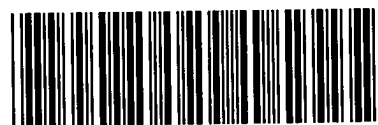


ENZA MOTORS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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COMPANIES HOUSE

ENZA MOTORS LIMITED

COMPANY INFORMATION

DIRECTORS

R C Reed
J T Stead
S Fox
B A Kempson
M P Jones

COMPANY SECRETARY

J T Stead

REGISTERED NUMBER

01587033

REGISTERED OFFICE

Leacroft Road
Risley
Warrington
WA3 6NN

INDEPENDENT AUDITOR

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

BANKERS

Santander UK Plc
Bootle
Merseyside
L30 4GB

ENZA MOTORS LIMITED

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ENZA MOTORS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

INTRODUCTION

The directors present their strategic report for the year ended 31 December 2014.

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE 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 responsibility for the supply of trucks, vans and parts for Mercedes-Benz vehicles. On 15 July 2014 Enza Group Limited and its subsidiaries was acquired by Roanza Limited.

Prior to the acquisition of the Enza group the directors had necessarily committed substantial time to negotiating the transaction and this potentially impacted on the trading performance of the company in the period prior to completion. However, since the acquisition the trading performance has been positive.

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

DEVELOPMENT AND FINANCIAL PERFORMANCE DURING THE YEAR

As reported in the Company's Profit and Loss Account, Company revenue decreased by 22% from £110m to £87m in the current year. Profit after tax has decreased from £585k to £315k. [Insert wording].

FINANCIAL POSITION AT REPORTING DATE

Net funds increased from £0.9m to £2.2m at the end of the financial year.

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 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

ENZA MOTORS LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014**

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 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 3 June 2015 and signed on its behalf.


M P Jones
Director

ENZA MOTORS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

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

On 15 July 2014 Enza Group Limited and Robert Smith Group Limited and their respective subsidiary companies were acquired by Roanza Limited. The new group will continue to operate the Mercedes Benz commercial vehicle franchise from eight locations in the North West of England, Staffordshire and North Wales. Management expect significant benefits to arise from the merger including synergistic cost savings, the sharing of business and technical expertise and developing customer relationships.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £314,724 (2013 - £585,563).

During the year, dividends were paid to the value of £200,000 (2013 - £200,000).

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.

ENZA MOTORS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

DIRECTORS

The directors who served during the year were:

R C Reed
J T Stead
S Fox
B A Kempson (appointed 15 July 2014)
M P Jones (appointed 15 July 2014)
R E Parsons (resigned 15 July 2014)

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 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 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.

AUDITOR

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 3 June 2015 and signed on its behalf.


M P Jones
Director

ENZA MOTORS LIMITED

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

We have audited the financial statements of Enza Motors Limited for the year ended 31 December 2014, set out on pages 7 to 19. 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).

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 Auditing Practices Board'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 2014 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.

ENZA MOTORS LIMITED

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew McCall (Senior statutory auditor)

for and on behalf of

Langtons Professional Services Limited

Chartered Accountants

Registered Auditor

The Plaza

100 Old Hall Street

Liverpool

L3 9QJ

3 June 2015

ENZA MOTORS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

| | Note | 2014 £ | 2013 £ |
|--|------|---------------------|----------------------|
| TURNOVER | 1,2 | 87,080,793 | 110,615,766 |
| Cost of sales | | (82,638,410) | (105,762,753) |
| GROSS PROFIT | | 4,442,383 | 4,853,013 |
| Administrative expenses | | (3,555,448) | (3,632,213) |
| OPERATING PROFIT | 3 | 886,935 | 1,220,800 |
| Interest payable and similar charges | 7 | (482,363) | (437,938) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 404,572 | 782,862 |
| Tax on profit on ordinary activities | 8 | (89,848) | (197,299) |
| PROFIT FOR THE FINANCIAL YEAR | 17 | £ 314,724 | £ 585,563 |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

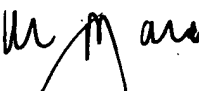
The notes on pages 9 to 19 form part of these financial statements.

ENZA MOTORS LIMITED
REGISTERED NUMBER: 01587033

BALANCE SHEET
AS AT 31 DECEMBER 2014

| | Note | £ | 2014 £ | £ | 2013 £ |
|--|------|--------------------|--------------------|--------------------|--------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | | 2,712,843 | | 2,627,221 |
| Investments | 10 | | 3,118,666 | | 3,118,666 |
| | | | <u>5,831,509</u> | | <u>5,745,887</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 11 | 20,583,596 | | 13,740,263 | |
| Debtors | 12 | 11,330,459 | | 10,845,393 | |
| Cash at bank and in hand | | 3,028,013 | | 1,931,949 | |
| | | <u>34,942,068</u> | | <u>26,517,605</u> | |
| CREDITORS: amounts falling due within one year | 13 | <u>31,420,054)</u> | | <u>23,040,687)</u> | |
| NET CURRENT ASSETS | | | <u>3,522,014</u> | | <u>3,476,918</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>9,353,523</u> | | <u>9,222,805</u> |
| CREDITORS: amounts falling due after more than one year | 14 | | (6,249,209) | | (6,291,215) |
| PROVISIONS FOR LIABILITIES | | | | | |
| Deferred tax | 15 | | (190,000) | | (132,000) |
| NET ASSETS | | | <u>£ 2,914,314</u> | | <u>£ 2,799,590</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 16 | | 2,000 | | 2,000 |
| Profit and loss account | 17 | | 2,912,314 | | 2,797,590 |
| SHAREHOLDERS' FUNDS | 18 | | <u>£ 2,914,314</u> | | <u>£ 2,799,590</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 June 2015.


M P Jones
Director

The notes on pages 9 to 19 form part of these financial statements.

ENZA MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 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.

1.3 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.

1.4 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.

1.5 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:

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

1.6 Investments

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

1.7 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.

ENZA MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 Stocks and work in progress

Stocks and work in progress 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.

1.10 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 not discounted.

1.11 Pensions

The company contributes to personal pension plans and the pension charge represents the amounts payable by the company to the plans in respect of the year.

1.12 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. 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 2014

3. OPERATING PROFIT

The operating profit is stated after charging:

| | 2014 £ | 2013 £ |
|--|-------------------|-------------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the company | 152,733 | 156,639 |
| - held under finance leases | 14,108 | 667 |
| Operating lease rentals: | | |
| - other operating leases | 679,155 | 613,556 |
| Impairment of investment | - | 48,824 |
| | <u> </u> | <u> </u> |

4. AUDITORS' REMUNERATION

| | 2014 £ | 2013 £ |
|---|-------------------|-------------------|
| Fees payable to the company's auditor and its associates for the audit of the company's annual accounts | 27,769 | 31,558 |
| Fees payable to the company's auditor and its associates in respect of: | | |
| Taxation compliance services | 15,310 | 13,625 |
| All other non-audit services not included above | 18,814 | 12,270 |
| | <u> </u> | <u> </u> |

5. STAFF COSTS

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

| | 2014 £ | 2013 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 1,295,022 | 7,355,892 |
| Social security costs | 127,080 | 728,149 |
| Other pension costs | 12,892 | 78,405 |
| | <u> </u> | <u> </u> |
| | £ 1,434,994 | £ 8,162,446 |
| | <u> </u> | <u> </u> |

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

| | 2014 No. | 2013 No. |
|----------------------------|-------------------|-------------------|
| Works | 26 | 170 |
| Administration and selling | 16 | 104 |
| Directors | 3 | 4 |
| | <u> </u> | <u> </u> |
| | 45 | 278 |
| | <u> </u> | <u> </u> |

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

ENZA MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

6. DIRECTORS' REMUNERATION

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| Remuneration | £ 24,652 | £ 291,158 |
| Company pension contributions to defined contribution pension schemes | £ 6,224 | £ 29,064 |

During the year retirement benefits were accruing to 3 directors (2013 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £107,130 (2013 - £111,104).

Not included in the above figure is a recharge from Enza Solutions Limited for remuneration and pension paid to directors which amount to £266,164 and £21,397 respectively. These amounts are included within cost of sales.

7. INTEREST PAYABLE

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| On bank loans and overdrafts | 102,934 | 78,775 |
| On other loans | 379,009 | 359,058 |
| On finance leases and hire purchase contracts | 420 | 105 |
| | £ 482,363 | £ 437,938 |

8. TAXATION

| | 2014 £ | 2013 £ |
|--|-----------------|------------------|
| Analysis of tax charge in the year | | |
| Current tax (see note below) | | |
| UK corporation tax charge on profit for the year | 32,272 | 199,299 |
| Adjustments in respect of prior periods | (424) | - |
| Total current tax | 31,848 | 199,299 |
| Deferred tax | | |
| Origination and reversal of timing differences | 28,000 | 22,000 |
| Decrease/(increase) in discount | 30,000 | (24,000) |
| Total deferred tax (see note 15) | 58,000 | (2,000) |
| Tax on profit on ordinary activities | £ 89,848 | £ 197,299 |

ENZA MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - *higher than*) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

| | 2014 £ | 2013 £ |
|---|-----------------|------------------|
| Profit on ordinary activities before tax | £ 404,572 | £ 782,862 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%) | 86,983 | 182,015 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 2,281 | 3,983 |
| Capital allowances for year in excess of depreciation | (28,712) | 2,090 |
| Adjustments to tax charge in respect of prior periods | (424) | - |
| Other differences leading to an increase (decrease) in the tax charge | - | (140) |
| Group relief | (28,183) | - |
| Marginal relief | (97) | - |
| Impairment of investment | - | 11,351 |
| Current tax charge for the year (see note above) | £ 31,848 | £ 199,299 |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

ENZA MOTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. TANGIBLE FIXED ASSETS

| | S/Term Leasehold Property £ | Plant & machinery £ | Total £ |
|-----------------------|--------------------------------------|---------------------------|--------------------|
| Cost | | | |
| At 1 January 2014 | 1,924,216 | 2,055,984 | 3,980,200 |
| Additions | - | 252,463 | 252,463 |
| At 31 December 2014 | <u>1,924,216</u> | <u>2,308,447</u> | <u>4,232,663</u> |
| Depreciation | | | |
| At 1 January 2014 | 314,268 | 1,038,711 | 1,352,979 |
| Charge for the year | 39,311 | 127,530 | 166,841 |
| At 31 December 2014 | <u>353,579</u> | <u>1,166,241</u> | <u>1,519,820</u> |
| Net book value | | | |
| At 31 December 2014 | <u>£ 1,570,637</u> | <u>£ 1,142,206</u> | <u>£ 2,712,843</u> |
| At 31 December 2013 | <u>£ 1,609,948</u> | <u>£ 1,017,273</u> | <u>£ 2,627,221</u> |

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

| | 2014 £ | 2013 £ |
|---------------------|------------------|-----------------|
| Plant and machinery | <u>£ 188,840</u> | <u>£ 15,333</u> |

10. FIXED ASSET INVESTMENTS

| | Investments in subsidiary companies £ | Other fixed asset investments £ | Total £ |
|--|---|--|--------------------|
| Cost or valuation | | | |
| At 1 January 2014 and 31 December 2014 | <u>3,602,957</u> | <u>195,298</u> | <u>3,798,255</u> |
| Impairment | | | |
| At 1 January 2014 and 31 December 2014 | <u>484,291</u> | <u>195,298</u> | <u>679,589</u> |
| Net book value | | | |
| At 31 December 2014 | <u>£ 3,118,666</u> | <u>£ -</u> | <u>£ 3,118,666</u> |
| At 31 December 2013 | <u>£ 3,118,666</u> | <u>£ -</u> | <u>£ 3,118,666</u> |

ENZA MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10. 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 2014 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 | - |
| | <u> </u> | <u> </u> |

11. STOCKS

| | 2014 £ | 2013 £ |
|--------------------------|-------------------|-------------------|
| Vehicles held for resale | 6,467,649 | 3,571,498 |
| Vehicles on consignment | 12,267,018 | 8,252,746 |
| Parts held for resale | 1,848,929 | 1,916,019 |
| | <u> </u> | <u> </u> |
| | £ 20,583,596 | £ 13,740,263 |
| | <u> </u> | <u> </u> |

12. DEBTORS

| | 2014 £ | 2013 £ |
|------------------------------------|-------------------|-------------------|
| Trade debtors | 3,617,050 | 4,177,233 |
| Amounts owed by group undertakings | 6,364,222 | 5,799,934 |
| Other debtors | 1,435 | 2,050 |
| Prepayments and accrued income | 1,347,752 | 866,176 |
| | <u> </u> | <u> </u> |
| | £ 11,330,459 | £ 10,845,393 |
| | <u> </u> | <u> </u> |

ENZA MOTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

13. CREDITORS:

Amounts falling due within one year

| | 2014 £ | 2013 £ |
|--|---------------------|---------------------|
| Bank loans and overdrafts | 250,000 | 250,000 |
| Net obligations under finance leases and hire purchase contracts | 41,931 | 4,800 |
| Trade creditors | 17,595,916 | 12,457,264 |
| Consignment stock creditor | 12,267,018 | 8,252,746 |
| Corporation tax | 94,762 | 251,330 |
| Other taxation and social security | 262,342 | 920,248 |
| Other creditors | 129,497 | 131,501 |
| Accruals and deferred income | 778,588 | 772,798 |
| | <u>£ 31,420,054</u> | <u>£ 23,040,687</u> |

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

Consignment stock creditor is secured by the consignment vehicle stocks.

14. CREDITORS:

Amounts falling due after more than one year

| | 2014 £ | 2013 £ |
|--|--------------------|--------------------|
| Bank loans | 562,500 | 812,500 |
| Net obligations under finance leases and hire purchase contracts | 132,127 | 8,400 |
| Amounts owed to group undertakings | 5,516,000 | 5,316,000 |
| Other creditors | 38,582 | 154,315 |
| | <u>£ 6,249,209</u> | <u>£ 6,291,215</u> |

Included within the above are amounts falling due as follows:

| | 2014 £ | 2013 £ |
|-----------------------------------|----------------|----------------|
| Between two and five years | | |
| Bank loans | <u>562,500</u> | <u>812,500</u> |

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

| | 2014 £ | 2013 £ |
|----------------------------|------------------|----------------|
| Between one and five years | <u>£ 132,127</u> | <u>£ 8,400</u> |

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

ENZA MOTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

15. DEFERRED TAXATION

| | 2014 £ | 2013 £ |
|---|------------------|------------------|
| At beginning of year | 132,000 | 134,000 |
| Charge for/(released during) year (P&L) | 58,000 | (2,000) |
| At end of year | <u>£ 190,000</u> | <u>£ 132,000</u> |

The provision for deferred taxation is made up as follows:

| | 2014 £ | 2013 £ |
|---|------------------|------------------|
| Accelerated capital allowances | 192,000 | 157,500 |
| Short term timing differences | (2,000) | (1,500) |
| Undiscounted provision for deferred tax | <u>190,000</u> | <u>156,000</u> |
| Discount | - | (24,000) |
| Discounted provision for deferred tax | <u>£ 190,000</u> | <u>£ 132,000</u> |

16. SHARE CAPITAL

| | 2014 £ | 2013 £ |
|---|----------------|----------------|
| Allotted, called up and fully paid | | |
| 2,000 Ordinary shares of £1 each | <u>£ 2,000</u> | <u>£ 2,000</u> |

17. RESERVES

| | Profit and loss account £ |
|-------------------------------|---------------------------------|
| At 1 January 2014 | 2,797,590 |
| Profit for the financial year | 314,724 |
| Dividends: Equity capital | (200,000) |
| At 31 December 2014 | <u>£ 2,912,314</u> |

ENZA MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2014 £ | 2013 £ |
|-------------------------------|--------------------|--------------------|
| Opening shareholders' funds | 2,799,590 | 2,414,027 |
| Profit for the financial year | 314,724 | 585,563 |
| Dividends (Note 19) | (200,000) | (200,000) |
| Closing shareholders' funds | <u>£ 2,914,314</u> | <u>£ 2,799,590</u> |

19. DIVIDENDS

| | 2014 £ | 2013 £ |
|----------------------------------|------------------|------------------|
| Dividends paid on equity capital | <u>£ 200,000</u> | <u>£ 200,000</u> |

20. 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 £496,739 (2013: £nil).

21. PENSION COMMITMENTS

The company pays into personal pension plans. The assets of the plans are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the plans and amounted to £74,320 (2013 - £78,405). Contributions totalling £16,402 (2013 - £15,855) were payable to the plans at the balance sheet date and are included in creditors.

22. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|-------------------------|--------------------|----------------|-----------|-----------|
| | 2014 £ | 2013 £ | 2014 £ | 2013 £ |
| Expiry date: | | | | |
| Within 1 year | 51,990 | - | 6,237 | - |
| Between 2 and 5 years | 448,390 | - | - | 5,000 |
| After more than 5 years | <u>212,000</u> | <u>618,000</u> | <u>-</u> | <u>-</u> |

ENZA MOTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

23. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed under FRS 8 not to disclose transactions with other group companies on the grounds that consolidated accounts are available.

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. The ultimate holding company is Roanza Limited, a company registered in England and Wales.

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

The ultimate parent company is under the control of the directors.