
Autosales Limited

Financial Statements

◆ *Year ended 31 December 2015* ◆

TUESDAY



A557VSQH

A14

19/04/2016

#176

COMPANIES HOUSE

Company No: 3729441

AUTOSALES LIMITED

CONTENTS

	Page
Company information	1
Strategic report	2-3
Report of the directors	4-5
Report of the auditors	6-7
Income statement	8
Statement of financial position	9
Statement on changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12-20

AUTOSALES LIMITED

COMPANY INFORMATION

Directors M A Kibble
 S C Kibble
 D A Varnish

Secretary D A Varnish

Registered office Vulcan Road
 Bilston
 West Midlands

Registered number 3729441

Auditors Baxters Limited
 Chartered Accountants and Statutory Auditor
 3 Nightingale Place
 Pendeford Business Park
 Wobaston Road
 Wolverhampton
 West Midlands

Bankers Lloyds TSB Bank PLC
 27 Lichfield Street
 Bilston
 West Midlands

STRATEGIC REPORT

Review of business

The Directors are delighted to report a return to profit in 2015. There was a significant increase in turnover rising by 6.3%.

Skoda performed exceptionally well with a very strong performance especially in the first six months of the year. Total new car registration including agency sales totalled 666 units another record for the site. The Skoda brand continues to impress and the Directors are expecting sales to grow further during 2016.

Suzuki sales performed very well despite the loss of the Alto from the range and a difficult launch of the new Celerio. The second quarter onwards however saw the brand bounce back with the launch of the exceptional value for money Vitara and the resolution of the Celerio launch issues. Registrations totalled an impressive 357 units. The Directors are very excited about the direction the Suzuki brand is going with its product line up and new marketing initiatives they anticipate good growth in 2016.

Mitsubishi registrations have grown to 78 units, but this is not at a pace or level the Directors are happy with. The Directors main concern is the poor L200 sales performance and the lack of profitability from Motability sales. The Directors are determined to improve performance with this brand in 2016.

Used car performance improved during 2015 with stocking days and average stock issues being eased. The Directors accept that there is still significant room for improvement in this area of performance and they will be investing their time during 2016 to ensure that those improvements are achieved.

Aftersales performance increased during 2015, however, there is still significant potential to further improve profitability from the service and parts departments. Manufacture parts targets were too ambitious in 2015 and circa £15,000 of bonus revenue was not earned. The 2016 targets have been revised and the Directors believe that they should hit those targets and earn significant bonus monies during the year. Labour sales showed slow but steady growth, however, there is continued pressure on the cost of running the service departments.

The return to profitability is welcomed by the Directors but it is not at a level they are satisfied with. The Directors are very excited about 2016 where they believe that the company performance can improve further and return an even better result.

STRATEGIC REPORT
(Continued)

Financial risks and uncertainties

The company is aware of the risks to the business should one of the Directors die whilst in service and has taken the following measures to ensure that the disruption to the business though significant would not be catastrophic. The Directors have completed a shareholder agreement which ensures that on the death of a shareholder the company has first option to purchase the shares. To ensure the company can afford to do so, it has taken out insurance to cover the death in service of the shareholders.

Risks associated with the running of a franchise agreement are fully recognised by the Directors, they have invested in ensuring that all the standards required by the brands to ensure the continual holding of the franchise are fully met.

The company has agreed banking facilities and access to a mixture of short-term and long-term debt finance which are regarded as sufficient to cover any financing requirements for the foreseeable future.

Signed on behalf of the directors:



S C KIBBLE
Director

Approved by the directors on 15 April 2016

AUTOSALES LIMITED

REPORT OF THE DIRECTORS

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

Dividends

Dividends of £30,000 were declared and paid during the year (2014 - £Nil).

Financial instruments

Details of the company's financial risk management objectives and policies are included in note 18 to the accounts.

Directors

The present directors of the company are set out on page 1. All of the directors served throughout the year.

Directors responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUTOSALES LIMITED

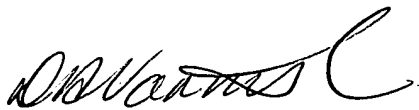
REPORT OF THE DIRECTORS
(Continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The report of the directors was approved by the Board on 15 April 2016 and signed on its behalf by:



D A VARNISH
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUTOSALES LIMITED

We have audited the financial statements of Autosales Limited for the year ended 31 December 2015 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows 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).

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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AUTOSALES LIMITED (Continued)**

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.



A G Baxter (Senior statutory auditor)
for and on behalf of
Baxters Limited
Statutory Auditor
Wolverhampton

15 April 2016

AUTOSALES LIMITED

INCOME STATEMENT
for the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	2	22,966,513	21,593,807
Cost of sales		(21,609,973)	(20,369,749)
		<hr/>	<hr/>
Gross profit		1,356,540	1,224,058
Distribution costs		(653,345)	(589,077)
Administrative expenses		(744,485)	(824,336)
Other operating income	4	103,253	98,608
		<hr/>	<hr/>
Operating profit/(loss)	5	61,963	(90,747)
Interest payable	8	(20,142)	(13,627)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		41,821	(104,374)
Tax on profit/(loss) on ordinary activities	9	(8,364)	20,875
		<hr/>	<hr/>
Profit/(loss) for the financial year		33,457	(83,499)
		<hr/>	<hr/>

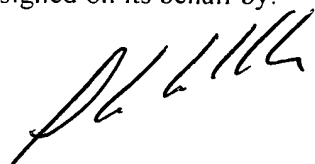
All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

AUTOSALES LIMITED**STATEMENT OF FINANCIAL POSITION
at 31 December 2015****Company No: 3729441**

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	11	315,316	286,992
Current assets			
Stocks	12	4,665,749	4,169,142
Debtors	13	183,261	253,840
Cash at bank and in hand		13,994	1,282
Creditors: Amounts falling due within one year	15	4,863,004 (4,600,386)	4,424,264 (4,110,143)
Net current assets		262,618	314,121
Total assets less current liabilities		577,934	601,113
Creditors: Amounts falling due after more than one year	16	(430,000)	(465,000)
Provision for liabilities and charges	17	(29,267)	(20,903)
Net assets		118,667	115,210
Capital and reserves			
Called up share capital	19	100,000	100,000
Profit and loss account		18,667	15,210
Shareholders' funds		118,667	115,210

These financial statements were approved and authorised for issue by the Board on 15 April 2016 and signed on its behalf by:



S C KIBBLE
Director

AUTOSALES LIMITED

STATEMENT OF CHANGES IN EQUITY
year ended 31 December 2015

	Note	Called up share capital £	Profit and loss account £	Total £
At 1 January 2014		100,000	98,709	198,709
Loss for the year			(83,499)	(83,499)
<hr/>				
Total comprehensive income for the year		-	(83,499)	(83,499)
At 31 December 2014		100,000	15,210	115,210
Profit for the year			33,457	33,457
<hr/>				
Total comprehensive income for the year		-	33,457	33,457
Dividends paid and payable	10	-	(30,000)	(30,000)
<hr/>				
Total investments by and distributions to owners		-	(30,000)	(30,000)
<hr/>				
At 31 December 2015		100,000	18,667	118,667
<hr/> <hr/>				

AUTOSALES LIMITED**STATEMENT OF CASH FLOWS**
year ended 31 December 2015

	Note	2015 £	2014 £
Cash flows and operating activities			
Profit/(loss) for the financial year		33,457	(83,499)
Adjustments for:			
Depreciation of tangible assets		47,640	58,667
Loss on disposal		1,833	-
Interest payable and similar charges		20,142	13,627
Tax on profit/(loss) on ordinary activities		8,364	(20,875)
Accrued expenses/(income)		15,729	(7,902)
Changes in:			
Stocks		(496,607)	(85,476)
Trade and other debtors		70,579	(91,525)
Trade and other creditors		552,463	(237,639)
Cash generated from operations		253,600	(454,622)
Interest paid		(20,142)	(13,627)
Net cash from/(used in) operating activities		233,458	(468,249)
Cash flows from investing activities			
Purchase of tangible assets		(77,964)	(109,636)
Proceeds from sale of tangible assets		167	-
Net cash used in investing activities		(77,797)	(109,636)
Cash flows from financing activities			
Proceeds from borrowings		-	(12,500)
Movement in loans from participating interests		(35,000)	280,000
Dividends paid		(30,000)	-
Net cash (used in)/from financing activities		(65,000)	267,500
Net increase/(decrease) in cash and cash equivalents		90,661	(310,385)
Cash and cash equivalents at beginning of year		(401,196)	(90,811)
Cash and cash equivalents at end of year	14	(310,535)	(401,196)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 22.

Revenue recognition

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year.

Depreciation

Depreciation is calculated so as to write off the costs or valuation of an asset, less its residual value, over the useful life of that asset as follows:

Property alterations	10% straight line
Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Computers	25% straight line
Motor vehicles	25% written down value

Stocks

Stocks are valued at the lower of cost and net realisable value. In establishing cost, stocks at the end of the year are taken to represent latest purchases or production. On this basis cost comprises:

Motor vehicles, spares and petrol	Purchase price
-----------------------------------	----------------

Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015

2. ACCOUNTING POLICIES (Continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Financial instruments

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowings.

Operating leases

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

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit and loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit and loss.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit and loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit and loss in the period it arises.

AUTOSALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

2. ACCOUNTING POLICIES (Continued)

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

3. TURNOVER

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. OTHER OPERATING INCOME

	2015	2014
	£	£
Commission receivable	103,523	98,608
	<u> </u>	<u> </u>

5. OPERATING PROFIT/(LOSS)

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

	2015	2014
	£	£
Depreciation of tangible assets	47,640	58,667
Auditors' remuneration - audit	10,675	10,440
- non audit	550	850
Loss on disposal of tangible assets	1,833	-
	<u> </u>	<u> </u>

AUTOSALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31 December 2015****6. DIRECTORS EMOLUMENTS**

	2015	2014
	£	£
Emoluments	78,292	94,848
Pension contributions	1,443	512
	<hr/>	<hr/>
	79,735	95,360
	<hr/>	<hr/>

7. STAFF COSTS

The average number of persons employed by the company, including directors, during the year was as follows:

	2015	2014
	No.	No.
Production	17	15
Sales and distribution	22	20
Administration	13	13
	<hr/>	<hr/>
	52	48
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£	£
Wages and salaries	947,151	915,839
Social security	78,365	76,621
Pension contributions	10,651	512
	<hr/>	<hr/>
	1,036,167	992,972
	<hr/>	<hr/>

8. INTEREST PAYABLE

	2015	2014
	£	£
Bank interest	14,775	9,777
Other interest	5,367	3,850
	<hr/>	<hr/>
	20,142	13,627
	<hr/>	<hr/>

AUTOSALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31 December 2015****9. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2015	2014
	£	£
Taxation charge for the year		
Corporation tax	-	(29,782)
	<hr/>	<hr/>
Current tax charge	-	(29,782)
Deferred tax	8,364	8,907
	<hr/>	<hr/>
	8,364	(20,875)
	<hr/>	<hr/>
Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities	41,821	(104,374)
	<hr/>	<hr/>
Current tax at 20%	8,364	(20,875)
Effect of:		
Capital allowances in excess of depreciation	(5,809)	(8,907)
Losses utilised	(2,555)	-
	<hr/>	<hr/>
Current tax charge	-	(29,782)
	<hr/>	<hr/>

10. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2015	2014
	£	£
Equity dividends	30,000	-
	<hr/>	<hr/>

AUTOSALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31 December 2015****11. TANGIBLE ASSETS**

	Property alterations	Plant and vehicles	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 January 2015	706,201	222,575	39,194	48,064	1,016,034
Additions	67,163	5,407	4,409	985	77,964
Disposals	-	(4,500)	-	-	(4,500)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	773,364	223,482	43,603	49,049	1,089,498
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 January 2015	525,142	145,440	33,426	25,034	729,042
Charge for the year	34,219	6,140	1,888	5,393	47,640
Disposals	-	(2,500)	-	-	(2,500)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	559,361	149,080	35,314	30,427	774,182
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2015	214,003	74,402	8,289	18,622	315,316
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	181,059	77,135	5,768	23,030	286,992
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

12. STOCKS

	2015	2014
	£	£
Motor vehicles	2,630,735	2,566,181
Consignment stock	2,035,014	1,602,961
	<hr/>	<hr/>
	4,665,749	4,169,142
	<hr/>	<hr/>

Consignment stock is subject to minimum vehicle holding levels as stipulated by the manufacturer. Consignment periods are 180 days.

The replacement cost of the above stocks would not be significantly different from the values stated.

AUTOSALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31 December 2015****13. DEBTORS**

	2015	2014
	£	£
Trade debtors	80,289	122,217
Corporation tax recoverable (due after more than one year)	9,375	29,782
Prepayments and accrued income	50,421	59,341
Other debtors	5,676	5,000
Directors current accounts	37,500	37,500
	<hr/>	<hr/>
	183,261	253,840
	<hr/>	<hr/>

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2015	2014
	£	£
Cash at bank and in hand	13,994	1,282
Bank overdraft	(324,529)	(402,478)
	<hr/>	<hr/>
	(310,535)	(401,196)
	<hr/>	<hr/>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Bank overdraft (secured)	324,529	402,478
Trade creditors	2,051,030	1,936,785
Other taxation and social security	43,204	16,510
Other creditors	106,372	126,901
Accruals and deferred income	40,237	24,508
Consignment stock	2,035,014	1,602,961
	<hr/>	<hr/>
	4,600,386	4,110,143
	<hr/>	<hr/>

The bank overdraft is secured by debentures over the assets of the company and Vulcan Investments Limited.

AUTOSALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2015	2014
	£	£
Amount owed to related company	430,000	465,000
	<hr/>	<hr/>

This debt is repayable on demand at any time after 31 December 2016.

17. PROVISION FOR LIABILITIES AND CHARGES

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2015	2014
	£	£
Excess of taxation allowances over depreciation on tangible assets	38,226	32,417
Losses carried forward	(8,959)	(11,514)
	<hr/>	<hr/>
	29,267	20,903
	<hr/>	<hr/>

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

This company has a loan from Vulcan Investments Limited repayable as follows:

	2015	2014
	£	£
Due after more than one year	430,000	465,000
	<hr/>	<hr/>

Interest is charged at 2% per annum.

19. CALLED UP SHARE CAPITAL

	2015		2014	
	No	£	No	£
Issued, called up and fully paid				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
	<hr/>	<hr/>	<hr/>	<hr/>

All shares carry full voting rights.

20. PENSION COSTS

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 pension cost charge represents contributions payable by the company to the fund and amounted to £10,651 (2014: £8,356).

AUTOSALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

21. RELATED PARTY TRANSACTIONS

The company trades from 2 properties owned by Vulcan Investments Limited, a company under common control. £120,000 was paid for rent during the year, charged on a normal commercial basis.

The balance due to this company at 31 December 2015 amounted to £430,000 (2014 - £465,000).

22. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.

23. OPERATING LEASES

The total future minimum lease payments under non-cancellable leases are as follows:

	2015	2014
	£	£
Not later than 1 year	142,500	142,500
Later than 1 year and not later than 5 years	570,000	570,000
Later than 5 years	1,022,187	1,164,687
	<hr/>	<hr/>
	1,734,687	1,877,187
	<hr/>	<hr/>

The above leases relate to the 3 properties occupied by the company.

24. TRANSACTIONS WITH DIRECTORS

Directors loan accounts

The following balances owed by the directors were outstanding at the year end:

	Maximum balance	2015	2014
	£	£	£
SC Kibble	18,750	18,750	18,750
DA Varnish	18,750	18,750	18,750
	<hr/>	<hr/>	<hr/>