

# Enza Motors Limited

Registered number: 01587033

## Directors' report and financial statements

For the year ended 31 December 2013

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# ENZA MOTORS LIMITED

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# ENZA MOTORS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R C Reed R Elgar-Parsons S Fox J T Stead
<b>Company secretary</b>	J T Stead
<b>Registered number</b>	01587033
<b>Registered office</b>	The Enza Building Leacroft Road Risley Warrington Cheshire WA3 6NN
<b>Independent auditors</b>	Mazars LLP Chartered Accountants & Statutory Auditors The Lexicon 10-12 Mount Street Manchester M2 5NT
<b>Bankers</b>	Santander UK plc Bootle Merseyside L30 4GB

# **ENZA MOTORS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

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The directors present their report and the financial statements for the year ended 31 December 2013.

### **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 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 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;
- 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.

### **Results and dividends**

The profit for the year, after taxation, amounted to £585,563 (2012 - £507,022).

During the year dividends were paid to the value of £200,000 or £100 per ordinary share (2012 - £400,000).

### **Directors**

The directors who served during the year were:

R C Reed  
R Elgar-Parsons  
S Fox  
J T Stead

### **Events since the end of the year**

Details of events since the end of the year are detailed in Note 23.

### **Future developments**

As part of the Commercial vehicle strategy of Mercedes Benz UK a decision was made to rationalise the representation of the dealership offering in the North West of England and North Wales as detailed further in Note 23.

This decision has presented the Shareholders of the two current representatives in this geographical area,

# **ENZA MOTORS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

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Enza Group Limited, and Road Range Limited (Part of the Robert Smith Group) with the opportunity to combine these successful businesses under a common ownership.

The management expect significant benefits to arise from the merger including synergistic cost savings, the sharing of business and technical expertise and developing customer relationships.

### **Employee relations**

The company supports the employment of disabled people wherever possible, both in recruitment and by retention of those who become disabled during their employment.

Appropriate steps are taken to inform and consult employees regarding matters affecting them and the company.

The Company's policy regarding health and safety is to ensure that, as far as is reasonably practicable, there is a working environment which will minimise the risk to health and safety of employees and those persons who are authorised to be on its premises.

### **Disclosure of information to auditors**

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 auditors are 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 auditors are aware of that information.

### **Auditors**

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### **Future outlook**

*The challenge of managing vehicle stocks remains high on the 2014 agenda.*

A strategy for growth within after sales has been implemented and it is hoped our 2014 results will demonstrate this.

### **Risk and key performance indicators**

The principal risk to the business is that it does not meet the sales and customer service targets set by Mercedes Benz (MBUK).

In order to monitor the ongoing financial performance of the company, in addition to monitoring sales values and volumes, gross margins and expenses, management monitors the following to maximise its financial performance:

- The time individual vehicles are held on the floor plan in order to reduce the charge;
- Receivables and in particular those due from MBUK because of the complexity of the debt;
- The levels and ageing of parts inventories;
- Prompt completion of after sales work in order to facilitate prompt invoicing; and
- Levels of staff efficiency to ensure that work flows, and therefore profit margins are maintained.

# ENZA MOTORS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

This report was approved by the board on

15/7/14

and signed on its behalf.



**R C Reed**  
Director

# **ENZA MOTORS LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

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### **Review and Analysis of the Business during the current year**

The Company continued its principal activities of a Mercedes-Benz commercial vehicle distributor. Its activities largely based in the North West and Staffordshire, holding the responsibility for the supply of trucks, vans and parts for Mercedes-Benz vehicles.

### **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 versus target reviews.

### **Development and Financial Performance during the Year**

As reported in the Company's Profit and Loss Account, Company revenue increased by 20% from £92m to £110m in the current year. Profit after tax has increased from £507k to £585k. The increase in results is largely due to the uptake of heavy commercial vehicles in the final trading months of the year. The Business during the period recorded its highest number of heavy vehicle sales for many years. The sale of vans and after-sales remain largely on plan.

### **Financial Position at Reporting Date**

During the year the Company received a bank loan of £1.25m.

Net funds decreased from £2.6m to £0.9m at the end of the financial year.

### **Principal Risks and Uncertainties facing the Business**

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 principal risks and uncertainties that might face the Company are as follows:

1. Economic downturn - We strive to maintain close relationships with all our customers. Any early signs of customer issues are identified and dealt with. Sales trends and competitor markets are closely monitored.
2. Loss of key personnel - This would present difficulties, therefore management ensure these positions are correctly remunerated.
3. Relationships with Mercedes-Benz - This is key to our success, relationships are monitored and developed to ensure targets are met.
4. Key strategic development progress - This is maintained in line with Mercedes-Benz corporate strategy and

## ENZA MOTORS LIMITED

### STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

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is continually reviewed in line with these goals.

5. Customers - Risk is spread across a number of large key clients and the maintenance of these relationships is key. The Company continues to maintain its search for alternative customers and suppliers that may be used if required.

This report was approved by the board on

15/7/14

and signed on its behalf.

R C Reed  
Director





# **ENZA MOTORS LIMITED**

## **INDEPENDENT AUDITORS' 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 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 Ethical Standards for Auditors. 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 Auditors' 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.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the 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 2013 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 the 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.

# ENZA MOTORS LIMITED

## INDEPENDENT AUDITORS' 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.



Gareth Hitchmough (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditors

The Lexicon  
10-12 Mount Street  
Manchester  
M2 5NT

Date:

22/7/2014

# ENZA MOTORS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Turnover	1,2	110,615,766	91,995,760
Cost of sales		(105,762,753)	(86,907,201)
<b>Gross profit</b>		<b>4,853,013</b>	<b>5,088,559</b>
Administrative expenses		(3,632,213)	(3,635,337)
Exceptional administrative expenses		-	(428,020)
Total administrative expenses		(3,632,213)	(4,063,357)
<b>Operating profit</b>	<b>3</b>	<b>1,220,800</b>	<b>1,025,202</b>
Interest payable and similar charges	5	(437,938)	(231,683)
<b>Profit on ordinary activities before taxation</b>		<b>782,862</b>	<b>793,519</b>
Tax on profit on ordinary activities	9	(197,299)	(286,497)
<b>Profit for the financial year</b>	<b>18</b>	<b>585,563</b>	<b>507,022</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account.

The notes on pages 11 to 21 form part of these financial statements.

**ENZA MOTORS LIMITED**

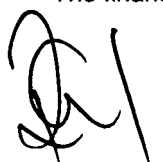
Registered number: 01587033

**BALANCE SHEET****AS AT 31 DECEMBER 2013**

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Tangible assets	10		2,627,221		2,694,729
Investments	11		3,118,666		3,167,490
			<u>5,745,887</u>		<u>5,862,219</u>
<b>Current assets</b>					
Stocks	12	13,740,263		19,192,005	
Debtors	13	10,845,393		7,930,539	
Cash at bank		1,931,949		2,622,508	
		<u>26,517,605</u>		<u>29,745,052</u>	
<b>Creditors: amounts falling due within one year</b>	14	(23,040,687)		(27,673,201)	
<b>Net current assets</b>			<u>3,476,918</u>		<u>2,071,851</u>
<b>Total assets less current liabilities</b>			<u>9,222,805</u>		<u>7,934,070</u>
<b>Creditors: amounts falling due after more than one year</b>	15		6,291,215		5,386,043
<b>Provisions for liabilities</b>					
Deferred tax	16		132,000		134,000
<b>Capital and reserves</b>					
Called up share capital	17	2,000		2,000	
Profit and loss account	18	2,797,590		2,412,027	
	19		<u>2,799,590</u>		<u>2,414,027</u>
			<u>9,222,805</u>		<u>7,934,070</u>

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

15/7/14

  
R C Reed  
Director

The notes on pages 11 to 21 form part of these financial statements.

# ENZA MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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### 1. Accounting Policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### 1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	- 2% straight line
Plant & machinery	- 10 - 25% straight line

#### 1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

#### 1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Vehicles on consignment are included in the balance sheet where the company carries the commercially significant risk of the vehicles. An equivalent amount is included in trade creditors.

# **ENZA MOTORS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

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### **1. Accounting Policies (continued)**

#### **1.7 Operating leases**

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### **1.8 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

#### **1.9 Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents contributions payable to the scheme in respect of the accounting period.

#### **1.10 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

#### **1.11 Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### **2. Turnover**

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

All turnover arose within the United Kingdom.

# ENZA MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 3. Operating profit

The operating profit is stated after charging/(crediting):

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	157,306	137,921
Operating lease rentals:		
- other operating leases	613,556	606,653
Profit on sale of tangible assets	-	(2,300)
Impairment of investment	48,824	38,742
	<u>          </u>	<u>          </u>

### 4. Auditors' remuneration

	2013 £	2012 £
Fees payable to the company's auditor for the audit of the company's annual accounts	29,750	24,300
Fees payable to the company's auditor in respect of:		
Under accrual for prior year audit services	1,808	-
All taxation services	13,625	2,600
Payroll services	12,270	9,840
	<u>          </u>	<u>          </u>

### 5. Interest payable

	2013 £	2012 £
Interest on loans and overdrafts wholly repayable within five years	78,775	54,844
Other interest	359,058	176,839
Hire purchase	105	-
	<u>          </u>	<u>          </u>
	<u>437,938</u>	<u>231,683</u>

# ENZA MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 6. Staff costs

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

	2013 £	2012 £
Wages and salaries	7,355,892	7,188,700
Social security costs	728,149	722,180
Other pension costs	78,405	56,997
	<u>8,162,446</u>	<u>7,967,877</u>

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

	2013 No.	2012 No.
Works	170	164
Administration and selling	108	104
	<u>278</u>	<u>268</u>

### 7. Directors' remuneration

	2013 £	2012 £
Remuneration	<u>291,158</u>	<u>170,386</u>
Company pension contributions to defined contribution pension schemes	<u>29,064</u>	<u>27,527</u>

During the year retirement benefits were accruing to 4 directors (2012 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £NIL (2012 - £NIL).

### 8. Exceptional item

	2013 £	2012 £
OFT penalty	<u>-</u>	<u>428,020</u>

A penalty of £347,198 was levied on the company by the Office of Fair Trading on 13 February 2013. The residual balance of expenses in the current and prior year relates to legal expenses in respect of this penalty. The penalty has been included within creditors due within one year and within creditors due after more than one year (notes 14 and 15 respectively).



# ENZA MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 9. Taxation

	2013 £	2012 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	199,299	295,111
Adjustments in respect of prior periods	-	25,386
<b>Total current tax</b>	<u>199,299</u>	<u>320,497</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	22,000	(37,000)
(Increase)/decrease in discount	(24,000)	3,000
<b>Total deferred tax</b> (see note 16)	<u>(2,000)</u>	<u>(34,000)</u>
<b>Tax on profit on ordinary activities</b>	<u><u>197,299</u></u>	<u><u>286,497</u></u>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>782,862</u>	<u>793,519</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	182,015	194,412
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,983	88,486
Capital allowances in excess of depreciation	2,090	4,424
Impairment of investment	11,351	9,492
Adjustments to tax charge in respect of prior periods	-	25,386
Other differences leading to a (decrease) / increase in the tax charge	(140)	6,805
Group relief	-	(8,508)
<b>Current tax charge for the year</b> (see note above)	<u><u>199,299</u></u>	<u><u>320,497</u></u>

# ENZA MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 10. Tangible fixed assets

	Short Term Leasehold Property £	Plant & machinery £	Total £
<b>Cost</b>			
At 1 January 2013	1,924,216	1,969,246	3,893,462
Additions	-	89,798	89,798
Disposals	-	(3,060)	(3,060)
At 31 December 2013	1,924,216	2,055,984	3,980,200
<b>Depreciation</b>			
At 1 January 2013	275,962	922,771	1,198,733
Charge for the year	38,306	119,000	157,306
On disposals	-	(3,060)	(3,060)
At 31 December 2013	314,268	1,038,711	1,352,979
<b>Net book value</b>			
At 31 December 2013	1,609,948	1,017,273	2,627,221
At 31 December 2012	1,648,254	1,046,475	2,694,729

### 11. Fixed asset investments

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2013 and 31 December 2013	3,602,957	195,298	3,798,255
<b>Impairment</b>			
At 1 January 2013	484,291	146,474	630,765
Charge for the year	-	48,824	48,824
At 31 December 2013	484,291	195,298	679,589
<b>Net book value</b>			
At 31 December 2013	3,118,666	-	3,118,666
At 31 December 2012	3,118,666	48,824	3,167,490

# ENZA MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 11. Fixed asset investments (continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Enza's Truck World Limited	Ordinary	100%
Enza 2005 Limited	Ordinary	100%
Enza 2004 Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Enza's Truck World Limited	500,000	-
Enza 2005 Limited	433,767	-
Enza 2004 Limited	2,750,000	-

#### Other fixed asset investments

During 2011, the company invested £195,298 in Big Screen Productions 20 LLP. The scheme is an HMRC registered scheme, reference 77545700. The company's share of losses in Big Screen Productions 20 LLP was £nil (2012: £nil).

### 12. Stocks

	2013 £	2012 £
Vehicles held for resale	3,571,498	5,588,882
Vehicles on consignment	8,252,746	11,594,163
Parts held for resale	1,916,019	2,008,960
	<u>13,740,263</u>	<u>19,192,005</u>

### 13. Debtors

	2013 £	2012 £
Trade debtors	4,177,233	3,420,370
Amounts due from ultimate parent company	5,799,934	3,625,393
Other debtors	2,050	2,450
Prepayments and accrued income	866,176	882,326
	<u>10,845,393</u>	<u>7,930,539</u>

# ENZA MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 14. Creditors: Amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts	250,000	-
Net obligations under finance leases and hire purchase contracts	4,800	-
Trade creditors	20,710,010	26,533,261
Corporation tax	251,330	288,278
Other taxes and social security	936,021	420,749
Other creditors	115,728	77,155
Accruals and deferred income	772,798	353,758
	<u>23,040,687</u>	<u>27,673,201</u>

The bank loan and overdraft are secured by a fixed and floating charge over the undertakings and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery. Trade creditors including an amount of £8,252,746 (2012: £11,594,163) in relation to stocks held on a consignment basis. The company has an unscheduled mortgage debenture dated 2 August 2006 incorporating a fixed and floating charge over all current and future assets of the company.

### 15. Creditors: Amounts falling due after more than one year

	2013 £	2012 £
Bank loans	812,500	-
Net obligations under finance leases and hire purchase contracts	8,400	-
Amounts owed to group undertakings	5,316,000	5,116,000
Other creditor	154,315	270,043
	<u>6,291,215</u>	<u>5,386,043</u>

Included within the above are amounts falling due as follows:

	2013 £	2012 £
<b>Between two and five years</b>		
Bank loans	<u>812,500</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2013 £	2012 £
Between one and five years	<u>8,400</u>	<u>-</u>

# ENZA MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 16. Deferred taxation

	2013 £	2012 £
At beginning of year	134,000	168,000
Released during year (P&L)	(2,000)	(34,000)
At end of year	<u>132,000</u>	<u>134,000</u>

The provision for deferred taxation is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	156,000	158,000
Undiscounted provision for deferred tax	156,000	158,000
Discount	(24,000)	(24,000)
Discounted provision for deferred tax	<u>132,000</u>	<u>134,000</u>

### 17. Share capital

	2013 £	2012 £
<b>Authorised</b>		
<b>Allotted, called up and fully paid</b>		
2,000 Ordinary shares shares of £1 each	<u>2,000</u>	<u>2,000</u>

### 18. Reserves

	Profit and loss account £
At 1 January 2013	2,412,027
Profit for the financial year	585,563
Dividends: Equity capital	(200,000)
At 31 December 2013	<u>2,797,590</u>

# ENZA MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 19. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	2,414,027	2,307,005
Profit for the financial year	585,563	507,022
Dividends (Note 20)	(200,000)	(400,000)
Closing shareholders' funds	<u>2,799,590</u>	<u>2,414,027</u>

### 20. Dividends

	2013 £	2012 £
Dividends paid on equity capital	<u>200,000</u>	<u>400,000</u>

### 21. Pension costs

The group operates a defined contribution scheme. The pension cost charge for the period represents contributions payable to the group to the fund and amounted to £78,405 (2012: £56,997).

Total outstanding contributions for the month of December 2013 amounting to £15,855 (2012: £14,021) were payable to the scheme and are included in creditors.

### 22. Operating lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2013 £	2012 £	2013 £	2012 £
<b>Expiry date:</b>				
Between 2 and 5 years	-	-	5,000	6,000
After more than 5 years	<u>618,000</u>	<u>603,000</u>	<u>-</u>	<u>-</u>

Total aggregate commitments held under non-cancellable operating leases at 31 December 2013 relating to land and buildings is £5,830,000. This is based upon the assumption that the leases will all run to their expiration date and therefore does not account for any break clauses that may be in place. It also excludes any increases in rent that may be payable following any scheduled rent reviews implicit in the lease agreement.

# ENZA MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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### 23. Post balance sheet events

As part of the Mercedes Benz UK Commercial vehicle strategy pronounced in October 2012, the businesses of Enza Motors Limited and Road Range Limited agreed to pursue the challenges of merging both businesses and therefore on the 15th July 2014 the entire share capital of Enza Group Limited and subsidiaries along with the entire share capital of Robert Smith Group Limited and its subsidiaries was acquired by Roanza Limited a company controlled by Mr Roy Reed, Mr Steven Fox, Mr Brian Kempson and Mr Mike Jones.

The new company will continue to operate the Mercedes Benz commercial vehicle franchise from eight locations in the North West of England, Staffordshire and North Wales.

### 24. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Enza Holdings Limited, a company registered in England and Wales, which is itself a 100% subsidiary of Enza Group Limited, a company also registered in England and Wales.

The consolidated financial statements of Enza Group Limited and Enza Holdings Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

### 25. Contingent liabilities

The company has entered into a cross guarantee with all other subsidiaries of Enza Group Limited to secure bank borrowings from Santander UK plc. As at 31 December 2013 the amount so guaranteed was £Nil (2012: £Nil).