

ARTHUR JONES MOTORS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2007

Company Registration Number 4149549

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ARTHUR JONES MOTORS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 2007

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Tenon audit

INDEPENDENT AUDITOR'S REPORT TO ARTHUR JONES MOTORS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 7, together with the financial statements of Arthur Jones Motors Limited for the year ended 31 July 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Other information

On 7 May 2008 we reported, as auditor of the company, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 July 2007, and the full text of the company audit report is reproduced on pages 2 to 3 of these financial statements.



Tenon Audit Limited
Registered Auditor
1 Bede Island Road
Bede Island Business Park
Leicester
LE2 7EA

7 May 2008

Tenon audit

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTHUR JONES MOTORS LIMITED

YEAR ENDED 31 JULY 2007

We have audited the financial statements of Arthur Jones Motors Limited for the year ended 31 July 2007 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on pages 5 to 6

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the audit evidence available on opening balances and comparative figures was limited, as the company was exempt from the requirement to produce audited financial statements for the period ended 31 July 2006 and it was not possible to obtain sufficient alternative audit evidence.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Tenon audit

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTHUR JONES MOTORS LIMITED *(continued)*

YEAR ENDED 31 JULY 2007

Opinion

Except for the limitation on audit evidence, referred to in the preceding paragraph, in respect of opening balances at 1 August 2006, and the comparative figures for the period ended 31 July 2006, in our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 July 2007 and of its loss for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
1 Bede Island Road
Bede Island Business Park
Leicester
LE2 7EA

7 May 2008

ARTHUR JONES MOTORS LIMITED

ABBREVIATED BALANCE SHEET

31 JULY 2007

	Note	2007 £	£	2006 £	£
Fixed assets	3				
Intangible assets			97,000		109,000
Tangible assets			2,739,187		2,309,539
			<u>2,836,187</u>		<u>2,418,539</u>
Current assets					
Stocks		13,620		14,472	
Debtors		363,358		292,732	
Cash at bank and in hand		1,414		893	
			<u>378,392</u>	<u>308,097</u>	
Creditors' amounts falling due within one year		(748,191)		(704,834)	
Net current liabilities			(369,799)		(396,737)
Total assets less current liabilities			<u>2,466,388</u>		<u>2,021,802</u>
Creditors: amounts falling due after more than one year			(2,311,057)		(1,853,588)
Provisions for liabilities					
Deferred taxation			(19,500)		-
			<u>135,831</u>		<u>168,214</u>
Capital and reserves					
Called-up share capital	5		2		2
Revaluation reserve			205,431		209,504
Profit and loss account			(69,602)		(41,292)
Shareholders' funds			<u>135,831</u>		<u>168,214</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors and authorised for issue on 11 April 2008, and are signed on their behalf by


P. Jones
Director

The notes on pages 5 to 7 form part of these abbreviated accounts

ARTHUR JONES MOTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2007

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax

Goodwill

Goodwill represents the difference between the amount paid on the acquisition of the business and the aggregate fair value of its separable net assets. Positive goodwill is capitalised and classified as an asset on the balance sheet.

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Goodwill - Over 10 years

Tangible fixed assets

Tangible fixed assets are recorded at cost except for freehold property, which has been subject to revaluation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Freehold property	- 2% straight line
Leasehold property improvements	- 10% and 33% reducing balance
Plant & machinery	- 10%, 15%, 20% and 25% reducing balance
Fixtures & fittings	- 10%, 15%, 20%, 25% and 33% reducing balance
Motor vehicles	- 7.5%, 15%, 20%, 25% and 33% reducing balance

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

ARTHUR JONES MOTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2007

1. Accounting policies (continued)

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. Profit and loss account

Turnover for the year amounted £2,951,689 (2006 £2,287,496) and operating profit was £89,056 (2006 £43,893)

3. Fixed assets

	Intangible assets £	Tangible assets £	Total £
Cost or valuation			
At 1 August 2006	120,000	2,490,347	2,610,347
Additions	—	746,279	746,279
Disposals	—	(95,335)	(95,335)
At 31 July 2007	<u>120,000</u>	<u>3,141,291</u>	<u>3,261,291</u>
Depreciation			
At 1 August 2006	11,000	180,808	191,808
Charge for year	12,000	275,393	287,393
On disposals	—	(54,097)	(54,097)
At 31 July 2007	<u>23,000</u>	<u>402,104</u>	<u>425,104</u>
Net book value			
At 31 July 2007	<u>97,000</u>	<u>2,739,187</u>	<u>2,836,187</u>
At 31 July 2006	<u>109,000</u>	<u>2,309,539</u>	<u>2,418,539</u>

On 11 April 2006 the Freehold Property was valued at a market value of £1,275,000 by Winkworth Chartered Surveyors

ARTHUR JONES MOTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2007

4. Creditors

Hire purchase liabilities totalling £318,613 (2006 £232,205) due within one year and 1,092,153 (2006 £685,674) due after more than one year are secured on the assets to which they relate

Bank borrowings totalling £223,476 (2006 £255,811) due within one year and £857,545 (2006 £803,349) due after more than one year are secured by first legal charge, dated 27 May 2005 and a debenture over the assets of the business

Amounts included in other creditors totalling £361,359 (2006 £364,565), owed to A Jones and J Jones are secured by second legal charge over the assets of the business

5 Related party transactions

Included within debtors is an amount of £34,971 (2006 £15,535) owed by P Jones, a director of the company. The loan is repayable on demand and provided interest free

Included within other creditors is an amount of £361,359 (2006 £364,565) owed equally to A Jones a director of the company and his spouse J Jones. This loan is repayable in instalments to be settled in full on 1 July 2011. Interest is payable monthly at an annual rate of 0.25% over the higher of Bank of England base rate and 5%.

During the period the company paid rent of £84,000 (2006 £75,000) to Peter Jones Properties. At the year end the company was owed £Nil (2006 £8,424) by Peter Jones Properties.

All transactions are undertaken at an arm's length basis.

6 Share capital

Authorised share capital:

	2007 £	2006 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2007 No	£	2006 No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

7 Comparative financial information

The company was exempt from the requirement to produce audited financial statements for the period ended 31 July 2006 and as a result the comparative financial information is unaudited.