

Abbey (Holmethorpe) Limited
Unaudited Financial statements
For the year ended 31 December 2013

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COMPANIES HOUSE

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

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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 2013

Principal activities and business review

The principal activity of the company during the year is the operation of motor vehicle dealerships. The financial statements show a small profit for the year which the directors are satisfied. During the year a decision was taken to cease the sale of new cars, but to continue with the sale of used vehicles and the aftersales departments.

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 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 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.

Report of the directors

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.

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

11 March 2014

Report to the Board of Directors on the preparation of the unaudited financial information of Abbey (Holmethorpe) Ltd for the year ended 31 December 2013

We have prepared, for your approval, the financial information of Abbey (Holmethorpe) Ltd for the year ended 31 December 2013 which comprise of a profit and loss account, a balance sheet, a cash flow statement and the related notes from the company's accounting records and information and explanations you have given to us

As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com

This report is made solely to the Board of Directors of Abbey (Holmethorpe) Ltd as a body, in accordance with the terms of our engagement letter dated 14 January 2014. Our work has been undertaken solely to prepare for your approval the financial information of Abbey (Holmethorpe) Ltd and state those matters that we have agreed to state to the Board of Directors of Abbey (Holmethorpe) Ltd, as a body, in this report in accordance with the requirements of the Institute of Chartered Accountants in England and Wales, as detailed at www.icaew.com. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Abbey (Holmethorpe) Ltd and its Board of Directors as a body for our work or for this report.

You have acknowledged your responsibility for the financial information and for the appropriateness of the accounting basis.

We have not been instructed to carry out an audit or a review of the financial information of Abbey (Holmethorpe) Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial information.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS
Gatwick

14 March 2014

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.

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

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	2013 £	2012 £
Turnover, continuing activities		4,956,757	5,523,794
Cost of sales		3,924,248	4,459,608
Gross profit		<u>1,032,509</u>	<u>1,064,186</u>
Other operating charges	1	<u>1,017,852</u>	<u>1,083,387</u>
Operating profit/ (loss)	2	14,657	(19,201)
Interest receivable		3	3
Interest payable and similar charges		<u>(8,303)</u>	<u>(14,407)</u>
Profit/(loss) on ordinary activities before taxation		6,357	(33,605)
Tax on profit/(loss) on ordinary activities	4	<u>(3,662)</u>	<u>4,455</u>
Profit/(loss) for the financial year	13	<u><u>2,695</u></u>	<u><u>(29,150)</u></u>

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

Company Number 1148212

Balance sheet

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	5	<u>81,482</u>	<u>92,559</u>
Current assets			
Stocks	6	263,643	620,763
Debtors	7	564,291	632,999
Cash in hand		45,605	87,268
		<u>873,539</u>	<u>1,341,030</u>
Creditors: amounts falling due within one year	8	<u>383,616</u>	<u>864,879</u>
Net current assets		<u>489,923</u>	<u>476,151</u>
Total assets less current liabilities		<u>571,405</u>	<u>568,710</u>
Capital and reserves			
Called-up equity share capital	12	200,711	200,711
Profit and loss account	13	370,694	367,999
Shareholders' funds		<u>571,405</u>	<u>568,710</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2013 and of its profit for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company

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

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

11/3/2014

L A Hoad
Director

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

Cash flow statement

	Note	2013 £	2012 £
Net cash outflow from operating activities	14	(31,327)	(33,625)
Returns on investments and servicing of finance			
Interest received		3	3
Interest paid		(8,303)	(14,407)
Net cash outflow from returns on investments and servicing of finance		(8,300)	(14,404)
Capital expenditure			
Payments to acquire tangible fixed assets		(2,256)	(3,521)
Receipts from sale of fixed assets		220	-
Net cash outflow from capital expenditure		(2,036)	(3,521)
Decrease in cash	15	(41,663)	(51,550)

Notes to the financial statements

1 Other operating charges

	2013 £	2012 £
Administrative expenses	<u>1,017,852</u>	<u>1,083,387</u>

2 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting)

	2013 £	2012 £
Staff pension contributions	8,070	8,150
Depreciation of owned fixed assets	13,333	20,377
Profit on disposal of fixed assets	(220)	-
Auditor's remuneration	<u>-</u>	<u>14,000</u>

3 Directors

Remuneration in respect of directors was as follows

	2013 £	2012 £
Emoluments	123,948	134,780
Value of company pension contributions to money purchase schemes	-	-
	<u>123,948</u>	<u>134,780</u>

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

	2013 No	2012 No
Money purchase schemes	<u>2</u>	<u>2</u>

4 Taxation on ordinary activities

	2013 £	2012 £
Current tax		
UK corporation tax based on the results for the year at 23.25% (2012: 20%)	-	-
Total current corporation tax	-	-
Deferred tax		
Origination and reversal of timing differences	3,662	(4,455)
Tax charge/(credit) on profit/(loss) on ordinary activities	3,662	(4,455)
Factors affecting current tax charge		
	2013 £	2012 £
Profit/(loss) on ordinary activities before taxation	6,375	(33,605)
Profit/(loss) on ordinary activities by rate of tax 23.25% (2012: 20%)	1,478	(6,721)
Expenses not deductible for tax purposes	2,624	2,266
Difference between capital allowances for period and depreciation	1,563	2,144
Utilised tax losses	(5,665)	2,311
Total current tax	-	-

Factors that may affect future tax charges

Tax losses of £91,296 (2012: £115,860) are available to be carried forward against future profits of the company. A deferred tax asset of £13,369 (2012: £17,031) has been recognised on these losses.

5 Tangible fixed assets

	Freehold property �	Plant and equipment �	Motor vehicles �	Office furniture and equipment �	Long Leasehold improve- ments �	Total �
Cost						
At 1 Jan 2013	34,750	246,706	40,312	267,499	148,110	737,377
Additions	-	-	-	2,256	-	2,256
Disposals	-	-	(9,969)	-	-	(9,969)
At 31 Dec 2013	<u>34,750</u>	<u>246,706</u>	<u>30,343</u>	<u>269,755</u>	<u>148,110</u>	<u>729,664</u>
Depreciation						
At 1 Jan 2013	-	240,929	39,848	255,744	108,297	644,818
Charge for the year	-	2,929	464	6,182	3,758	13,333
Disposals	-	-	(9,969)	-	-	(9,969)
At 31 Dec 2013	<u>-</u>	<u>243,858</u>	<u>30,343</u>	<u>261,926</u>	<u>112,055</u>	<u>648,182</u>
Net book value						
At 31 Dec 2013	<u>34,750</u>	<u>2,848</u>	<u>-</u>	<u>7,829</u>	<u>36,055</u>	<u>81,482</u>
At 31 Dec 2012	<u>34,750</u>	<u>5,777</u>	<u>464</u>	<u>11,755</u>	<u>39,813</u>	<u>92,559</u>

6 Stocks

	2013 �	2012 �
Parts	41,530	51,074
Work in progress	3,514	4,264
Motor vehicles	218,599	358,579
Vehicles on consignment	-	206,846
	<u>263,643</u>	<u>620,763</u>

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

7 Debtors

	2013	2012
	£	£
Trade debtors	97,242	161,906
Amounts owed by group undertakings	381,055	381,055
Deferred tax asset	13,369	17,031
Prepayments and accrued income	72,625	73,007
	<u>564,291</u>	<u>632,999</u>

Amounts owed by group undertakings of £381,055 (2012 £381,055) and the deferred tax asset of £13,369 (2012 £17,031) are due in more than one year

Deferred taxation

	2013	2012
	£	£
Accelerated capital allowances	5,079	6,293
Short term timing differences	(189)	(188)
Tax losses carried forward and other deductions	(18,259)	(23,136)
	<u>(13,369)</u>	<u>(17,031)</u>

8 Creditors: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	208,642	416,144
Social security and other taxes	59,816	67,163
Other creditors - consignment creditor	-	206,846
Accruals and deferred income	115,158	174,726
	<u>383,616</u>	<u>864,879</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 (2012 £40,000).

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 2013 the group had annual commitments under non-cancellable operating leases as set out below:

	Land & buildings	
	2013	2012
	£	£
Operating leases which expire		
Within 1 year	-	18,000
Between 2 to 5 years	98,000	98,000
	<u>98,000</u>	<u>116,000</u>

12 Share capital

Authorised share capital

	2013	2012
	£	£
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

	2013		2012	
	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

	2013 £	2012 £
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

	2013 £	2012 £
Balance brought forward	367,999	397,149
Profit/(loss) for the financial year	2,695	(29,150)
Balance carried forward	<u>370,694</u>	<u>367,999</u>

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

	2013 £	2012 £
Operating profit/(loss)	14,657	(19,201)
Depreciation	13,333	20,377
Profit on disposal of fixed assets	(220)	-
Decrease in stocks	357,120	686,774
Decrease/(increase) in debtors	65,046	(71,980)
(Decrease) in creditors	(481,263)	(649,595)
Net cash outflow from operating activities	<u>(31,327)</u>	<u>(33,625)</u>

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

	2013 £	2012 £
Decrease in cash in the period	(41,663)	(51,550)
Net funds at 1 January 2013	87,268	138,818
Net funds at 31 December 2013	<u>45,605</u>	<u>87,268</u>

16 Analysis of changes in net funds

	At 1 Jan 2013 £	Cash flows £	At 31 Dec 2013 £
Net funds			
Cash in hand and at bank	<u>87,268</u>	<u>(41,663)</u>	<u>45,605</u>

17 Capital commitments

At 31 December 2013 the total capital commitments contracted for but not provided in these accounts was £nil (2012 £nil)