

ABBHEY CAR HIRE (UK) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010



REGISTRATION NO: 2645371
(ENGLAND AND WALES)

ABBHEY CAR HIRE (UK) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2010

| | |
|-------------------|---|
| Company Number | 2645371 |
| Registered Office | 27 Elkstone Road London W10 5NT |
| Directors | John Machado Davide Machado |
| Secretary | Mrs Ana Machado |
| Bankers | HSBC Bank 2 Craven Road Paddington London W2 3PY |
| Solicitors | Porter Crossick 8a -10a Kilburn Bridge London NW6 6HT |
| Accountants | D & T Accounting Chartered Management Accountants Rochester Kent |

ABBAY CAR HIRE (UK) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2010

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DIRECTORS REPORT TO THE SHAREHOLDERS

ABBEY CAR HIRE (UK) LIMITED

The directors have pleasure in presenting their report and the financial statements for the year ended 31st December 2010

Statement of directors' responsibilities

Company law requires the directors to prepare the financial statement for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss for that period. In preparing those financial statements, the directors are required to

- 1 select suitable accounting policies and then apply them consistently throughout the year
- 2 make judgments and estimates that are reasonable and prudent
- 3 state whether applicable accounting standards have been followed, subject to any material departures that should be disclosed and explained in the financial statements
- 4 prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records, which disclose with accuracy at any time the financial position of the company and to 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities should they exist

Principal activities and review of business

The principal activity of the company is that of acting as agents for mini cab and chauffeured car services. The company also provides additional services of coaches and mini buses

The directors consider the profit on ordinary activities for the year to be satisfactory given the additional employment and consultancy cost of integrating new acquisitions into the company, and increase in prices for petrol and diesel

The company acquired the business of Checkers cars in October 2010 as part of its growth strategy. This and the 2009 acquisition of City Transfers has significantly improved the profitability of the company in 2010 and is expected to continue to do so into the future.

The business continues to enjoy the financial backing of its shareholders

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

| Ordinary shares of £1 each | 2010 | 2009 |
|----------------------------|--------|--------|
| John Machado | 26,069 | 26,069 |
| Davide Machado | 0 | 0 |

This report is prepared in accordance with the special provisions of the companies Act 2006 relating to small companies

This report was approved by the Board and signed on its behalf by

John Machado

Director

Date..31.5.2011

ABBAY CAR HIRE (UK) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 2010

| | NOTES | 2010 | 2009 |
|--------------------------------------|--------------|------------------------|------------------------|
| Turnover | 1 | 925,884 | 621,148 |
| Cost of sales | | <u>-468,774</u> | <u>-457,918</u> |
| Gross profit | | 457,110 | 163,230 |
| Other operating income | | <u>13,106</u> | <u>42,195</u> |
| | | 470,216 | 205,425 |
| Administrative expenses | | <u>359,308</u> | <u>507,422</u> |
| Profit/ (Loss) before tax | 2 | 110,908 | -301,997 |
| Taxation | 6 | 0 | 0 |
| Profit/ (Loss) after tax | | 110,908 | -301,997 |
| Retained profit/loss brought forward | | -371,629 | -69,632 |
| Losses carried forward | | <u><u>-260,721</u></u> | <u><u>-371,629</u></u> |

The result included 3 months activities of the former business of Checkers Cars which was acquired during the year

There were no recognised gains and losses for 2009 and 2010 other than those included in the profit & loss account

The accompanying notes form an integral part the financial statements

ABBHEY CAR HIRE (UK) LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 2010

| | Notes | 2010 | 2009 |
|--|-------|-------------------|-----------------|
| Fixed assets | | | |
| Intangible assets | 7 | 344,841 | 149,685 |
| Tangible assets | 8 | 476,528 | 553,219 |
| | | <u>821,369</u> | <u>702,904</u> |
| Current assets | | | |
| Debtors | 9 | 242,636 | 150,850 |
| Investments | 17 | 177,173 | 130,395 |
| Cash at bank and in hand | | 3,811 | 4,236 |
| | | <u>423,620</u> | <u>285,482</u> |
| Creditors Amounts falling due within one year | 10 | <u>-164,209</u> | <u>-252,804</u> |
| Net current assets | | 259,411 | 32,677 |
| Total assest less current liabilities | | 1,080,780 | 735,581 |
| Creditors Amounts falling due after more than one year | 11 | <u>-1,146,763</u> | <u>-871,563</u> |
| | | <u>-65,983</u> | <u>-135,981</u> |
| Capital and reserves | | | |
| Called up share capital | 12 | 116,100 | 116,100 |
| Revaluation reserve | 13 | 78,638 | 119,548 |
| Profit and loss account | | -260,721 | -371,629 |
| Shareholders' funds - all equity | 14 | <u>-65,983</u> | <u>-135,981</u> |

In approving these financial statements as directors of the company we hereby confirm

(a) that for the year above the company was entitled to exemption from audit under section 477(2) of the companies Act 2006 relating to the small companies regime

(b) that the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

(c) that the directors acknowledge their responsibility for

(i) ensuring that the company keeps accounting records which comply with section 386, and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as is applicable to the company

(d) These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standards for Smaller Entities

John Machado
Director



The accompanying notes form an integral part of the accounts

ABBEY CAR HIRE (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2010

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 principal accounting policies of the company are set out below and have remained unchanged from the previous year.

1.2 Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided as principal excluding value added tax and trade discounts.

1.3 Intangible Fixed Assets and Amortisation

Goodwill is the difference between the amounts paid on the acquisition of a business and fair value of the separable net assets. It is amortised to profit and loss account over its estimated useful life of 20 years.

1.4 Tangible fixed asset and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated in the month the assets are bought and no provision is made if the assets are sold during the year. 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:

| | |
|------------------------|-----------------------------------|
| Furniture and Fittings | 10% Per annum Straight line basis |
| Motor Vehicles | 25% Per annum Straight line basis |
| Equipment | 25% Per annum Straight line basis |
| Computer Equipment | 25% Per annum Straight line basis |

1.5 Leasing and hire purchase contracts

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under 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.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.6 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.

ABBAY CAR HIRE (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2010

1.7 Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.8 Pensions

The company operates a defined contribution pension scheme, Abbey Car Hire pension fund, the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Operating profit

| | | |
|---|--------------------|--------------------|
| The operating loss is stated after charging | <u>2010</u> | <u>2009</u> |
| Audit & accountancy fees | 6,163 | 9,742 |
| Depreciation | 133,687 | 109,678 |
| Amortisation | 21,344 | 10,519 |
| Office rent | 20,000 | 20,000 |

3. Staff Costs

2010 **2009**

Staff costs including directors remuneration, were as follows

| | | |
|--------------------|----------------|----------------|
| Salaries and wages | 130,746 | 124,774 |
| Other pension cost | 3,948 | 2,066 |
| | <u>134,693</u> | <u>126,840</u> |

Staff cost is stated net of recharges to subsidiary companies

| | | |
|---|----|----|
| Average number of employees during the year | 12 | 20 |
|---|----|----|

4 Directors remuneration

2010 **2009**

| | | |
|------------|-------|--------|
| Emoluments | 6,000 | 13,658 |
|------------|-------|--------|

ABBHEY CAR HIRE (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2010

| 5. Other Operating Income | 2010 | 2009 |
|----------------------------------|---------------|---------------|
| Insurance claim | 1,615 | 8,648 |
| Vehicle rental | 0 | 17,427 |
| Rental income | 7,191 | 10,440 |
| Other income | 4,300 | 5,680 |
| | <u>13,106</u> | <u>42,195</u> |

| 6. Taxation | 2010 | 2009 |
|--------------------|-------------|-------------|
| Corporation tax | 0 | 0 |

| 7. Intangible Fixed Assets | Goodwill |
|-----------------------------------|-----------------|
| Cost | |
| Opening Balance | 210,382 |
| Addition | 216,500 |
| Closing Balance | <u>426,882</u> |
| Amortisation | |
| Opening Balance | 60,697 |
| Charge for the year | 21,344 |
| Closing Balance | <u>82,041</u> |
| Net Book Value | |
| As at 31st December 2010 | 344,841 |
| As at 31st December 2009 | 149,685 |

ABBAY CAR HIRE (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010

| 8. Fixed assets | Freehold Building | Furniture & Fittings | Motor Vehicles | Office Equipment | Computer Equipment | Total |
|------------------------|------------------------------|-------------------------------------|---------------------------|-----------------------------|-------------------------------|------------------|
| COST | | | | | | |
| Opening Balance | 382,550 | 51,234 | 429,256 | 35,224 | 103,855 | 1,002,119 |
| Additions | 0 | 28,134 | 29,136 | 6,215 | 129,022 | 192,507 |
| Revaluation | -40,910 | | | | | -40,910 |
| Disposals | -90,000 | | -61,047 | | | -151,047 |
| Closing Balance | <u>251,640</u> | <u>79,368</u> | <u>397,346</u> | <u>41,439</u> | <u>232,877</u> | <u>1,002,670</u> |
| DEPRECIATION | | | | | | |
| Opening Balance | 0 | 48,903 | 311,988 | 23,664 | 64,345 | 448,900 |
| Charge for the year | 0 | 5,144 | 79,056 | 7,189 | 42,298 | 133,687 |
| Disposal | | | -56,445 | | | -56,445 |
| Closing Balance | <u>0</u> | <u>54,047</u> | <u>334,599</u> | <u>30,853</u> | <u>106,643</u> | <u>526,142</u> |

NET BOOK VALUE

| | | | | | | |
|---------------------------------|---------|--------|---------|--------|---------|---------|
| As at 31st December 2010 | 251,640 | 25,321 | 62,747 | 10,586 | 126,234 | 476,528 |
| As at 31st December 2009 | 382,550 | 2,331 | 117,268 | 11,560 | 39,510 | 553,219 |

ABBEY CAR HIRE (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST DECEMBER 2010

| 9. Debtors | 2010 | 2009 |
|---|----------------|----------------|
| Trade debtors | 107,088 | 74,292 |
| Other receivables | 39,016 | 70,947 |
| Prepaid expenses and accrued income | 6,715 | 5,611 |
| City Transfer - Subsidiary company | 89,818 | 0 |
| | <u>242,636</u> | <u>150,850</u> |
| 10. Creditors: Amounts falling due within one year | 2010 | 2009 |
| Bank loans and overdrafts | 54,878 | 50,998 |
| Trade creditors | 49,983 | 81,232 |
| Other creditors | 51,349 | 44,449 |
| Accruals and deferred income | 8,000 | 16,125 |
| City Transfer - Subsidiary company | 0 | 60,000 |
| | <u>164,209</u> | <u>252,804</u> |

Finance leases and hire purchase contracts are secured on the assets concerned

| 11. Creditors: Falling due after more than one year | 2010 | 2009 |
|--|------------------|----------------|
| Shareholder's loans | 629,988 | 599,994 |
| Director's loans | 516,775 | 271,569 |
| | <u>1,146,763</u> | <u>871,563</u> |

The Shareholder's loan represents a loan from Alendar Holding a majority shareholder
Director's loan is repayable on demand and no interest was charged for the year

| 12. Share Capital | 2010 | 2009 |
|---|-------------|-------------|
| Authorised | | |
| Ordinary shares of £1 each | £1,000,000 | £1,000,000 |
| Allotted, called up and fully paid | | |
| Ordinary shares of £1 each | £116,100 | £116,100 |

ABBEY CAR HIRE (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2010

| 13 Reserves | <u>2010</u> | <u>2009</u> |
|---|--------------------|--------------------|
| Revaluation reserve | 78,638 | 119,548 |
| 14. Reconciliation of Shareholders funds | <u>2010</u> | <u>2009</u> |
| Profit/(Loss) for the year | 110,908 | -301,997 |
| Net additions to shareholders' funds | 69,998 | -301,997 |
| Opening shareholders' funds | -135,981 | 166,016 |
| Closing shareholders' funds | <u>-65,983</u> | <u>-135,981</u> |

15. Transactions with directors

The company currently rents property from Mr and Mrs Machado. The transaction is entered at arms length as the rent charged is at normal commercial rates.

16. Commitments under operating leases

At 31st December 2010 the company had annual commitments under non-cancellable operating leases as set out below

| | <u>2010</u> | <u>2009</u> |
|-------------------------------|------------------------------------|------------------------------------|
| | <u>Land & Buildings</u> | <u>Land & Buildings</u> |
| Operating leases which expire | | |
| Within one year | 25,000 | 25,000 |
| In two to five years | 25,000 | 25,000 |

17 Investments

| | |
|-----------------|----------------|
| Opening Balance | 130,595 |
| Addition | 46,578 |
| Closing Balance | <u>177,173</u> |

The company owns 100% of the issued share capital of City Transfers UK limited