

Registered number:
02700287

Rapid Car Parts Limited
Report and financial statements
31 December 2010

THURSDAY



A1V5CS4J

A23

03/03/2011

102

COMPANIES HOUSE

Rapid Car Parts Limited

Financial statements - 31 December 2010

Contents

	Pages
Directors' report	1 – 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 16

Rapid Car Parts Limited

Directors' report

The directors present their report together with the audited financial statements of the company for the fifteen month period ended 31 December 2010

Principal activity, business review and future developments

The principal activity of the company continued to be the distribution of motor vehicle components to the independent motor trade in the UK. The directors do not intend to make any changes to the company's principal activity in the next year.

The company's profit and loss account shows that sales in the fifteen months ended 31 December 2010 have, on a pro rata basis, decreased by 6 per cent compared with 2009. However, this apparent reduction is due to the incorporation of two December quarters (our weakest trading period) in the extended fifteen month accounting period, exacerbated by the disappointing last quarter of 2010 when the whole UK economy contracted. Despite the fiercely price competitive conditions and poor customer demand, margins held their own.

The operating profit for the fifteen months was £254,556 compared with £277,199 for the preceding twelve months. These figures reflect the weak economic environment prevailing in the UK and hence the weak level of customer confidence. The aftermarket was also adversely impacted by the government's 'car scrappage scheme'. Profit before tax of £190,048 for the period ended 31 December 2010 compares with a profit before tax of £216,954 reported in the previous twelve months.

The cash flow statement shows that the Company generated £696,791 from trading operations. After the payment of dividends to the parent company, Rapid Car Parts (Holdings) Limited, of £380,000 there was a net reduction in the cash for the year of £42,817.

Daily sales and trading margin at each branch are the key performance indicators monitored and used by management.

The principal risks and uncertainties relate more to the wider strength of the UK economy than to the company's business model. The business operates in a supply chain totally dependent on customer demand and our levels of business activity are dictated entirely by this. The aftermarket is fiercely competitive and some local markets seem to be 'over fished'. However, we have a very experienced and motivated team of directors and branch managers who understand the market conditions and who continue to offer our customers a very high level of service. Our aim is to establish the company as the supplier of choice in each of its local markets.

All areas of perceived business risk are reviewed by the board on a regular basis. The company's exposure to credit risk from its sales ledger is managed by credit control procedures at each branch and is spread over a large number of customers.

The directors believe that the decisions they have made recently will provide a platform for the growth of the business in the foreseeable future.

There have been no events since the balance sheet date which materially affect the position of the company.

Dividends

Interim dividends of £380,000 (2009 - £200,000) were paid during the period. No final dividend is payable.

Rapid Car Parts Limited

Directors' report (continued)

Directors

The directors at 31 December 2010 were

G D Morris
A L Rusbridge
M D Friend
S Mills (appointed 26 October 2009)

I C Perryman resigned as a director on 1 April 2010

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 those 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 proper accounting records which 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.

Statement as to disclosure of information to auditors

The directors have taken all the appropriate steps as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

As far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware.

This report was approved by the board on 2 March 2011 and signed on behalf of the directors



M D Friend
Director

Independent auditors' report to the shareholders of Rapid Car Parts Limited

We have audited the financial statements of Rapid Car Parts Limited for the fifteen month period ended 31 December 2010 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes as set out on pages 5 to 16. The 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 auditors' 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 pages 1 and 2, the directors are responsible for preparing 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

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 2010 and of its profit for the period 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

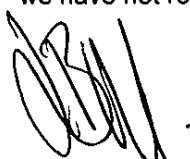
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the shareholders of Rapid Car Parts Limited (continued)

Matters by 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



John Bill (Senior Statutory Auditor)
For and on behalf of **Trafalgars** (Statutory Auditors)
Chartered Accountants and Registered Auditors

Trafalgar House
261 Alcester Road South
Kings Heath
Birmingham
B14 6DT

2 March 2011

Rapid Car Parts Limited

Profit and loss account for the fifteen month period ended 31 December 2010

	<u>Notes</u>	(15 months) <u>2010</u> £	(12 months) <u>2009</u> £
Turnover	2	9,838,258	8,378,374
Cost of sales		(5,945,980)	(5,097,869)
Gross profit		3,892,278	3,280,505
Administrative expenses		(3,637,722)	(3,003,306)
Operating profit	3	254,556	277,199
Interest receivable and similar income		-	438
Interest payable and similar charges	5	(64,508)	(60,683)
Profit on ordinary activities before taxation		190,048	216,954
Tax on profit on ordinary activities	6	(18,652)	(32,476)
Profit for the financial year	15	£171,396	£184,478

The company's turnover and expenses all relate to continuing operations

The company has no recognised gains or losses other than the profits for the above two financial years


The notes on pages 8 to 16 form part of these financial statements

Rapid Car Parts Limited

Balance sheet at 31 December 2010

	Notes	£	<u>2010</u> £	<u>2009</u> £
Fixed assets				
Tangible assets	8		279,299	345,726
Current assets				
Stocks	9	1,363,335		1,689,605
Debtors	10	2,582,843		2,359,769
Cash at bank and in hand		421		35,275
		<u>3,946,599</u>		<u>4,084,649</u>
Creditors amounts falling due within one year	11	(2,951,217)		(2,859,648)
Net current assets			<u>995,382</u>	<u>1,225,001</u>
Total assets less current liabilities			<u>1,274,681</u>	<u>1,570,727</u>
Creditors amounts falling due after more than one year	12	(157,661)		(240,839)
Provisions for liabilities and charges				
Deferred taxation	13	(17,953)		(22,217)
			<u>(175,614)</u>	<u>(263,056)</u>
Net assets			<u><u>£1,099,067</u></u>	<u><u>£1,307,671</u></u>
Capital and reserves				
Called up share capital	14		100	100
Profit and loss account	15		<u>1,098,967</u>	<u>1,307,571</u>
Equity shareholder's funds	16		<u><u>£1,099,067</u></u>	<u><u>£1,307,671</u></u>

Approved by the board of directors on 2 March 2011 and signed on its behalf



M D Friend
Director

Registered No 02700287

The notes on pages 8 to 16 form part of these financial statements

Rapid Car Parts Limited

Cash flow statement for the fifteen month period ended 31 December 2010

	<u>Notes</u>	(15 months) 2010 £	(12 months) 2009 £
Net cash inflow/(outflow) from operating activities	19	696,791	(28,655)
Returns on investments and servicing of finance			
Interest paid		(45,941)	(47,817)
Interest received		-	438
Interest element of hire purchase rentals		(18,567)	(12,866)
Net cash outflow from returns on investments and servicing of finance		(64,508)	(60,245)
Taxation:			
Corporation tax paid		(40,019)	(42,165)
Capital expenditure			
Payments to acquire tangible fixed assets		(15,552)	(44,918)
Receipts from sale of tangible fixed assets		35,458	16,750
Net cash inflow/(outflow) from investing activities		19,906	(28,168)
Equity dividends paid		(380,000)	(200,000)
Net cash outflow before financing		232,170	(359,233)
Financing			
(Repayment to)/advance from invoice discounters		(165,734)	411,256
Capital element of hire purchase payments		(109,253)	(52,633)
Net cash (outflow)/inflow from financing		(274,987)	358,623
Decrease in cash in the year	20	£(42,817)	£(610)

The notes on pages 8 to 16 form part of these financial statements

Rapid Car Parts Limited

Notes to the financial statements - 31 December 2010

1. Accounting policies

The financial statements have been prepared under the historical cost convention, on a going concern basis and are in accordance with applicable accounting standards

The principal accounting policies of the company, which have remained unchanged from the previous year, are set out below

a) Turnover

Turnover represents amounts invoiced net of discounts allowed, excluding value added tax

b) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets, on a straight-line basis, over their estimated useful lives, as follows

Computer equipment	20% per annum
Fixtures and fittings	10% per annum
Motor vehicles	25% per annum

Short leasehold property improvements are depreciated over the life of the lease

c) Stocks

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

d) Finance and operating leases

Lease and hire purchase agreements which transfer to the company substantially all of the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the lease and hire purchase commitments are shown as obligations under lease and hire purchase contracts. The lease and hire purchase rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the profit and loss account. Assets held under finance leases are depreciated over the shorter of the agreement terms and the useful lives of equivalent owned assets.

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Rapid Car Parts Limited

Notes to the financial statements (continued)

1. Accounting policies (continued)

e) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date

A deferred tax asset is regarded as recoverable and is therefore recognised only when, and to the extent that, on the basis of all available evidence it can be regarded as more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the average 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 that have been enacted or substantively enacted by the balance sheet date

f) Pensions

The company makes payments into a defined contribution scheme. The assets of the scheme are held separately from those of the company, in independently administered funds. Contributions payable to the pension scheme are charged to the profit and loss account in the period to which they relate.

2. Turnover

The turnover is attributable to the company's principal activity, the distribution of specialised motor accessories and allied parts

	(15 months) 2010 £	(12 months) 2009 £
The geographical analysis of turnover is as follows		
United Kingdom	9,739,613	8,127,674
Europe	98,645	250,700
	<u>£9,838,258</u>	<u>£8,378,374</u>

3 Operating profit

Operating profit is stated after charging/(crediting)

	(15 months) 2010 £	(12 months) 2009 £
Depreciation of owned tangible fixed assets	41,288	33,773
Depreciation of assets held under hire purchase contracts	83,134	38,773
Operating leases - equipment and vehicles	68,463	28,515
- property	189,221	189,221
Auditors' remuneration	6,000	5,500
Profit on disposal of tangible fixed assets	<u>(9,311)</u>	<u>(1,718)</u>

Rapid Car Parts Limited

Notes to the financial statements (continued)

4. Directors and employees

	(15 months) <u>2010</u>	(12 months) <u>2009</u>
Directors' emoluments	<u>£161,710</u>	<u>£94,582</u>

An amount of £125,632 (2009 - £126,719) in respect of accounting and related services was paid to Friend LLP, a firm in which Mr Friend is a partner

The average number of employees (including directors) during the year was made up as follows

	<u>2010</u> <u>Number</u>	<u>2009</u> <u>Number</u>
Management and administration	12	13
Distribution	85	90
	<u>97</u>	<u>103</u>

	(15 months) <u>2010</u> £	(12 months) <u>2009</u> £
Staff costs comprise		
Wages and salaries	1,862,048	1,575,030
Social security costs	166,411	139,353
Other pension costs	2,318	2,789
	<u>£2,030,777</u>	<u>£1,717,172</u>

5. Interest payable

	(15 months) <u>2010</u> £	(12 months) <u>2009</u> £
Invoice discounting	35,070	33,856
Hire purchase	18,567	12,866
Other interest	580	4,572
Other loans	10,291	9,389
	<u>£64,508</u>	<u>£60,683</u>

Rapid Car Parts Limited

Notes to the financial statements (continued)

6. Tax on profit on ordinary activities

	(15 months) <u>2010</u> £	(12 months) <u>2009</u> £
Current tax		
Corporation tax at 21% (2009 - 21%) based on the results for the year	22,916	15,043
Prior year adjustment	-	652
	<hr/>	<hr/>
Current tax charge (see below)	22,916	15,695
Deferred taxation		
Deferred taxation (released)/provided (see note 13)	(4,264)	16,781
	<hr/>	<hr/>
	£18,652	£32,476
	<hr/>	<hr/>

The current tax charge for the period ended 31 December 2010 is at a different rate from the standard rate of corporation tax in the UK for companies of this size. The difference is explained below.

	(15 months) <u>2010</u> £	(12 months) <u>2009</u> £
Profit on ordinary activities before taxation	190,048	216,954
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the applicable standard rate of corporation tax at 21% (2009 - 21%)	39,910	45,560
Expenses not deductible for tax purposes (mainly car leasing)	2,895	3,618
Capital allowances less than/(in excess of) depreciation on qualifying items	3,623	(16,781)
Group relief claimed without payment	(23,512)	(17,354)
Adjustments to tax charge in respect of earlier periods	-	652
	<hr/>	<hr/>
Current tax charge for the year	£22,916	£15,695
	<hr/>	<hr/>

There are no factors that may affect future tax charges.

7 Dividend

	(15 months) <u>2010</u>	(12 months) <u>2009</u>
Interim dividend of £3,800 (2009- £2,000) per ordinary share paid during the period	£380,000	£200,000
	<hr/>	<hr/>

Rapid Car Parts Limited

Notes to the financial statements (continued)

8 Tangible fixed assets

	Short leasehold property improvements	Computer equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2009	48,218	246,915	109,463	202,616	607,212
Additions	-	62,155	1,049	20,938	84,142
Disposals	-	(38,649)	(18,300)	(67,586)	(124,535)
At 31 December 2010	48,218	270,421	92,212	155,968	566,819
At 1 October 2009	24,506	111,316	60,864	64,800	261,486
Charge for the period	4,582	47,165	11,679	60,996	124,422
Eliminated on disposal	-	(28,622)	(17,975)	(51,791)	(98,388)
At 31 December 2010	29,088	129,859	54,568	£74,005	287,520
Net book value					
At 31 December 2010	<u>£19,130</u>	<u>£140,562</u>	<u>£37,644</u>	<u>£81,963</u>	<u>£279,299</u>
At 30 September 2009	<u>£23,712</u>	<u>£135,599</u>	<u>£48,599</u>	<u>£137,816</u>	<u>£345,726</u>

The net book value of motor vehicles includes an amount of £73,782 (2009 - £134,078) in respect of assets held under hire purchase contracts. The net book value of computer equipment includes an amount of £134,139 (2009 - £nil) in respect of assets held under hire purchase contracts.

9. Stocks

	<u>2010</u>	<u>2009</u>
Goods for resale	<u>£1,363,335</u>	<u>£1,689,605</u>

10. Debtors

	<u>2010</u>	<u>2009</u>
	£	£
Amounts falling due within one year		
Trade debtors	1,106,728	1,274,403
Other debtors	586	3,735
Prepayments	378,396	211,997
Amounts owed by group undertaking	1,097,133	866,036
Director's loan account	-	3,598
	<u>£2,582,843</u>	<u>£2,359,769</u>

Rapid Car Parts Limited

Notes to the financial statements (continued)

11. Creditors amounts falling due within one year

	<u>2010</u> £	<u>2009</u> £
Bank overdraft	7,963	-
Invoice discounting finance (secured - see note below)	748,724	914,458
Trade creditors	1,757,106	1,464,731
Corporation tax	84,807	101,910
Other taxation and social security	97,433	144,538
Other creditors	17,521	175
Accruals	100,882	128,800
Obligations under hire purchase contracts (see note 12)	71,642	69,897
Directors' loan account	32,523	2,523
Other loan	32,616	32,616
	<u>£2,951,217</u>	<u>£2,859,648</u>

The invoice discounting finance is secured by a first charge over the company's trade debtors

12. Creditors amounts falling due after more than one year

	<u>2010</u> £	<u>2009</u> £
Obligations under hire purchase contracts (see note below)	77,791	120,199
Other loan	79,870	120,640
	<u>£157,661</u>	<u>£240,839</u>

The obligations under hire purchase contracts are repayable within five years and are secured by related assets

13. Deferred taxation

Full provision has been made at 20 25% (2009 – 21%) for the potential taxation arising in respect of

	<u>2010</u>	<u>2009</u>
Capital allowances in advance of depreciation	<u>£17,953</u>	<u>£22,217</u>
Movement in provision during the period		
	<u>2010</u> £	<u>2009</u> £
At 1 October 2009	22,217	5,436
(Released)/provided in the period - origination and reversal of timing differences	(3,623)	16,781
- change in rate of tax	(641)	-
At 31 December 2010	<u>£17,953</u>	<u>£22,217</u>

Rapid Car Parts Limited

Notes to the financial statements (continued)

14. Share capital

Ordinary shares of £1 each	<u>2010</u>		<u>2009</u>	
	<u>Number</u>	£	<u>Number</u>	£
Issued and fully paid	<u>100</u>	<u>£100</u>	<u>100</u>	<u>£100</u>

15. Profit and loss account

	£
At 1 October 2008	1,323,093
Profit for the financial year ended 30 September 2009	184,478
Dividend paid (note 7)	(200,000)
	<hr/>
At 1 October 2009	1,307,571
Profit for the financial period ended 31 December 2010	171,396
Dividend paid (note 7)	(380,000)
	<hr/>
At 31 December 2010	<u>£1,098,967</u>

16. Reconciliation of movements in equity shareholder's funds

	<u>2010</u>	<u>2009</u>
	£	£
Profit for the financial year	171,396	184,478
Dividend paid	(380,000)	(200,000)
Opening shareholder's funds	<u>1,307,671</u>	<u>1,323,193</u>
	<hr/>	<hr/>
Closing shareholder's funds	<u>£1,099,067</u>	<u>£1,307,671</u>

Rapid Car Parts Limited

Notes to the financial statements (continued)

17. Operating lease commitments

At 31 December 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2011

	<u>Land and buildings</u>			<u>Other</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£	£	£	£
Leases which expire				
Within one year	-	-	6,090	1,953
Within one to two years	61,535	-	31,463	12,180
Within two to five years	100,726	61,535	49,021	28,250
After five years	26,960	127,686	-	-
	<u>£189,221</u>	<u>£189,221</u>	<u>£86,574</u>	<u>£42,383</u>

18. Pension commitments

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 £2,318 (2009 - £2,789). At 31 December 2010 £215 was payable to the fund (2009 - £nil).

19. Reconciliation of operating profit to net cash inflow from operating activities

	(15 months) <u>2010</u> £	(12 months) <u>2009</u> £
Operating profit	254,556	277,199
Depreciation of tangible fixed assets	124,422	72,546
Profit on disposal of tangible fixed assets	(9,311)	(1,718)
Decrease/(increase) in stocks	326,270	(127,891)
Increase in debtors	(223,074)	(175,324)
Increase/(decrease) in creditors	223,928	(73,467)
	<u>£696,791</u>	<u>£(28,655)</u>
Net cash inflow/(outflow) from operating activities	<u>£696,791</u>	<u>£(28,655)</u>

Rapid Car Parts Limited

Notes to the financial statements (continued)

20. Reconciliation of net cash flow to movement in net debt

	(15 months) <u>2010</u> £	(12 months) <u>2009</u> £
Decrease in cash as shown in cash flow statement	(42,817)	(610)
Cash outflow/(inflow) from financing	274,987	(358,623)
Change in net debt resulting from cash flow	232,170	(359,233)
Hire purchase obligations	(68,590)	(138,261)
Movement in net debt in the year	163,580	(497,494)
Net debt as at 1 October 2009 (see note 21)	(1,069,279)	(571,785)
Net debt as at 31 December 2010 (see note 21)	<u>£(905,699)</u>	<u>£(1,069,279)</u>

21. Analysis of changes in net debt

	At 1 October <u>2009</u> £	Cash flows £	Other non-cash movements £	At 31 December <u>2010</u> £
Cash at bank and in hand	35,275	(34,854)	-	421
Bank overdraft	-	(7,963)	-	(7,963)
Hire purchase obligations	(190,096)	109,253	(68,590)	(149,433)
Invoice discounting	(914,458)	165,734	-	(748,724)
Net debt (see note 20)	<u>£(1,069,279)</u>	<u>£232,170</u>	<u>£(68,590)</u>	<u>£(905,699)</u>

22. Contingent liabilities

The group's bank loan and overdraft are secured by fixed and floating charges over the assets of the company. At 31 December 2010 the group's total net bank borrowings were £612,626 (2009 - £884,065)

23. Related party transactions

Included in creditors is an amount of £16,927 due to Friend Technology Partners Limited, a company in which Mr Friend, a director, is also a director

24. Ultimate parent company

The company's ultimate parent company is Rapid Car Parts (Holdings) Limited. The company is controlled by the directors, G D Morris and M D Friend by virtue of their shareholdings in the ultimate parent company