

Registered number: 01587033

**ENZA MOTORS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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## ENZA MOTORS LIMITED

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### COMPANY INFORMATION

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**DIRECTORS**

R C Reed  
B A Kempson  
M P Jones

**COMPANY SECRETARY**

M P Jones

**REGISTERED NUMBER**

01587033

**REGISTERED OFFICE**

Leacroft Road  
Risley  
Warrington  
WA3 6NN

**INDEPENDENT AUDITOR**

Langtons Professional Services Limited  
Chartered Accountants & Statutory Auditor  
The Plaza  
100 Old Hall Street  
Liverpool  
L3 9QJ

**BANKERS**

Santander UK Plc  
Bootle  
Merseyside  
L30 4GB

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**ENZA MOTORS LIMITED**

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## **ENZA MOTORS LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **INTRODUCTION**

The directors present their strategic report for the year ended 31 December 2015.

#### **BUSINESS REVIEW**

The company continued its principal activity of the operation a Mercedes-Benz commercial vehicle franchise, largely based in the North West and Staffordshire.

On 31 December 2015, the entire trade and associated assets and liabilities of the company were sold to Roanza Limited, the ultimate parent company.

Since then, trade has continued within Roanza Limited.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

Management are continually monitoring the key risks facing the Company, along with assessing the controls used for managing risk. The Board are continually reviewing these on an annual basis.

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are considered to relate to competitors within the sector, the retention of key staff and the present challenging economic conditions.

#### **KEY PERFORMANCE INDICATORS**

Management use a range of measures to monitor and manage its business. The performance measures are split into financial and non-financial indicators.

#### **FINANCIAL MEASURES**

- Daily bank reporting;
- Detailed management accounts;
- Daily operating control;
- Monthly flash reporting;
- Forecast review; and
- Directors monthly Board reports.

#### **NON-FINANCIAL MEASURES**

- Weekly vehicle debt meeting;
- Weekly vehicle stock review;
- Monthly trade debt review;
- Daily parts purchase management;
- Weekly stock value management; and
- Performance vs target review

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## ENZA MOTORS LIMITED

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### STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

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#### DEVELOPMENT AND FINANCIAL PERFORMANCE DURING THE YEAR

Since the merger between Enza Motors Limited and Road Range Limited in July 2014, undertaken through acquisition by a new ultimate parent company, Roanza Limited, the Board have invested significant resource in merging different aspects of the overall group business for long-term benefit. By the end of 2015, the group had successfully brought together and developed a single dealer management platform and accounting system, a critical step before combining the ongoing trades of the businesses in Roanza Limited at the end of the year.


The operations plan for new van registrations was achieved in the year. The Board have undertaken steps to develop the department responsible for the sale of new trucks with the aim of achieving the operations plan for trucks in 2016.

As reported in the Company's Profit and Loss Account, Company revenue decreased by 2.65% from £87.1m to £84.8m in the current year. Profit after tax has increased from £315k to £5,221k. However, it should be noted that the Profit after tax includes £5,232k profit in relation to the sale of the business to Roanza Limited on 31 December 2015.

#### FINANCIAL POSITION AT REPORTING DATE

Net funds increased from £2,914k to £8,135k at the end of the financial year primarily due to the profit generated on the sale of the business to Roanza Limited on 31 December 2015.

This report was approved by the board on 21 June 2016 and signed on its behalf.

  
**M P Jones**  
Director

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## ENZA MOTORS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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The directors present their report and the financial statements for the year ended 31 December 2015.

#### PRINCIPAL ACTIVITY

The principal activity of the company during the year was to trade as a Mercedes Benz commercial vehicles dealership.

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £5,220,633 (2014 - £314,724).

During the year dividends of £Nil (2014: £200,000) were proposed and paid.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting 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 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.

#### DIRECTORS

The directors who served during the year were:

R C Reed  
B A Kempson  
M P Jones  
S Fox (resigned 25 June 2015)  
J T Stead (resigned 30 June 2015)

#### FUTURE DEVELOPMENTS

It is the directors intention to continue to develop the existing activities of the business, but within Roanza Limited as noted.

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**ENZA MOTORS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**DISCLOSURE OF INFORMATION TO AUDITOR**

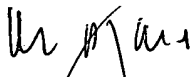
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is 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 relevant audit information and to establish that the Company's auditor is aware of that information.

**AUDITORS**

Under section 487(2) of the Companies Act 2006, Langtons Professional Services Limited will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 21 June 2016 and signed on its behalf.

  
**M P Jones**  
Director

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## **ENZA MOTORS LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENZA MOTORS LIMITED**

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We have audited the financial statements of Enza Motors Limited for the year ended 31 December 2015, set out on pages 7 to 26. The financial reporting framework that has been applied in their preparation is applicable law

and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 AUDITOR**

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 Financial Reporting Council's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.



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**ENZA MOTORS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENZA MOTORS LIMITED**

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**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.



Andrew McCall (Senior statutory auditor)

for and on behalf of

**Langtons Professional Services Limited**

Chartered Accountants

Statutory Auditor

The Plaza  
100 Old Hall Street  
Liverpool  
L3 9QJ

21 June 2016

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**ENZA MOTORS LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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	Note	2015 £	2014 £
Turnover	4	84,773,252	87,080,793
Cost of sales		(79,862,871)	(82,638,410)
<b>GROSS PROFIT</b>		<b>4,910,381</b>	<b>4,442,383</b>
Administrative expenses		(3,955,074)	(3,555,448)
Exceptional other operating income		5,232,005	-
<b>OPERATING PROFIT</b>	5	<b>6,187,312</b>	<b>886,935</b>
Interest payable and expenses	9	(694,718)	(482,363)
<b>PROFIT BEFORE TAX</b>		<b>5,492,594</b>	<b>404,572</b>
Tax on profit	10	(271,961)	(89,848)
<b>PROFIT FOR THE YEAR</b>		<b>5,220,633</b>	<b>314,724</b>

There was no recognised gains and losses for 2015 or 2014 other than those included in the income statement.

There was no other comprehensive income for 2015 (2014:£NIL).

The notes on pages 10 to 26 form part of these financial statements.

The results for 2015 all relate to discontinued operations.

**ENZA MOTORS LIMITED**  
**REGISTERED NUMBER: 01587033**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	13	-	2,712,843
Investments	14	3,118,666	3,118,666
		<u>3,118,666</u>	<u>5,831,509</u>
<b>CURRENT ASSETS</b>			
Stocks	15	-	20,583,596
Debtors: amounts falling due within one year	16	6,213,473	11,330,459
Cash at bank and in hand	17	28,520	3,028,013
		<u>6,241,993</u>	<u>34,942,068</u>
Creditors: amounts falling due within one year	18	(1,225,712)	(31,420,054)
<b>NET CURRENT ASSETS</b>		<u>5,016,281</u>	<u>3,522,014</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,134,947</u>	<u>9,353,523</u>
Creditors: amounts falling due after more than one year	19	-	(6,249,209)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	23	-	(190,000)
		<u>-</u>	<u>(190,000)</u>
<b>NET ASSETS</b>		<u><u>8,134,947</u></u>	<u><u>2,914,314</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	25	2,000	2,000
Profit and loss account	24	8,132,947	2,912,314
		<u>8,134,947</u>	<u>2,914,314</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 June 2016.

  
**M P Jones**  
 Director

The notes on pages 10 to 26 form part of these financial statements.

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**ENZA MOTORS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	2,000	2,912,314	2,914,314
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	5,220,633	5,220,633
<b>AT 31 DECEMBER 2015</b>	<u>2,000</u>	<u>8,132,947</u>	<u>8,134,947</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	2,000	2,797,590	2,799,590
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	314,724	314,724
Dividends: Equity capital	-	(200,000)	(200,000)
<b>AT 31 DECEMBER 2014</b>	<u>2,000</u>	<u>2,912,314</u>	<u>2,914,314</u>

The notes on pages 10 to 26 form part of these financial statements.

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## ENZA MOTORS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 1. GENERAL INFORMATION

The entity is a private limited liability company, limited by shares registered in England and Wales within the United Kingdom. The registered office is The Enza Building, Leacroft Road, Birchwood, Warrington, WA3 6NN and the company number is 01587033.

These financial statements present information about the company as an individual undertaking; it is both a parent company and a subsidiary company. The principal activity of the company is the operation of the Mercedes Benz commercial vehicle franchise in the North West and Staffordshire.

#### 2. ACCOUNTING POLICIES

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 30.

The presentation currency of these financial statements is pound sterling; the financial statements are rounded to the nearest pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 FRS 102 exemptions taken

The company has taken advantage of the exemption allowed under FRS 102 1.12 to not prepare an individual cashflow statement on the grounds that the publicly available consolidated accounts already include one.

##### 2.3 Going concern

The company has cash resources and has no requirement for external funding. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

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## ENZA MOTORS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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## 2. ACCOUNTING POLICIES (continued)

### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Trade discounts received from the manufacturer are deducted from cost of sales rather than added to sales.

### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

S/Term Leasehold Property	- 2 - 20% straight line
Plant & machinery	- 10 - 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

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## ENZA MOTORS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 2. ACCOUNTING POLICIES (continued)

##### 2.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

##### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

##### 2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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## ENZA MOTORS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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## 2. ACCOUNTING POLICIES (continued)

### 2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### 2.13 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.



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## ENZA MOTORS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 2. ACCOUNTING POLICIES (continued)

##### 2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### 2.15 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.16 Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

##### 2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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## ENZA MOTORS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 2. ACCOUNTING POLICIES (continued)

##### 2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### 2.19 Group relief

Group relief between companies is transferred without charge and is therefore recognised as a reconciling item on the tax reconciliation note only.

##### 2.20 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

#### 3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The directors have made judgements regarding the depreciation of fixed assets and vehicle stock write downs and the provision for warranty claims.

#### 4. ANALYSIS OF TURNOVER

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

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**ENZA MOTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**5. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>184,742</b>	166,841
Operating leases - equipment	<b>5,000</b>	4,204
Operating leases - land and buildings	<b>658,425</b>	679,155
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	<b>30,000</b>	27,769
	<u><b>30,000</b></u>	<u>27,769</u>

**6. AUDITOR'S REMUNERATION**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<b>30,000</b>	27,769
	<u><b>30,000</b></u>	<u>27,769</u>

**FEES PAYABLE TO THE COMPANY'S AUDITOR AND ITS ASSOCIATES  
IN RESPECT OF:**

Other services relating to taxation	-	15,310
All other services	-	18,814
	<u>-</u>	<u>34,124</u>
	<u><b>30,000</b></u>	<u>27,769</u>

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## ENZA MOTORS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	-	1,295,022
Social security costs	-	127,080
Cost of defined contribution scheme	-	12,892
	<u>-</u>	<u>1,434,994</u>

Not included in the above figure is a recharge from Enza Solutions Limited for staff costs which amount to £7,391,865 (2014 - £5,536,444) for wages and salaries, £736,706 (2014 - £534,910) for social security costs and £63,946 (2014 - £55,291) for pension costs. These amounts are included within both cost of sales and administrative expenses.

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

	2015 No.	2014 No.
Works	-	26
Administration and selling	-	16
Directors	4	3
	<u>4</u>	<u>45</u>

#### 8. DIRECTORS' REMUNERATION

	2015 £	2014 £
Directors' emoluments	-	24,652
Company contributions to defined contribution pension schemes	-	6,224
Compensation for loss of office	20,000	-
	<u>20,000</u>	<u>30,876</u>

During the year retirement benefits were accruing to no directors (2014 - 3) in respect of defined contribution pension schemes.

Not included in the above figure is a recharge from Enza Solutions Limited for remuneration and pension contributions for directors which amount to £185,569 and £18,927 (2014 - £266,164 and £21,397) respectively. These amounts are included within cost of sales.

**ENZA MOTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

	2015 £	2014 £
Bank interest payable	82,176	102,934
Other loan interest payable	587,727	379,009
Finance leases and hire purchase contracts	1,425	420
Other interest payable	23,390	-
	<u>694,718</u>	<u>482,363</u>

**10. TAXATION**

	2015 £	2014 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	43,385	32,272
Adjustments in respect of previous periods	228,576	(424)
	<u>271,961</u>	<u>31,848</u>
<b>TOTAL CURRENT TAX</b>	<u>271,961</u>	<u>31,848</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	-	28,000
Decrease in discount	-	30,000
<b>TOTAL DEFERRED TAX</b>	<u>-</u>	<u>58,000</u>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>271,961</u>	<u>89,848</u>

**ENZA MOTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**10. TAXATION (continued)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>5,492,594</u>	<u>404,572</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	1,112,250	86,983
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,766	2,281
Capital allowances for year in excess of depreciation	18,547	(712)
Adjustments to tax charge in respect of prior periods	228,576	(424)
Short term timing difference leading to an increase (decrease) in taxation	(1,981)	-
Transfer of entire trade and assets to parent entity	(1,059,481)	-
Group relief	(31,709)	(28,183)
Marginal relief	(7)	(97)
Unwinding of discount on deferred tax	-	30,000
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<u><u>271,961</u></u>	<u><u>89,848</u></u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**11. DIVIDENDS**

	2015 £	2014 £
On Ordinary Shares	-	200,000
	<u>-</u>	<u>200,000</u>

**12. EXCEPTIONAL ITEMS**

	2015 £	2014 £
Profit on sale of trade and assets	5,232,005	-
	<u><u>5,232,005</u></u>	<u><u>-</u></u>

**ENZA MOTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**13. TANGIBLE FIXED ASSETS**

	S/Term Leasehold Property £	Plant & machinery £	Total £
At 1 January 2015	1,924,216	2,308,447	4,232,663
Additions	-	71,132	71,132
Disposals	(1,924,216)	(2,379,579)	(4,303,795)
At 31 December 2015	-	-	-
At 1 January 2015	353,579	1,166,242	1,519,821
Charge owned for the period	39,264	125,117	164,381
Charge financed for the period	-	20,361	20,361
Disposals	(392,843)	(1,311,720)	(1,704,563)
At 31 December 2015	-	-	-
At 31 December 2015	-	-	-
At 31 December 2014	1,570,637	1,142,206	2,712,843

The net book value of land and building may be further analysed as follows:

	2015 £	2014 £
Short leasehold	-	1,570,637
	-	1,570,637

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

	2015 £	2014 £
Plant and machinery	-	188,840
	-	188,840

**ENZA MOTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**14. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2015	3,602,957	195,298	3,798,255
At 31 December 2015	3,602,957	195,298	3,798,255
<b>IMPAIRMENT</b>			
At 1 January 2015	484,291	195,298	679,589
At 31 December 2015	484,291	195,298	679,589
<b>NET BOOK VALUE</b>			
At 31 December 2015	3,118,666	-	3,118,666
At 31 December 2014	3,118,666	-	3,118,666

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Enza's Truck World Limited	England and Wales	Ordinary	100 %	Dormant
Enza 2005 Limited	England and Wales	Ordinary	100 %	Dormant
Enza 2004 Limited	England and Wales	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
Enza's Truck World Limited	500,000
Enza 2005 Limited	433,767
Enza 2004 Limited	2,750,000



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**ENZA MOTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**15. STOCKS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Vehicles held for resale	-	6,467,649
Vehicles on consignment	-	12,267,018
Parts held for resale	-	1,848,929
	<u>-</u>	<u>20,583,596</u>

Stock recognised in cost of sales during the year as an expense was £72,366,447 (2014: £75,236,569).

The difference between purchase price and replacement cost is not material.

**16. DEBTORS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	3,617,050
Amounts owed by group undertakings	<b>6,213,473</b>	6,364,222
Other debtors	-	1,435
Prepayments and accrued income	-	1,347,752
	<u><b>6,213,473</b></u>	<u>11,330,459</u>

**17. CASH AND CASH EQUIVALENTS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>28,520</b>	3,028,013
Less: bank overdrafts	<b>(1,225,712)</b>	(250,000)
	<u><b>(1,197,192)</b></u>	<u>2,778,013</u>

**ENZA MOTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**18. CREDITORS: Amounts falling due within one year**

	2015 £	2014 £
Bank overdrafts	1,225,712	250,000
Trade creditors	-	17,595,916
Consignment stock creditor	-	12,267,018
Corporation tax	-	94,762
Taxation and social security	-	262,342
Obligations under finance lease and hire purchase contracts	-	41,931
Other creditors	-	129,497
Accruals and deferred income	-	778,588
	<u>1,225,712</u>	<u>31,420,054</u>

**19. CREDITORS: Amounts falling due after more than one year**

	2015 £	2014 £
Bank loans	-	562,500
Net obligations under finance leases and hire purchase contracts	-	132,127
Amounts owed to group undertakings	-	5,516,000
Other creditors	-	38,582
	<u>-</u>	<u>6,249,209</u>

**Secured loans**

Bank loans and overdrafts are secured by a fixed and floating charge over all the assets of the company.

**20. LOANS**

Analysis of the maturity of loans is given below:

	2015 £	2014 £
<b>AMOUNTS FALLING DUE 2-5 YEARS</b>		
Bank loans	-	562,500
	<u>-</u>	<u>562,500</u>

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**ENZA MOTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**21. HIRE PURCHASE & FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	2015 £	2014 £
Within one year	-	48,102
Between 1-2 years	-	42,051
Between 2-5 years	-	89,662
	<u>-</u>	<u>179,815</u>

**22. FINANCIAL INSTRUMENTS**

	2015 £	2014 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit or loss	28,520	3,028,013
Financial assets that are debt instruments measured at amortised cost	6,213,474	9,982,707
	<u>6,241,994</u>	<u>13,010,720</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	(1,225,712)	(24,913,014)
	<u>(1,225,712)</u>	<u>(24,913,014)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise trade debtors, group debtors and other debtors.

Financial Liabilities measured at amortised cost comprise trade creditors, group creditors, other creditors, accruals, other loans and balances under hire purchase of less than one year.

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**ENZA MOTORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**23. DEFERRED TAXATION**

	Deferred tax £
At 1 January 2015	(190,000)
Utilised in year	190,000
<b>AT 31 DECEMBER 2015</b>	<b>-</b>

The deferred taxation balance is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	-	192,000
Short term timing differences	-	(2,000)
	-	190,000

**24. RESERVES**

**Profit & loss account**

Includes all current and prior period retained profits and losses.

**25. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
2,000 Ordinary shares of £1 each	<b>2,000</b>	<b>2,000</b>

Each share carries one vote.

**26. CONTINGENT LIABILITIES**

The company has given guarantees on all Santander Bank borrowings and certain hire purchase liabilities in Road Range Limited and Premier Vehicle Rentals Limited amounting to £756,263 (2014: £nil).

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## ENZA MOTORS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 27. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Not later than 1 year	-	724,117
Later than 1 year and not later than 5 years	-	2,141,512
Later than 5 years	-	1,299,083
<b>TOTAL</b>	<b>-</b>	<b>4,164,712</b>

#### 28. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed under FRS 102 not to disclose transactions with other group companies on the grounds that consolidated accounts are available.

#### 29. CONTROLLING PARTY

The company is a wholly owned subsidiary of Roanza Limited, a company registered in England and Wales, which is also the ultimate parent company.

Copies of the consolidated financial statements of the parent company may be obtained from Companies House, Cardiff CF14 3UZ.

The company is under the control of the directors.

#### 30. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

The date of transition to FRS 102 is 1 January 2014. The last period presented under old UKGAAP was the year ended 31 December 2014.