

ARTHUR JONES MOTORS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2008

Company Registration Number 4149549



ARTHUR JONES MOTORS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 2008

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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 2 to 5, together with the financial statements of Arthur Jones Motors Limited for the year ended 31 July 2008 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 director and the auditor

The director is 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.



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

26 January 2009

ARTHUR JONES MOTORS LIMITED

ABBREVIATED BALANCE SHEET

31 JULY 2008

	Note	2008 £	£	2007 £	£
Fixed assets	3				
Intangible assets			85,000		97,000
Tangible assets			2,548,723		2,739,187
			<u>2,633,723</u>		<u>2,836,187</u>
Current assets					
Stocks			18,127		13,620
Debtors			323,704		363,358
Cash at bank and in hand			2,531		1,414
			<u>344,362</u>		<u>378,392</u>
Creditors: amounts falling due within one year			(891,286)		(721,815)
Net current liabilities			(546,924)		(343,423)
Total assets less current liabilities			<u>2,086,799</u>		<u>2,492,764</u>
Creditors: amounts falling due after more than one year			(1,972,087)		(2,337,433)
Provisions for liabilities			(27,000)		(19,500)
			<u>87,712</u>		<u>135,831</u>
Capital and reserves					
Called-up share capital	6		2		2
Revaluation reserve			201,358		205,431
Profit and loss account			(113,648)		(69,602)
Shareholders' funds			<u>87,712</u>		<u>135,831</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 and signed by the director and authorised for issue on 12 January 2009.


P. Jones
Director

The notes on pages 3 to 5 form part of these abbreviated accounts.

ARTHUR JONES MOTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2008

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 2007).

Turnover

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

Amortisation

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. Goodwill is reviewed annually for impairment at the year end.

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 which the director estimates to be 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.

Work in progress

Work in progress is valued on the basis of direct costs incurred on jobs not invoiced at the year end date. Provision is made for any unrecoverable costs.

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 2008

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 £3,186,432 (2007: £2,951,689) and operating profit was £84,979 (2006: £89,056).

3. Fixed assets

	Intangible assets £	Tangible assets £	Total £
Cost or valuation			
At 1 August 2007	120,000	3,141,291	3,261,291
Additions	–	187,904	187,904
Disposals	–	(117,680)	(117,680)
At 31 July 2008	<u>120,000</u>	<u>3,211,515</u>	<u>3,331,515</u>
Depreciation			
At 1 August 2007	23,000	402,104	425,104
Charge for year	12,000	312,428	324,428
On disposals	–	(51,740)	(51,740)
At 31 July 2008	<u>35,000</u>	<u>662,792</u>	<u>697,792</u>
Net book value			
At 31 July 2008	<u>85,000</u>	<u>2,548,723</u>	<u>2,633,723</u>
At 31 July 2007	<u>97,000</u>	<u>2,739,187</u>	<u>2,836,187</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 2008

4. Creditors

Hire purchase liabilities totalling £360,812 (2007: £318,613) due within one year and £793,709 (2007: £1,092,153) due after more than one year are secured on the assets to which they relate.

Bank borrowings totalling £143,725 (2007: £161,638) due within one year and £882,972 (2007: £919,383) due after more than one year are secured by a fixed charge over the book debts and a floating charge over other assets of the company.

Amounts included in other creditors totalling £339,174 (2007: £361,359), 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 other debtors is an amount of £54,287 (2007: £34,971) owed by P Jones, a director of the company.

Included within other creditors, due after one year and within one year, is an amount of £339,174 (2007: £361,359) owed to A and J Jones, A Jones was a director of the company during the year. 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 bank of England base rate up to a maximum of 5%.

During the period the company paid rent of £84,000 (2007: £84,000) to P Jones, a director of the company. At the year end the company was owed £Nil (2007: £Nil) by P Jones.

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

6. Share capital

Authorised share capital:

	2008	2007
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2008		2007
	No	£	No
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>
			<u>£</u>
			<u>2</u>

7. Ultimate controlling party

The company is under the control of P Jones by virtue of his interest in the entire issued share capital of the company.