

Company Registration No 4806915

**CAR BENEFIT ENERGY FINANCE LIMITED**

Annual Report and financial statements  
For the year ended 31 December 2012

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**CAR BENEFIT ENERGY FINANCE LIMITED**

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**CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Dennis Studholme

Martin Maguire

Gerry O'Neill

Neil Davies

Paul Taylor

**COMPANY SECRETARY**

Paul Taylor

**REGISTERED OFFICE**

Suite 100

Warth Business Centre

Warth Road

Bury

Lancashire

BL9 9NB

**BANKERS**

Bank of Scotland

19-21 Spring Gardens

Manchester

M2 1FB

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

## **CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

### **DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for the year ended 31 December 2012. This report has been prepared in accordance with the small companies regime, Companies Act 2006.

### **ACTIVITIES**

The principal activity of the company is the provision and arrangement of finance and a full service of automotive fleet solutions to one specific customer.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The directors are satisfied with the trading results and anticipate further growth in trading activity during the forthcoming year.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The profit for the financial year is £506,596 (2011 - £754,588). The directors have declared a dividend of £3,173,539 (2011 - £209,637) which has been transferred from reserves (2011 - £544,951 transferred to reserves).

### **DIRECTORS AND THEIR INTERESTS**

The directors of the company who were in office during the year and up to the date of signing the financial statements are shown on page 1.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and 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 prepared 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 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.

**CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that

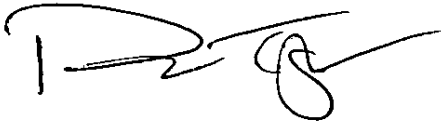
(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the Board



Paul Taylor  
Company Secretary

21 MAY 2013

## **CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAR BENEFIT ENERGY FINANCE LIMITED**

We have audited the financial statements of Car Benefit Energy Finance Limited for the year ended 31 December 2012 which comprise the Profit and Loss account, the Balance Sheet, the Accounting Policies 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).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors Responsibilities set out in the Directors report, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **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.

#### **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 2012 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAR BENEFIT ENERGY FINANCE 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, or
- the directors were not entitled to prepare financial statements in accordance with the small company regime and take advantage of the small companies' exemption in preparing the Directors' Report



Nicholas Gower  
Senior Statutory Auditor  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester

21 May 2013

**CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

**PROFIT AND LOSS ACCOUNT**

Year ended 31 December 2012

	Note	2012 £	2011 £
<b>TURNOVER</b>	2	701,792	1,122,868
Cost of sales		<u>28,261</u>	<u>12,104</u>
<b>GROSS PROFIT</b>		730,053	1,134,972
Administrative expenses		<u>(150,444)</u>	<u>(157,107)</u>
<b>OPERATING PROFIT</b>	4	579,609	977,865
Interest receivable and similar income	5	90,804	48,683
Interest payable and similar charges	6	<u>(687)</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		669,726	1,026,548
Tax on profit on ordinary activities	7	<u>(163,130)</u>	<u>(271,960)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	16	<u>506,596</u>	<u>754,588</u>

All activities relate to continuing operations

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalents

There have been no recognised gains and losses for the year or the prior year other than the profit for the year or prior year and accordingly a Statement of total recognised gains and losses has not been prepared



**CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

**BALANCE SHEET**

As at 31 December 2012

	Note	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	9	67,374	87,768
<b>CURRENT ASSETS</b>			
Stock	10	28,861	12,991
Debtors			
- Amounts falling due within one year	11	894,268	4,926,177
- Amounts falling due in more than one year	11	126,577	797,237
Total Debtors		1,020,845	5,723,414
Cash at bank and in hand		99,947	285,197
		1,149,653	6,021,602
<b>CREDITORS: amounts falling due within one year</b>	12	(661,665)	(1,988,843)
<b>NET CURRENT ASSETS</b>		487,988	4,032,759
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		555,362	4,120,527
<b>CREDITORS: amounts falling due in more than one year</b>	13	(81,563)	(981,627)
<b>DEFERRED TAX LIABILITY</b>	14	(5,406)	(3,564)
<b>NET ASSETS</b>		468,393	3,135,336
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	1	1
Profit and loss account	16	468,392	3,135,335
<b>TOTAL SHAREHOLDERS' FUNDS</b>	17	468,393	3,135,336

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

The financial statements on pages 6 to 15 were approved by the board of directors on 21<sup>st</sup> May 2013 and were signed on its behalf by



Martin Maguire  
Director

Car Benefit Energy Finance Limited  
Registered number 4806915

## **CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

### **NOTES TO THE ACCOUNTS**

Year ended 31 December 2012

#### **1. ACCOUNTING POLICIES**

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom and the statement of Recommended Practice 'Accounting by Limited Liability Partnerships' ("the SORP") issued by the CCAB in March 2011. The principal accounting policies are set out below and have been consistently applied to all the years presented unless otherwise stated.

##### **Cash flow statement and related party disclosures**

The company is a wholly owned subsidiary of Car Benefit Holdings Limited and is included in the consolidated financial statement of Car Benefit Holdings Limited, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Car Benefit Holdings Limited group.

##### **Accounting for credit agreements**

Credit Agreements written by Car Benefit Energy Finance Limited in respect of the sale of motor vehicles and ancillary services are accounted for as Finance Lease debtors in accordance with SSAP 21. Finance income included in and associated with such Credit Agreements is recognised as turnover in the profit and loss account on an actuarial basis.

Maintenance services that form a composite part of the Credit Agreement are recognised as turnover evenly over the term of the agreement. To the extent that future predicted maintenance costs exceed contracted maintenance income a provision is made specific to each Credit Agreement.

Credit Agreements include a Guaranteed Residual Value buy back option. This option allows the customers to request Car Benefit Energy Finance Limited to repurchase the vehicle on the scheduled agreement for a guaranteed value, subject to age, mileage and vehicle condition. In the event that it can be predicted that the market value of the vehicle will be less than the Guaranteed Residual Value then an impairment of the debtor is made specific to each Credit Agreement. Vehicles which are repurchased are accounted for as stock at the lower of cost and net realisable value.

Excess mileage charges are recognised only on termination of the Credit Agreement.

Credit Agreements may be assigned by Car Benefit Energy Finance Limited to a third party funder. Under the provisions of FRS 5, unless the assignment is for a single, fixed, non-returnable amount the Credit Agreement continues to be recognised as an asset and a liability equal to the assignment consideration is recognised.

##### **Accounting for contract hire agreements**

Short term contract hire agreements are treated as operating leases and the vehicles treated as tangible fixed assets. Vehicles held for contract hire are depreciated over the remaining term of the original contract on a straight line basis to reduce its value to its expected residual value.

## **CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

### **NOTES TO THE ACCOUNTS**

Year ended 31 December 2012

#### **1 ACCOUNTING POLICIES (continued)**

##### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws which have been enacted or substantively enacted by the balance sheet date

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in years different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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 difference can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted by the balance sheet date. Deferred tax assets and liabilities have not been discounted

##### **Pensions**

The amount charged to the profit and loss account in the year relates to contributions payable in the year in respect of money purchase pension schemes

##### **Revenue recognition**

Turnover represents interest and maintenance income, contract hire income and fees for services, all of which fall within the company's ordinary activities excluding value added tax

Revenue is recognised at the point where the company has performed all its contractual obligations. Income received in advance of contractual performance is deferred in the balance sheet until the contractual obligations have been met

#### **2 TURNOVER**

The turnover, which includes £406,376 (2011 £724,723) from credit sale agreements and £39,547 (2011 £41,297) from operating leases, and pre-tax profit, all of which arises in the United Kingdom, is attributable to one activity, the principal activity of the company and so no further segmental analysis is required

**CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

**NOTES TO THE ACCOUNTS**

Year ended 31 December 2012

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The directors did not receive any remuneration for their services to this company in the current year or previous year. The directors are also directors of the immediate parent company Car Benefit Holdings Limited.

None of the directors (2011 - none) are members of a money purchase pension scheme through this company.

**4 OPERATING PROFIT**

	2012 £	2011 £
Operating profit is after charging.		
Depreciation on owned assets	19,334	22,105
Management fees charged by a group company	143,640	149,028
Interest payable on funds used to fund credit sale agreements	80,359	144,873
Auditors' remuneration for audit services	4,656	5,000
	<hr/>	<hr/>

**5 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2012 £	2011 £
Interest receivable from fellow subsidiaries	89,219	45,859
Bank interest receivable	1,562	2,816
Other interest receivable	23	8
	<hr/>	<hr/>
	90,804	48,683
	<hr/>	<hr/>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2012 £	2011 £
Interest payable to fellow subsidiaries	58	-
Other interest payable	629	-
	<hr/>	<hr/>
	687	-
	<hr/>	<hr/>

**CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

**NOTES TO THE ACCOUNTS**

Year ended 31 December 2012

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES****i) Analysis of tax charge on ordinary activities.**

	2012 £	2011 £
<b>Current tax</b>		
UK corporation tax on profits of the period	168,023	269,887
Adjustment in respect of prior years	(6,735)	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,842	2,073
	<hr/>	<hr/>
Tax on profit on ordinary activities	163,130	271,960
	<hr/>	<hr/>

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly, the Company's profits are taxed at an effective rate of 24.5%.

The Finance (No 2) Act 2013 includes legislation to reduce the main rate of corporation tax from 24% to 23% with effect from 1 April 2013. The effect on deferred tax is immaterial.

**ii) Factors affecting tax charge for the year:**

	2012 %	2011 %
Standard rate of tax	24.5	26.5
	<hr/>	<hr/>
	24.5	26.5
	<hr/>	<hr/>

**8. DIVIDENDS ON EQUITY SHARES**

	2012 £	2011 £
Ordinary shares – final dividend of £3,173,539 (2011 - £209,637) per share	3,173,539	209,637
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	3,173,539	209,637
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**CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

**NOTES TO THE ACCOUNTS**

Year ended 31 December 2012

**9. TANGIBLE FIXED ASSETS**

	<b>Contract hire vehicles £</b>
<b>Cost</b>	
At 1 January 2012	127,508
Additions	-
Disposals	(6,218)
	<hr/>
At 31 December 2012	121,290
	<hr/>
<b>Accumulated depreciation</b>	
At 1 January 2012	39,740
Charge for the year	19,334
Disposals	(5,158)
	<hr/>
At 31 December 2012	53,916
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<b>Net book value</b>	
At 31 December 2012	67,374
	<hr/>
At 31 December 2011	87,768
	<hr/>

**10. STOCK**

	<b>2012 £</b>	<b>2011 £</b>
Vehicles awaiting sale	28,861	12,991
	<hr/>	<hr/>

**CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

**NOTES TO THE ACCOUNTS**

Year ended 31 December 2012

**11. DEBTORS**

	2012 £	2011 £
Amounts falling due within one year		
Credit agreements	662,027	1,102,146
Trade debtors	3,525	129,737
Amounts owed by parent undertakings	222,035	3,633,573
Amounts owed by fellow subsidiary undertakings	6,681	52,221
Prepayments and accrued income	-	8,500
	<u>894,268</u>	<u>4,926,177</u>
Amounts falling due after more than one year		
Credit agreements	<u>126,577</u>	<u>797,237</u>
	<u>1,020,845</u>	<u>5,723,414</u>

Credit agreement debtors are stated net of impairment provisions of £25 (2011 £9,261)

**12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £	2011 £
Assigned credit agreements	203,454	967,948
Trade creditors	137,712	252,251
Amounts due to fellow subsidiary undertakings	12,028	82,845
Dividend payable to parent company	-	209,637
Other taxes and social security	13,274	7,104
Corporation tax payable	87,023	135,375
Accruals and deferred income	208,174	333,683
	<u>661,665</u>	<u>1,988,843</u>

**CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

**NOTES TO THE ACCOUNTS**

Year ended 31 December 2012

**13 CREDITORS - AMOUNTS FALLING DUE IN MORE THAN ONE YEAR**

	2012 £	2011 £
Assigned credit agreements	81,563	703,004
Accruals and deferred income	-	278,623
	<u>81,563</u>	<u>981,627</u>

All assigned credit agreements are due between one and five years. Interest is charged at rates agreed from time to time depending upon the date of issue of the credit agreement. The credit agreements represent the assignment to a third party of loans due to the company.

**14. DEFERRED TAX LIABILITY**

	2012 £	2011 £
<b>Deferred tax</b>		
Deferred tax has been fully provided in respect of: Capital allowances in excess of depreciation	<u>5,406</u>	<u>3,564</u>
 Movement in the period		
At 1 January	3,564	1,491
Deferred tax charge in the profit and loss account (note 7)	1,842	2,073
	<u>5,406</u>	<u>3,564</u>
 At 31 December		

**15 CALLED UP SHARE CAPITAL**

	2012 £	2011 £
<b>Authorised</b>		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
 <b>Called up, allotted and fully paid</b>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>



**CAR BENEFIT ENERGY FINANCE LIMITED**

Annual report and financial statements for the year ended 31 December 2012

**NOTES TO THE ACCOUNTS**

Year ended 31 December 2012

**16. PROFIT AND LOSS ACCOUNT**

	2012 £	2011 £
At 1 January	3,135,335	2,590,384
Profit for the year	506,596	754,588
Dividends	(3,173,539)	(209,637)
	<hr/>	<hr/>
At 31 December	468,392	3,135,335

**17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2012 £	2011 £
Opening shareholders' funds	3,135,336	2,590,385
Profit for the year	506,596	754,588
Dividends paid	(3,173,539)	(209,637)
	<hr/>	<hr/>
Total shareholders' funds	468,393	3,135,336

**18 ULTIMATE PARENT COMPANY**

The ultimate controlling party is Car Benefit Holdings Limited, a company incorporated in England and Wales. Car Benefit Holdings Limited has produced consolidated financial statements for the group which include the financial statements of the company and its subsidiary undertakings made up to 31 December 2012. Copies of the financial statements of Car Benefit Holdings Limited are available from Companies House, Mandy, Cardiff CF14 3UZ.