taxes	55,326	57,071
Other creditors - consignment creditor	874,537	507,326
Accruals and deferred income	169,307	203,589
	<u>1,514,474</u>	<u>1,336,591</u>

9 Related party transactions

Abbey (Holmethorpe) Limited is a subsidiary of Atoyota (Holdings) Limited. Taken together, the group qualifies as small-sized group under section 477 of the Companies Act 2006, 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 £40,000 (2010 £37,000).

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 Commitments

At 31 December 2011 the group had annual commitments under non-cancellable operating leases as set out below

	Land & buildings	
	2011	2010
	£	£
Operating leases which expire		
Within 1 year	76,000	58,000
Between 2 to 5 years	40,000	55,000
	<u>116,000</u>	<u>113,000</u>

12 Share capital

Authorised share capital

	2011	2010
	£	£
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

	2011		2010	
	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

	2011	2010
	£	£
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.

13 Profit and loss account

	2011 £	2010 £
Balance brought forward	409,366	323,544
(Loss)/profit for the financial year	(12,217)	85,822
Balance carried forward	<u>397,149</u>	<u>409,366</u>

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

	2011 £	2010 £
Operating profit	1,370	86,736
Depreciation	25,729	17,511
Profit on disposal of fixed assets	(126)	-
Increase in stocks	(402,726)	(392,665)
Decrease in debtors	182,939	42,369
Increase in creditors	177,883	512,627
Net cash (outflow)/ inflow from operating activities	<u>(14,931)</u>	<u>266,578</u>

15 Reconciliation of net cash flow to movement in net funds / (debt)

	2011 £	2010 £
(Decrease) / Increase in cash in the period	(63,512)	241,873
Net funds/(debt) at 1 January 2011	202,330	(39,543)
Net funds at 31 December 2011	<u>138,818</u>	<u>202,330</u>

16 Analysis of changes in net (debt) / funds

	At 1 Jan 2011 £	Cash flows £	At 31 Dec 2011 £
Net funds			
Cash in hand and at bank	<u>202,330</u>	<u>(63,512)</u>	<u>138,818</u>

17 Capital commitments

At 31 December 2011 the total capital commitments contracted for but not provided in these accounts was £nil (2010 £3,913)