

M Piercy Limited

Director's report and consolidated financial statements

Registered number 06169267

Year ended 31 December 2011

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Contents

Director's report	1
Statement of director's responsibilities in respect of the Director's Report and the financial statements	3
Independent auditor's report to the members of M Piercy Limited	4
Consolidated profit and loss account	6
Balance sheets	7
Consolidated cash flow statement	8
Reconciliation of net cash flow to movement in net debt	8
Notes	9

Director's report

The Director presents his annual report and the audited consolidated financial statements for the year ended 31 December 2011

Principal activities

The Group's principal activity is the wholesaling of motor vehicle components and accessories

Trading results

The loss after tax for the year ended 31 December 2011 was £151,974 (2010 £303,460) The Director does not propose payment of a dividend (2010 £nil)

Business Review

The results for 2011 showed a decrease in sales of 4% to £20,510,480 with gross profit decreasing by £495,361 to £8,465,686 and loss after taxation of £151,974 (2010 profit after taxation £303,460) The Director consider these to be the key performance indicators for the business

The Company has obtained support from the bank on the current facilities which has enabled the Company to meet its working capital requirements The Company's commitment to investment in its infrastructure ensures that it maintains and improves the high quality of our offering to market and ensures the Company is well placed to face the future The Director continues to investigate and evaluate potential new outlets to further expand our strong position in the market place

Principal risks and uncertainties

The Company is funded by using bank facilities together with cash, trade debtors and trade creditors that arise directly from the Company's operations

The Company's principal risk exposure includes credit risk and liquidity risk The Director reviews and agrees policies for managing these risks regularly

The Company's credit risk is primarily attributed to its trade debtors All debtors are credit checked and assigned credit limits which are reviewed and assessed continually The amounts presented in the balance sheet are net of any doubtful debts

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs Trade creditors liquidity risk is managed in conjunction with the Company's bank balance on a daily basis and strict controls are maintained on both short and medium term cash flow

In common with many other companies in the sector, the other principal risks facing the Company include the current economic environment and the resulting slowdown in the UK economy along with increased competition in the sector These risks are managed by regular reporting and monitoring of performance and by general management review controls

Director's report *(continued)*

Employment Policies

The Company's policy is to consult and discuss with employees on a regular basis through Manager, Sales and Staff meetings, matters likely to affect the employee's interests

Information on matters of concern to employees is given through monthly bulletin and performance reports which seek to raise awareness of all employees of the factors affecting both their and the overall Company's performance

The Company operates an Equal Opportunity Policy to ensure that employees are not discriminated against by way of race, religion, ethnic origin, sex, age, disability or for any other reason. The Company also has policies in place to prevent harassment and bullying in the workplace

Disabled persons

The Company's policy is to recruit disabled workers for those vacancies that they are able to fill

Director

The Director who held office during the year was

MD Piercy

Political and charitable donations

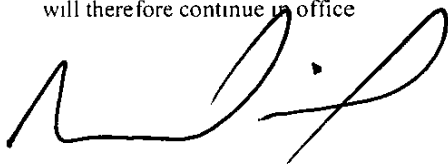
Charitable donations in the year amounted to £353 (2010 £nil). The Group made no political donations during the year

Disclosure of information to auditors

The Director who held office at the date of approval of this Director's report confirms that, so far as he is aware, there is no relevant audit information of which the Group's auditor is unaware, and he has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office



MD Piercy
Director

Date *25-9-2012*

7-11 Stewarts Road
Wellingborough
Northants
NN8 4RJ

Statement of director's responsibilities in respect of the Director's Report and the financial statements

The Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the Director to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the director 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities



KPMG LLP

Altius House
One North Fourth Street
Milton Keynes
MK9 1NE
United Kingdom

Independent auditor's report to the members of M Piercy Limited

We have audited the financial statements of M Piercy Limited for the year ended 31 December 2011 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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 APB's web-site 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 group's and parent company's affairs as at 31 December 2011 and of the group's loss for the year then ended,
- have been properly prepared in accordance with UK 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of M Piercy 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Neale (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

Date 28 09 2012

Consolidated profit and loss account
for the year ended 31 December 2011

	<i>Note</i>	2011 £	2010 £
Turnover	2	20,510,480	21,471,189
Cost of sales		(12,044,794)	(12,510,142)
Gross profit		8,465,686	8,961,047
Distribution costs		(1,226,406)	(1,195,934)
Administrative expenses		(7,266,291)	(7,219,233)
Operating (loss)/profit		(27,011)	545,880
Profit on sale of fixed asset		2,791	5,079
Interest receivable and similar income	6	-	4
Interest payable and similar charges	7	(105,642)	(99,497)
(Loss)/profit on ordinary activities before taxation	3-7	(129,862)	451,466
Taxation on profit on ordinary activities	8	(22,112)	(148,006)
(Loss)/profit on ordinary activities for the financial year	19	(151,974)	303,460

There are no recognised gains and losses for the financial period except for those shown above. Accordingly, no statement of total recognised gains and losses has been prepared.

There is no difference between the (loss)/profit on ordinary activities before taxation and the retained (loss)/profit for the period and their historical cost equivalent.

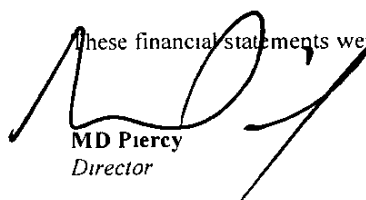
All results arise from continuing activities. The notes on pages 9 to 21 form part of these financial statements.

Balance sheets
at 31 December 2011

	<i>Note</i>	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Fixed assets					
Intangible assets	9	639,475	-	680,293	-
Tangible assets	10	3,508,382	-	3,826,191	-
Investments	11	100	5,125,521	100	5,125,521
		<hr/>	<hr/>	<hr/>	<hr/>
		4,147,957	5,125,521	4,506,584	5,125,521
		<hr/>	<hr/>	<hr/>	<hr/>
Current assets					
Stock	12	4,020,928	-	4,296,985	-
Debtors	13	3,395,068	487,712	3,388,764	489,171
Cash at bank and in hand		16,327	6,694	27,723	6,694
		<hr/>	<hr/>	<hr/>	<hr/>
		7,432,323	494,406	7,713,472	495,865
		<hr/>	<hr/>	<hr/>	<hr/>
Creditors amounts falling due within one year	14	(6,917,937)	(124,311)	(6,631,171)	(110,025)
		<hr/>	<hr/>	<hr/>	<hr/>
Net current assets		514,386	370,095	1,082,301	385,840
		<hr/>	<hr/>	<hr/>	<hr/>
Total assets less current liabilities		4,662,343	5,495,616	5,588,885	5,511,361
		<hr/>	<hr/>	<hr/>	<hr/>
Creditors amounts falling due after more than one year	15	(754,150)	(215,628)	(1,566,598)	(323,442)
Provisions for liabilities	16	(81,797)	-	(43,917)	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net assets		3,826,396	5,279,988	3,978,370	5,187,919
		<hr/>	<hr/>	<hr/>	<hr/>
Capital and reserves					
Called up share capital	17	3,321,927	3,321,927	3,321,927	3,321,927
Profit and loss account	18	504,469	1,958,061	656,443	1,865,992
		<hr/>	<hr/>	<hr/>	<hr/>
Shareholders' funds	19	3,826,396	5,279,988	3,978,370	5,187,919
		<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 21 form part of these financial statements

These financial statements were approved by the director on 25-9-2012 and were signed by


MD Piercy
Director

Consolidated cash flow statement
for the year ended 31 December 2011

	<i>Note</i>	2011 £	2010 £
Cashflow from operating activities	20	103,389	614,922
Returns on investment and servicing of finance	21	(93,573)	(88,871)
Taxation		(107,712)	(245,997)
Capital expenditure	21	68,187	(106,610)
		<hr/>	<hr/>
Cash (outflow)/inflow before financing		(29,709)	173,444
Financing	21	(715,019)	(287,804)
		<hr/>	<hr/>
Decrease in cash in the period		(744,728)	(114,360)
		<hr/>	<hr/>

Reconciliation of net cash flow to movement in net debt
for the year ended 31 December 2011

	<i>Note</i>	2011 £	2010 £
Decrease in cash in the period		(744,728)	(114,360)
Cash outflow from increase in debt and lease financing	21	715,019	287,804
		<hr/>	<hr/>
Change in net debt resulting from cash flows		(29,709)	173,444
New finance leases	22	(222,355)	(535,285)
		<hr/>	<hr/>
Movement in net debt in the period		(252,064)	(361,841)
Net debt at the start of the period		(3,633,432)	(3,271,591)
		<hr/>	<hr/>
Net debt at the end of the period	22	(3,885,496)	(3,633,432)
		<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the consolidated financial statements

Basis of preparation

The consolidated financial statements have been prepared in accordance with applicable accounting standards and under the historical cost rules

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings, S T Piercy Limited and M D Piercy Limited made up to 31 December 2011

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The Company's profit for the period is shown in note 18

Going concern

The Company's business activities, together with the factors likely to affect future development and position, are set out in the Business Review section of the Director's Report on page 1. The director monitors their facilities and cash requirement and have agreed with the banks to provide facilities which are necessary to meet their current cash flow forecast and working capital requirements in the next 12 months.

The director has no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of S T Piercy Limited to continue as a going concern and have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

Goodwill

Goodwill arising on acquisitions is capitalised and amortised on a straight-line basis over its expected useful life of 20 years, which the director believes to be its useful economic life.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost.

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its estimated useful economic life, as follows

Land & buildings	2% per annum	reducing balance
Plant and machinery	15% per annum	reducing balance or 25% per annum straight line
Motor vehicles	30% per annum	reducing balance

No depreciation is provided on freehold land

Leases

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

All other leases are considered to be "operating leases" and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Stock

Stock is valued at the lower of cost and net realisable value.

Taxation

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

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Post retirement benefits

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 amount charged against profits represents contributions payable to the scheme in respect of the accounting period.

Cash and liquid resources

Cash, for the purpose of the cash flow statement comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Interest bearing borrowings

Immediately after issue debt is stated at the fair value of the consideration received on the issue of the capital instrument after deducting issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

2 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period.

Notes (continued)

3 (Loss)/Profit on ordinary activities before taxation

	2011 £	2010 £
<i>(Loss)/Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Auditor's remuneration		
- audit of these financial statements	3,000	3,000
- audit of subsidiary financial statements	22,868	25,068
Amounts receivable by the auditors and their associates in respect of		
- other services relating to taxation	4,585	2,000
Depreciation of tangible fixed assets		
Owned	337,786	249,920
Leased	134,191	207,229
Amortisation of goodwill	40,818	40,818
Hire of other assets – operating leases	404,869	518,255
(Profit) on sale of fixed assets – other	(2,791)	(5,079)
	<u> </u>	<u> </u>

4 Remuneration of director

	2011 £	2010 £
Director's emoluments	188,826	210,415
Company contributions to money purchase pension scheme	20,500	66,000
	<u>209,326</u>	<u>276,415</u>

The emoluments, excluding pension contributions, of the highest paid director were £188,826 (2010 £210,415) and company contributions of £20,500 (2010 £66,000) were made to a defined contribution scheme on his behalf

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the group (including the director) during the period, analysed by category, was as follows

	2011 Number	2010 Number
Sales staff	243	231
Administrative staff	41	41
	<u>284</u>	<u>272</u>

The aggregate payroll costs of these persons were as follows

	2011 £	2010 £
Wages and salaries	4,513,095	4,402,404
Social security costs	367,502	377,127
Other pension costs	56,644	99,659
	<u>4,937,241</u>	<u>4,879,190</u>

6 Interest receivable and similar income

	2011 £	2010 £
Bank interest	-	4
	<u>-</u>	<u>4</u>

7 Interest payable and similar charges

	2011 £	2010 £
On bank loans and overdrafts	79,220	73,443
On loan notes	1,645	1,819
Finance charges in respect of finance leases and hire purchase contracts	24,777	24,235
	<u>105,642</u>	<u>99,497</u>

Notes (continued)

8 Taxation

	2011 £	2010 £
<i>a) Analysis of charge in the period</i>		
<i>UK corporation tax</i>		
Corporation tax on income for the period	-	153,847
Adjustments in respect of prior periods	(15,769)	(7,831)
	<hr/>	<hr/>
Total current tax	(15,769)	146,016
<i>Deferred tax</i>		
Origination and reversal of timing differences current period	37,881	1,907
Origination and reversal of timing differences previously unrecognised	-	83
	<hr/>	<hr/>
Total deferred tax	37,881	1,990
	<hr/>	<hr/>
Tax on profit on ordinary activities	22,112	148,006
	<hr/>	<hr/>

The tax charge for the period is higher (2010 higher) than the standard rate of corporation tax 26.5% (2010 28%). The differences are explained below

	2011 £	2010 £
<i>b) Factors affecting current tax charge in the period</i>		
(Loss)/profit on ordinary activities before tax	(129,862)	451,466
	<hr/>	<hr/>
Tax on profit on ordinary activities in the period at the standard rate of corporation tax 26.5% (2010 28%)	(34,413)	126,410
Expenses not deductible for tax purposes	62,216	34,253
Depreciation in excess of capital allowances	(41,545)	(3,898)
Short-term timing differences	409	492
Adjustments to tax charge in respect of previous periods	(15,768)	(7,831)
Marginal relief	-	(3,284)
Losses relieved outside period	15,788	-
Impact of rate difference	(2,456)	(126)
	<hr/>	<hr/>
Total current tax	(15,769)	146,016
	<hr/>	<hr/>

Factors affecting future tax charge

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.

This will reduce the Company's future current tax charge accordingly and further reduce the deferred tax asset at 31 December 2011 (which has been calculated based on the rate of 25% substantively enacted at the balance sheet date) by £1,515.

Notes (continued)

9 Intangible fixed assets - Group

	Goodwill £
<i>Cost</i>	
At beginning and end of year	816,352
<i>Amortisation</i>	
At beginning of year	136,059
Charge for year	40,818
	<hr/>
At end of year	176,877
	<hr/>
<i>Net book value</i>	
At 31 December 2011	639,475
	<hr/>
At 31 December 2010	680,293
	<hr/>

Goodwill is amortised on a straight-line basis over 20 years, which the director believes to be its useful economic life

10 Tangible fixed assets - Group

	Motor Vehicles £	Plant and machinery £	Land and Buildings £	Total £
<i>Cost</i>				
At beginning of year	1,443,825	2,476,388	2,621,103	6,541,316
Additions	222,356	34,209	-	256,565
Disposals	(337,461)	-	-	(337,461)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	1,328,720	2,510,597	2,621,103	6,460,420
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of year	522,488	1,775,822	416,815	2,715,125
Charge for year	297,576	124,624	49,777	471,977
On disposals	(235,064)	-	-	(235,064)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	585,000	1,900,446	466,592	2,952,038
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2011	743,720	610,151	2,154,511	3,508,382
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	921,337	700,566	2,204,288	3,826,191
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of motor vehicles and plant and machinery includes £418,325 (2010 £908,435) in relation to assets held under finance leases. Depreciation charged on these assets during the year was £134,191 (2010 £207,228).

Notes (continued)

10 Tangible fixed assets – Group (continued)

The net book value of land and buildings comprise

	2011 £	2010 £
Freehold	2,154,511	1,368,051

During 1996, certain freehold buildings were revalued on an open market basis, by Martin Pendered & Co, Chartered Surveyors

The following information relates to assets carried at revalued amounts which have been retained under the transitional provisions set out in FRS 15 *Tangible fixed assets*

	2011 £	2010 £
Land and buildings		
At 1996 open market value	570,220	570,220
Aggregate depreciation thereon	(139,681)	(131,802)
Net book value	430,539	438,418
Historical cost of revalued assets	594,948	594,948
Aggregate depreciation based on historical cost	(147,100)	(138,727)
Historical cost net book value	447,848	456,221

Other tangible fixed assets, including additions subsequent to the revaluation of land and buildings, are included at cost

11 Investments in group undertakings

Group

The investment in group undertakings cost and net book value at the beginning and end of the year for the group was £100

The company in which the Company has an interest at the year end is as follows

	Country of incorporation	Principal activity	Class and Percentage of shares Held
<i>Other investments</i>			
UK Parts Alliance Limited	UK	Motor vehicle accessories	14% ordinary share capital

Notes (continued)

11 Investments in group undertakings (continued)

Company

The investment in group undertakings cost and net book value at the beginning and end of the year for the Company was £5,125,521

Details of the subsidiary undertakings of the Company are provided below

Subsidiary undertaking	Country of incorporation	Principal activity	Class and percentage shareholding
ST Piercy Limited	England and Wales	Sale of motor vehicle components and accessories	100% ordinary shares
MD Piercy Limited	England and Wales	Lease of property	100% ordinary shares

The above companies are included in this consolidation

12 Stocks

	Group 2011 £	Group 2010 £
Finished goods and goods for resale	4,020,928	4,296,985

13 Debtors

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Trade debtors	2,968,225	-	2,954,742	-
Amounts due from subsidiary undertaking	-	463,918	-	463,918
Other debtors	136,518	1	-	-
Prepayments	218,569	-	225,720	-
Deferred tax asset	-	23,793	208,302	25,253
Corporation tax	71,756	-	-	-
	<u>3,395,068</u>	<u>487,712</u>	<u>3,388,764</u>	<u>489,171</u>

Notes (continued)

14 Creditors: amounts falling due within one year

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Bank overdrafts	2,037,709	-	1,304,377	-
Bank loans reclassified	556,256	-	-	-
Bank loans	41,024	-	295,024	-
Other loans	176,044	7,844	7,844	7,844
Loan notes	113,467	113,467	5,653	5,653
Net obligations under finance leases and hire purchase contracts	223,174	-	481,660	-
Trade creditors	2,964,192	-	3,811,847	-
Other taxation including social security	483,155	-	402,454	-
Corporation tax	-	-	68,865	-
Other creditors	203,939	-	132,979	-
Accruals and deferred income	118,977	3,000	120,468	96,528
	<u>6,917,937</u>	<u>124,311</u>	<u>6,631,171</u>	<u>110,025</u>

15 Creditors: amounts falling due after more than one year

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Bank loans	507,911	-	1,104,538	-
Obligations under finance leases and hire purchase contracts	30,611	-	138,618	-
Loan notes	215,628	215,628	323,442	323,442
	<u>754,150</u>	<u>215,628</u>	<u>1,566,598</u>	<u>323,442</u>

The maturity of obligations under finance leases and hire purchase contracts is as follows

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Within one year	223,174	-	481,660	-
In the second to fifth year	30,611	-	138,618	-
	<u>253,785</u>	<u>-</u>	<u>620,278</u>	<u>-</u>

Notes (continued)

15 Creditors, amounts falling due after more than one year (continued)

Analysis of other loans and loan note debt:

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Repayable within one year	289,511	121,311	13,497	13,497
Repayable in one to five years	215,628	215,628	323,442	323,442
Repayable in more than five years	-	-	-	-
	<u>336,939</u>	<u>336,939</u>	<u>336,939</u>	<u>336,939</u>

The loan notes incur interest at the Bank of England base rate and are repayable by instalments

Analysis of bank debt.

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Repayable within one year	597,280	-	295,024	-
Repayable in one to five years	194,981	-	644,314	-
Repayable in more than five years	312,930	-	460,224	-
	<u>1,105,191</u>	<u>-</u>	<u>1,399,562</u>	<u>-</u>

The bank loan is secured on one of the properties owned by the group. It incurs interest at 1.5% above the Bank of England base rate and is repayable by instalments.

S T Piercy Limited was in breach of certain covenants during the year ended 31 December 2011 and as a consequence the bank debt for two loans totalling £556,256 are shown as repayable within 1 year.

16 Provisions for liabilities

Group	Deferred tax £	Total £
At the start of the year	43,917	43,917
Additional amounts provided	38,800	34,961
	<u>81,797</u>	<u>81,797</u>
At the end of the year	<u>81,797</u>	<u>81,797</u>

The elements of deferred taxation are as follows

	2011 £	2010 £
Difference between accumulated depreciation and amortisation and capital allowances	105,590	69,169
Short term timing differences	(23,793)	(25,252)
	<u>81,797</u>	<u>43,917</u>

Company

Included within other debtors is a deferred tax asset of £26,712 (2010 £25,252) relating to short-term timing differences.

Notes (continued)

17 Called up share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
3,321,927 ordinary shares of £1 each	3,321,927	3,321,927

18 Reserves

Group	Profit and loss account £
At beginning of year	656,443
Retained (loss) for the year	(151,974)
At end of year	504,469
 Company	 Profit and loss Account £
At beginning of year	1,865,992
Retained profit for the year	92,069
At end of year	1,958,061

19 Reconciliation of movement in shareholders' funds

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Shareholders' funds at beginning of year	3,978,370	5,187,919	3,674,910	4,980,175
(Loss)/profit for the year	(151,974)	92,069	303,460	207,744
Shareholders' funds at end of year	3,826,396	5,279,988	3,978,370	5,187,919

20 Reconciliation of operating profit to net cash inflow from operating activities

	2011 £	2010 £
Operating (loss)/profit for the period	(27,011)	545,880
Gain on sale of fixed assets	2,791	-
Depreciation	471,977	457,149
Amortisation	40,818	40,818
Working capital movements		
Increase/(decrease) in stock	276,057	(130,763)
Increase/(decrease) in debtors	65,452	(392,178)
(Decrease)/increase in creditors	(726,695)	94,016
Cash inflow from operating activities	103,389	614,922

Notes (continued)

21 Analysis of cash flows for heading netted in the cash flow statement

	2011 £	2010 £
Returns on investment and servicing of finance:		
Interest received	-	4
Interest paid	(68,796)	(66,104)
Interest element of finance lease rental payments	(24,777)	(22,771)
	<u>(93,573)</u>	<u>(88,871)</u>
Capital expenditure:		
Purchase of tangible fixed assets	(34,209)	(226,974)
Sale of tangible fixed assets	102,396	120,364
	<u>68,187</u>	<u>(106,610)</u>
Acquisitions:		
Purchase of subsidiary undertaking net of cash acquired	-	(1)
Financing:		
Repayment of debt	(294,371)	(465,499)
Capital element of finance lease rental payments	(588,848)	(422,305)
Increase in short-term borrowing	168,200	-
New loans issued	-	600,000
	<u>(715,019)</u>	<u>(287,804)</u>

22 Analysis of debt

	At beginning of the year £	Cash flow £	Non cash movements £	2011 £
Cash at bank and in hand	27,723	(11,396)	-	16,327
Bank overdraft	(1,304,377)	(733,332)	-	(2,037,709)
	<u>(1,276,654)</u>	<u>(744,728)</u>	<u>-</u>	<u>(2,021,382)</u>
Debt due within one year	(308,521)	294,371	(872,641)	(886,791)
Debt due after more than one year	(1,427,979)	-	704,441	(723,538)
Finance leases	(620,278)	588,848	(222,355)	(253,785)
	<u>(3,633,432)</u>	<u>138,491</u>	<u>(390,555)</u>	<u>(3,885,496)</u>

Notes (continued)

23 Pensions

The group operates a defined contribution scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £56,644 (2010 £99,659). There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

24 Commitments

(i) There were no capital commitments at the end of the current financial period.

(ii) Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 2011 £	Other 2011 £	Total 2011 £	Land and buildings 2010 £	Other 2010 £	Total 2010 £
Within one year	45,000	4,117	49,117	136,000	7,365	143,365
Between 1 and 5 years	258,750	6,862	265,612	159,500	-	159,500
Over 5 years	90,140	-	90,140	215,390	-	215,390
	<u>393,890</u>	<u>10,979</u>	<u>404,869</u>	<u>510,890</u>	<u>7,365</u>	<u>518,255</u>

25 Related party transactions

The Group rents property owned by the S T Piercy Limited 1983 Retirement Benefits Scheme. Rental payments were £43,500 (2010 £43,500).

The Company also rents a property owned by the S T Piercy Limited (MDP2003) Executive Pension Scheme. Rental payments were £30,000 (2010 £30,000).

Also included in debtors is £117,650 (2010 £55,000) owed by the UK Parts Alliance, a company in which Mr MD Piercy is a director.

The Group has an interest free loan of £68,200 from Mr MD Piercy. The loan is repayable on demand.

The Group has a loan of £100,000 from S T Piercy Limited (MDP2003) Executive Pension Scheme. The loan is repayable on demand.