

Abbey (Holmethorpe) Limited

Financial statements

For the year ended 31 December 2009



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 2009

Principal activities and business review

The principal activity of the company during the year is the operation of motor vehicle dealerships. The directors are pleased with the profitability of the company despite ongoing difficult trading conditions and hope this success continues going forward.

The directors expect difficult trading conditions to continue into next year but feel that they have the experience and resources to see the company through the downturn. The company has worked well within its banking requirements throughout the year. As a result they have adopted 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.

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 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 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.

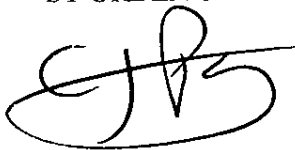
Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 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.

BY ORDER OF THE BOARD



15 April 2010

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 2009 which comprise the profit and loss account, balance sheet, cash flow statement and notes 1 to 16. 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 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/UKNP.

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 2009 and of its profit 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

22 April 2010

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.

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.

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

Profit and loss account

	Note	2009 £	2008 £
Turnover, continuing activities		6,929,658	6,659,816
Cost of sales		5,721,681	5,476,369
Gross profit		<u>1,207,977</u>	<u>1,183,447</u>
Other operating charges	1	<u>1,154,116</u>	<u>1,117,589</u>
Operating profit	2	<u>53,861</u>	<u>65,858</u>
Interest receivable		4	969
Interest payable and similar charges		<u>(10,613)</u>	<u>(26,290)</u>
Profit on ordinary activities before taxation		<u>43,252</u>	<u>40,537</u>
Tax on profit on ordinary activities	4	-	(178)
Profit for the financial year	13	<u><u>43,252</u></u>	<u><u>40,359</u></u>

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

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

Company Number 1148212

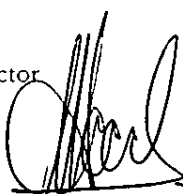
Balance sheet

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	5	<u>106,320</u>	<u>96,656</u>
Current assets			
Stocks	6	512,146	784,136
Debtors	7	769,296	714,171
Cash in hand		7,533	7,538
		<u>1,288,975</u>	<u>1,505,845</u>
Creditors amounts falling due within one year	8	<u>871,040</u>	<u>1,121,498</u>
Net current assets		<u>417,935</u>	<u>384,347</u>
Total assets less current liabilities		<u>524,255</u>	<u>481,003</u>
Capital and reserves			
Called-up equity share capital	12	200,711	200,711
Profit and loss account	13	323,544	280,292
Shareholders' funds		<u>524,255</u>	<u>481,003</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 15 April 2010
and are signed on their behalf by

Director



Cash flow statement

	Note	2009 £	2008 £
Net cash inflow from operating activities	14	28,998	22,552
Returns on investments and servicing of finance			
Interest received		4	969
Interest paid		(10,613)	(26,290)
Tax Paid		(191)	(73)
		<u> </u>	<u> </u>
Net cash outflow from returns on investments and servicing of finance		(10,800)	(25,394)
Capital expenditure			
Payments to acquire tangible fixed assets		(26,162)	(6,776)
Receipts from sale of fixed assets		1,171	4,000
		<u> </u>	<u> </u>
Net cash outflow from capital expenditure		(24,991)	(2,776)
		<u> </u>	<u> </u>
Cash (outflow)/ inflow before financing		(6,793)	(5,618)
(Decrease)/Increase in cash	15	<u>(6,793)</u>	<u>(5,618)</u>

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

Notes to the financial statements

1 Other operating charges

	2009 £	2008 £
Administrative expenses	<u>1,154,116</u>	<u>1,117,589</u>

2 Operating profit

Operating profit is stated after charging/(crediting)

	2009 £	2008 £
Staff pension contributions	8,505	8,069
Depreciation of owned fixed assets	15,529	18,877
Profit on disposal of fixed assets	(202)	(2,302)
Auditor's fees	<u>12,000</u>	<u>12,000</u>

3 Directors

Remuneration in respect of directors was as follows

	2009 £	2008 £
Emoluments	107,733	102,853
Value of company pension contributions to money purchase schemes	<u>5,000</u>	<u>5,000</u>
	<u>112,733</u>	<u>107,853</u>

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

	2009 No	2008 No
Money purchase schemes	<u>2</u>	<u>2</u>

4 Taxation on ordinary activities

	2009 £	2008 £
Current tax		
UK corporation tax based on the results for the year at 21.00% (2008 20.75%)	-	191
Under provision in prior year	-	(13)
Total Current tax	<u>-</u>	<u>178</u>

Factors affecting current tax charge

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>43,252</u>	<u>40,537</u>
Profit on ordinary activities by rate of tax 21.00% (2008 20.75%)	9,083	8,412
Expenses not deductible for tax purposes	1,606	1,282
Capital allowances for period in excess of depreciation	(4,500)	(9,503)
(Utilised)/unrelieved tax losses	<u>(6,189)</u>	<u>-</u>
Total current tax	<u>-</u>	<u>191</u>

Factors that may affect future tax charges

Tax losses of £167,000 (2008 £199,000) 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 2009	34,750	220,433	37,915	243,664	137,780	674,542
Additions	-	14,718	5,965	5,479	-	26,162
Disposals	-	-	(7,769)	-	-	(7,769)
At 31 Dec 2009	<u>34,750</u>	<u>235,151</u>	<u>36,111</u>	<u>249,143</u>	<u>137,780</u>	<u>692,935</u>
Depreciation						
At 1 Jan 2009	-	205,896	36,299	235,870	99,821	577,886
Charge for the year	-	8,983	1,483	4,118	945	15,529
Disposals	-	-	(6,800)	-	-	(6,800)
At 31 Dec 2009	<u>-</u>	<u>214,879</u>	<u>30,982</u>	<u>239,988</u>	<u>100,766</u>	<u>586,615</u>
Net book value						
At 31 Dec 2009	<u>34,750</u>	<u>20,272</u>	<u>5,129</u>	<u>9,156</u>	<u>37,014</u>	<u>106,320</u>
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>

6 Stocks

	2009 £	2008 £
Parts	51,569	60,235
Work in progress	8,065	8,771
Motor vehicles	257,292	297,567
Vehicles on consignment	195,220	417,563
	<u>512,146</u>	<u>784,136</u>

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

7 Debtors

	2009 £	2008 £
Trade debtors	307,391	261,038
Amounts owed by group undertakings	381,055	381,055
Prepayments and accrued income	80,850	72,078
	<u>769,296</u>	<u>714,171</u>

Included within amounts owed by group undertakings is £381,055 (2008 £381,055) due in more than one year

8 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	47,076	40,288
Trade creditors	433,816	479,712
Corporation tax		191
Social security and other taxes	61,009	56,728
Other creditors - consignment creditor	195,220	417,563
Accruals and deferred income	133,919	127,016
	<u>871,040</u>	<u>1,121,498</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 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 £34,000 (2008: £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 Commitments

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as set out below:

	Land & buildings	
	2009	2008
	£	£
Operating leases which expire		
Within 1 year	52,000	52,000
Between 2 to 5 years	58,000	58,000
After more than 5 years	-	-
	<u>110,000</u>	<u>110,000</u>

12 Share capital

Authorised share capital

	2009 £	2008 £
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

	2009		2008	
	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

	2009 £	2008 £
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

	2009 £	2008 £
Balance brought forward	280,292	239,933
Profit for the financial year	43,252	40,359
Balance carried forward	<u>323,544</u>	<u>280,292</u>

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

	2009 £	2008 £
Operating profit	53,861	65,858
Depreciation	15,529	18,877
Profit on disposal of fixed assets	(202)	(2,302)
Decrease in stocks	271,990	87,091
(Increase) in debtors	(55,125)	(39,327)
(Decrease) in creditors	(257,055)	(107,645)
Net cash inflow from operating activities	<u>28,998</u>	<u>22,552</u>

15 Reconciliation of net cash flow to movement in net debt

	2009 £	2008 £
(Decrease) in cash in the period	(6,793)	(5,618)
Net debt at 1 January 2009	<u>(32,750)</u>	<u>(27,132)</u>
Net debt at 31 December 2009	<u>(39,543)</u>	<u>(32,750)</u>

16 Analysis of changes in net debt

	At 1 Jan 2009 £	Cash flows £	At 31 Dec 2009 £
Net cash			
Cash in hand and at bank	7,538	(5)	7,533
Overdrafts	(40,288)	(6,788)	(47,076)
Net debt	<u>(32,750)</u>	<u>(6,793)</u>	<u>(39,543)</u>

Management information

The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 5 to 6

Profit and loss account

	2009 £	2008 £
Turnover	6,929,658	6,659,816
Cost of sales		
Opening stock	366,573	310,553
Purchases	5,551,722	5,414,123
Bad debts	2,614	2,222
Productive wages	117,698	116,044
	<u>6,038,607</u>	<u>5,842,942</u>
Closing stock	<u>(316,926)</u>	<u>(366,573)</u>
	<u>5,721,681</u>	<u>5,476,369</u>
Gross profit	<u>1,207,977</u>	<u>1,183,447</u>
Overheads		
Administrative expenses	<u>1,154,116</u>	<u>1,117,589</u>
Operating Profit	<u>53,861</u>	<u>65,858</u>
Interest receivable	<u>4</u>	<u>969</u>
	<u>53,865</u>	<u>66,827</u>
Interest payable and similar charges	<u>(10,613)</u>	<u>(26,290)</u>
Profit on ordinary activities	<u>43,252</u>	<u>40,537</u>

Notes to the detailed profit and loss account

	2009 £	2008 £
Administrative expenses		
Personnel costs		
Directors' remuneration	98,700	93,508
Directors' life assurance	6,835	5,744
Directors' pension costs	5,000	5,000
Administrative staff salaries	42,073	38,179
Vehicle sales salaries	103,962	101,921
Workshop salaries	140,537	128,648
Parts salaries	115,542	114,909
Cleaning and drivers salaries	62,020	74,050
Staff pension contributions	8,505	8,069
	<u>583,174</u>	<u>570,028</u>
Establishment expenses		
Rent	110,000	110,000
Rates and water	40,905	39,360
Light and heat	15,206	13,891
Licenses and insurances	36,510	36,374
Repairs and maintenance	20,778	18,204
Equipment repairs and maintenance	6,434	8,414
	<u>229,833</u>	<u>226,243</u>
General expenses		
Motor expenses	86,042	71,992
Telephone	14,094	14,125
Printing, stationery and postage	16,064	17,288
Staff training	12,293	6,626
Staff welfare and healthcare	6,682	7,444
Staff life assurance and PPP	6,186	6,654
Sundry expenses	67,396	66,762
Uniforms and laundry	4,524	3,153
Advertising and promotion	66,328	65,841
Legal and professional fees	12,487	17,210
Auditors remuneration	16,300	12,225
Depreciation of leasehold property and improvements	945	2,964
Depreciation of plant and tools	8,983	8,025
Depreciation of motor vehicles	1,483	4,612
Depreciation of office furniture and equipment	4,118	3,276
Profit on disposal of fixed assets	(202)	(2,302)
	<u>323,723</u>	<u>305,895</u>
 Carried forward	 <u>1,136,730</u>	 <u>1,102,166</u>

	2009 £	2008 £
Administrative expenses (continued)		
Brought forward	1,136,730	1,102,166
Financial costs		
Credit card commission	12,206	11,603
Bank charges	5,180	3,820
	<u>17,386</u>	<u>15,423</u>
	<u>1,154,116</u>	<u>1,117,589</u>
Interest receivable		
Interest receivable	<u>4</u>	<u>969</u>
Interest payable and similar charges		
Bank interest payable	3,991	1,740
Stocking plan interest	1,532	12,538
Demo funding interest	5,090	12,012
	<u>10,613</u>	<u>26,290</u>

