

AUTOSMART HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2015

Company Registration Number 05433031

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AUTOSMART HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 JANUARY 2015

The board of directors	Mr C A Ashton Mr C K Brain Ms S Atkinson
Business address	Lynn Lane Shenstone Lichfield Staffordshire WS14 0DH
Registered office	As above
Auditor	Baker Tilly UK Audit LLP Chartered Accountants St Philips Point Temple Row Birmingham B2 5AF
Bankers	Lloyds Bank Plc 125 Colmore Row Birmingham B3 3SD
Solicitors	Keelys 28 Dam Street Lichfield Staffordshire WS13 6AA

AUTOSMART HOLDINGS LIMITED
STRATEGIC REPORT
YEAR ENDED 31 JANUARY 2015

Strategic report

In our review we aim to present a balanced and comprehensive report of our business' performance over the year to January 2015.

Sales

Group sales grew by 8% over the year to £20m with the U.K being the most notable contributor. Compared to pre recession levels of 2008 our sales in the year to Jan 2015 are £5.2m higher.

Profit

Having invested in sales and manufacturing strategies throughout the recession, we are pleased to have achieved profit before tax of £3.54m.

Future developments

We have bought a second site at Norton Canes which will become our stock distribution hub in the autumn of 2015 and will enable us to fulfill a doubling of sales.

Key performance indicators

Our business is built on the success of our individual franchise owners' success. Over 2014 80% of Autosmart franchise owners in the UK had their strongest performance so far, which has been very pleasing. Sweden and France also enjoyed their best years so far.

Our number of franchise units in the UK and France stands at a new record of 171.

Principal risks and uncertainties

Whilst business is never predictable we currently see no serious risks and uncertainties. The economic environment in our export market places is still providing some challenges.

Here we review how we manage the financial risks that we face.

Price risk

We sell to our franchise owners on an exclusive basis. When we consider our pricing we think about market conditions and our franchisee's profitability as well as our own profitability.

We also sell to the majority of our export markets in their local currency, which exposes us to financial risks of changes in exchange rates. We state our debtor balances at the actual exchange rate.

Credit risk

Our trade debtors are primarily our individual franchise owners' accounts with us. We have clear payment policies in our franchise agreements, which we enforce. The debtors amounts stated in our balance sheet are net of allowances for doubtful debtors.



Signed on behalf of the directors
Mr C A Ashton

Director

Approved by the directors on 25th June 2015

AUTOSMART HOLDINGS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 2015

The directors present their report and the financial statements of the group for the year ended 31 January 2015.

Principal activities

The principal activity of the group during the period was the manufacture and sale of valeting and maintenance products for vehicles through an exclusive network of franchisees.

Results and dividends

The profit for the year, after taxation, amounted to £2,753,355. Particulars of dividends paid are detailed in note 10 to the financial statements.

Research and development

We continue to invest in product research and development to give us competitive advantage in our market.

Directors

The directors who served the company during the year were as follows:

Mr C A Ashton
Mr C K Brain
Ms S Atkinson

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the 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 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 the group and of the profit or loss of the group for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUTOSMART HOLDINGS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2015

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the directors



Mr C A Ashton

Director

Approved by the directors on 8th June 2015.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUTOSMART HOLDINGS LIMITED

We have audited the group and parent company financial statements ("the financial statements") of Autosmart Holdings Limited for the year ended 31 January 2015 on pages 7 to 22. 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).

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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 January 2015 and of the group's 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 matters prescribed by the Companies Act 2006

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

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUTOSMART HOLDINGS LIMITED (CONTINUED)

Richard Eccles, Senior Statutory Auditor
For and on behalf of

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

5/8/15

AUTOSMART HOLDINGS LIMITED
GROUP CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2015

	Note	2015 £	2014 £
Group turnover	2	20,000,454	18,490,666
Cost of sales		(12,331,949)	(11,451,884)
Gross profit		<u>7,668,505</u>	<u>7,038,782</u>
Distribution costs		(178,912)	(220,672)
Administrative expenses		(4,693,055)	(4,023,503)
Other operating income	3	709,496	702,662
Operating profit	4	<u>3,506,034</u>	<u>3,497,269</u>
Interest receivable		30,492	40,178
Interest payable and similar charges	7	(643)	—
Profit on ordinary activities before taxation		<u>3,535,883</u>	<u>3,537,447</u>
Tax on profit on ordinary activities	8	(782,528)	(814,840)
Profit for the financial year	9	<u>2,753,355</u>	<u>2,722,607</u>

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account.

The notes on pages 11 to 22 form part of these financial statements.

AUTOSMART HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEET

31 JANUARY 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	11	1,120,975	1,407,310
Tangible assets	12	3,169,087	2,625,265
		<u>4,290,062</u>	<u>4,032,575</u>
Current assets			
Stocks	14	1,404,577	1,212,730
Debtors	15	2,444,601	2,487,814
Cash at bank		4,100,299	4,617,480
		<u>7,949,477</u>	<u>8,318,024</u>
Creditors: Amounts falling due within one year	16	<u>(3,205,242)</u>	<u>(3,278,643)</u>
Net current assets		4,744,235	5,039,381
Total assets less current liabilities		<u>9,034,297</u>	<u>9,071,956</u>
Provisions for liabilities			
Deferred taxation	18	<u>(51,025)</u>	<u>—</u>
		<u>8,983,272</u>	<u>9,071,956</u>
Capital and reserves			
Called-up share capital	20	503,359	503,359
Share premium account	21	73,806	73,806
Other reserves	21	75,213	75,213
Profit and loss account	21	8,330,894	8,419,578
Shareholders' funds	22	<u>8,983,272</u>	<u>9,071,956</u>

These accounts were approved by the directors and authorised for issue on 25 June 2015 and are signed on their behalf by:

Sophie Atkinson
Ms S Atkinson
Director

The notes on pages 11 to 22 form part of these financial statements.

AUTOSMART HOLDINGS LIMITED

Registered Number 05433031

COMPANY BALANCE SHEET**31 JANUARY 2015**

		2015		2014	
	Note	£	£	£	£
Fixed assets					
Tangible assets	12		906,345		647,480
Investments	13		10,691,452		10,691,452
			<u>11,597,797</u>		<u>11,338,932</u>
Current assets					
Cash at bank		9,627		741	
Creditors: Amounts falling due within one year	16	<u>(905,687)</u>		<u>(638,372)</u>	
Net current liabilities			<u>(896,060)</u>		<u>(637,631)</u>
Total assets less current liabilities			<u>10,701,737</u>		<u>10,701,301</u>
Capital and reserves					
Called-up share capital	20		503,359		503,359
Share premium account	21		73,806		73,806
Other reserves	21		75,213		75,213
Profit and loss account	21		10,049,359		10,048,923
Shareholders' funds			<u>10,701,737</u>		<u>10,701,301</u>

These accounts were approved by the directors and authorised for issue on 25 June 2015, and are signed on their behalf by:

Sophie Atkinson

Ms S Atkinson
Director

The notes on pages 11 to 22 form part of these financial statements.

AUTOSMART HOLDINGS LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 JANUARY 2015

		2015		2014	
	Note	£	£	£	£
Net cash inflow from operating activities	23		3,888,677		3,997,555
Returns on investments and Servicing of finance					
Interest received		30,492		40,178	
Interest paid		(643)		—	
Net cash inflow from returns on investments and servicing of finance			29,849		40,178
Taxation			(693,313)		(796,137)
Capital expenditure					
Payments to acquire intangible fixed assets		(54,498)		(176,199)	
Payments to acquire tangible fixed assets		(909,452)		(1,706,266)	
Receipts from sale of fixed assets		63,595		50,135	
Net cash outflow from capital expenditure			(900,355)		(1,832,330)
Equity dividends paid			(2,842,039)		(2,295,468)
Decrease in cash			<u>(517,181)</u>		<u>(886,202)</u>
Reconciliation of net cash flow to movement in net funds					
		2015		2014	
		£	£	£	£
Decrease in cash in the period		(517,181)		(886,202)	
Change in net funds	23		<u>(517,181)</u>		<u>(886,202)</u>
Net funds at 1 February 2014	23		4,617,480		5,503,682
Net funds at 31 January 2015	23		<u>4,100,299</u>		<u>4,617,480</u>

The notes on pages 11 to 22 form part of these financial statements.

1. Accounting policies

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods leave Autosmart premises.

Royalty income is recognised in the period to which the royalty payments relate.

Research and development expenditure is written off as incurred.

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or charges in circumstances indicate that the carrying value may not be recoverable.

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

Goodwill and Trade marks - 7 & 10 years respectively
Territories are disclosed at their carrying value which is reviewed annually by the directors.

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

1. Accounting policies *(continued)*

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 buildings	-	0-10% straight line basis
Plant and machinery	-	25% straight line basis
Fixtures and fittings	-	20-50% straight line basis

Certain freehold land and buildings are not depreciated because the directors consider that, based on available evidence, the residual value is greater than the book value and the company has a policy and practice of regular maintenance and repair, charges for which are recognised in the profit and loss account.

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The group operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred taxation

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

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

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

1. Accounting policies *(continued)*

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any permanent diminution in value.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2015	2014
	£	£
United Kingdom	15,185,531	13,827,042
Sales - Europe	4,437,823	4,281,491
Sales - Rest of the world	377,100	382,133
	<u>20,000,454</u>	<u>18,490,666</u>

3. Other operating income

	2015	2014
	£	£
Rent receivable	546	2,935
Royalty income	507,569	560,341
Franchisee fees	157,994	123,646
Other operating income	43,387	15,740
	<u>709,496</u>	<u>702,662</u>

4. Operating profit

Operating profit is stated after charging:

	2015	2014
	£	£
Amortisation of intangible assets	219,773	219,831
Research and development expenditure written off	250,237	230,875
Depreciation of owned fixed assets	341,256	297,526
Loss on disposal of fixed assets	26,078	22,884
Operating lease costs:		
-Plant and machinery	43,669	20,067
Net loss on foreign currency translation	62,602	9,507
Auditor's remuneration - audit of the financial statements	2,000	1,350
Auditor's remuneration - other fees	28,000	17,450
	<u></u>	<u></u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

	2015	2014
	£	£
Auditor's remuneration - audit of the financial statements	<u>2,000</u>	<u>1,350</u>
Auditor's remuneration - other fees:		
- Taxation services	14,000	4,800
- Auditor's remuneration - audit of a subsidiary company	<u>14,000</u>	<u>12,650</u>
	<u>28,000</u>	<u>17,450</u>
5. Particulars of employees		
The average number of staff employed by the group during the financial year amounted to:		
	2015	2014
	No	No
Number of production staff	43	39
Number of sales staff	22	19
Number of administrative staff	<u>55</u>	<u>50</u>
	<u>120</u>	<u>108</u>
The aggregate payroll costs of the above were:		
	2015	2014
	£	£
Wages and salaries	3,556,880	3,334,547
Social security costs	400,662	382,096
Other pension costs	<u>361,302</u>	<u>237,788</u>
	<u>4,318,844</u>	<u>3,954,431</u>
6. Directors' remuneration		
The directors' aggregate remuneration in respect of qualifying services were:		
	2015	2014
	£	£
Remuneration receivable	256,640	254,580
Value of company pension contributions to money purchase schemes	<u>92,135</u>	<u>84,096</u>
	<u>348,775</u>	<u>338,676</u>
Remuneration of highest paid director:		
	2015	2014
	£	£
Total remuneration (excluding pension contributions)	78,900	73,837
Value of company pension contributions to money purchase schemes	<u>60,025</u>	<u>58,437</u>
	<u>138,925</u>	<u>132,274</u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

6. Directors' remuneration (continued)

The number of directors on whose behalf the company made pension contributions was as follows:

	2015	2014
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

7. Interest payable and similar charges

	2015	2014
	£	£
Other similar charges payable	<u>643</u>	<u>—</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2015		2014	
	£	£	£	£
In respect of the year:				
UK Corporation tax		739,206		807,117
(Over)/under provision in prior year		<u>(16,377)</u>		<u>(3,253)</u>
		722,829		803,864
Deferred tax:				
Origination and reversal of timing differences	59,699		10,976	
Total deferred tax (note 18)		<u>59,699</u>		<u>10,976</u>
Tax on profit on ordinary activities		<u>782,528</u>		<u>814,840</u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

8. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2014 - 23%).

	2015	2014
	£	£
Profit on ordinary activities before taxation	<u>3,535,883</u>	<u>3,537,447</u>
Profit on ordinary activities by rate of tax	754,804	819,257
Effects of:		
Expenses not deductible for tax purposes	8,315	8,537
Capital allowances for period in excess of depreciation	(64,916)	(10,830)
Adjustments to tax charge in respect of previous periods	(16,377)	(3,253)
Goodwill amortisation not deductible	45,766	45,766
Research and development relief	(66,699)	(66,843)
Short term timing differences	16,344	-
Ineligible fixed asset depreciation	45,592	11,230
Total current tax (note 8(a))	<u>722,829</u>	<u>803,864</u>

9. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £2,841,975 (2014 - £2,296,212).

10. Dividends

Equity dividends

	2015	2014
	£	£
Paid during the year:		
Dividends on equity shares	<u>2,842,039</u>	<u>2,295,468</u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

11. Intangible fixed assets

Group	Goodwill £	Trade marks and territories £	Total £
Cost			
At 1 February 2014	2,205,647	454,871	2,660,518
Additions	–	54,498	54,498
Disposals	–	(94,355)	(94,355)
At 31 January 2015	<u>2,205,647</u>	<u>415,014</u>	<u>2,620,661</u>
Amortisation			
At 1 February 2014	898,010	355,198	1,253,208
Charge for the year	217,938	57,596	275,534
On disposals	–	(29,056)	(29,056)
At 31 January 2015	<u>1,115,948</u>	<u>383,738</u>	<u>1,499,686</u>
Net book value			
At 31 January 2015	<u>1,089,699</u>	<u>31,276</u>	<u>1,120,975</u>
At 31 January 2014	<u>1,307,637</u>	<u>99,673</u>	<u>1,407,310</u>

12. Tangible fixed assets

Group	Freehold land and buildings £	Plant & Machinery £	Equipment, vans and containers £	Total £
Cost				
At 1 February 2014	2,103,694	2,551,526	1,267,525	5,922,745
Additions	258,865	197,012	453,575	909,452
Disposals	–	–	(57,073)	(57,073)
At 31 January 2015	<u>2,362,559</u>	<u>2,748,538</u>	<u>1,664,027</u>	<u>6,775,124</u>
Depreciation				
At 1 February 2014	47,362	2,232,097	1,018,021	3,297,480
Charge for the year	81,284	127,385	132,587	341,256
On disposals	–	–	(32,699)	(32,699)
At 31 January 2015	<u>128,646</u>	<u>2,359,482</u>	<u>1,117,909</u>	<u>3,606,037</u>
Net book value				
At 31 January 2015	<u>2,233,913</u>	<u>389,056</u>	<u>546,118</u>	<u>3,169,087</u>
At 31 January 2014	<u>2,056,332</u>	<u>319,429</u>	<u>249,504</u>	<u>2,625,265</u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

12. Tangible fixed assets (continued)

Company	Freehold land and buildings £
Cost	
At 1 February 2014	647,480
Additions	258,865
At 31 January 2015	<u>906,345</u>
Depreciation	
At 1 February 2014 and 31 January 2015	<u>—</u>
Net book value	
At 31 January 2015	<u>906,345</u>
At 31 January 2014	<u>647,480</u>

Within the group, freehold land and buildings of £943,379 (2014: £943,379) are not depreciated.

13. Investments

Company	Group companies £
Cost	
At 1 February 2014 and 31 January 2015	<u>10,691,452</u>
Net book value	
At 31 January 2015 and 31 January 2014	<u>10,691,452</u>

The following were subsidiary undertakings at the end of the period and have all been included in the consolidated financial statements:

Name	Holding	Proportion of voting rights and shares held	Nature of business
Autosmart Group Limited	Ordinary shares	100%	Non trading company
Autosmart International Limited	Ordinary shares	100%	Manufacture, marketing, distribution and sale of valeting and maintenance products for vehicles

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

14. Stocks

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Raw materials	659,073	645,332	–	–
Finished goods	745,504	567,398	–	–
	<u>1,404,577</u>	<u>1,212,730</u>	<u>–</u>	<u>–</u>

15. Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	2,064,647	2,152,745	–	–
Other debtors	274,498	215,429	–	–
Deferred taxation (Note 18)	–	8,674	–	–
Prepayments and accrued income	105,456	110,966	–	–
	<u>2,444,601</u>	<u>2,487,814</u>	<u>–</u>	<u>–</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Other debtors	–	379	–	–

16. Creditors: Amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	1,422,011	1,373,374	–	–
Amounts owed to group undertakings	–	–	905,687	638,309
Other creditors including taxation and social security:				
Corporation tax	340,443	310,927	–	–
PAYE and social security	74,542	69,945	–	–
VAT	202,356	177,294	–	–
Other creditors	319,278	299,212	–	63
Accruals and deferred income	846,612	1,047,891	–	–
	<u>3,205,242</u>	<u>3,278,643</u>	<u>905,687</u>	<u>638,372</u>

17. Pensions

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £361,302 (2014: £237,788).

There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

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18. Deferred taxation

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Asset brought forward	(8,674)	(19,650)	-	-
Increase in provision	59,699	10,976	-	-
Provision/Asset carried forward	<u>51,025</u>	<u>(8,674)</u>	<u>-</u>	<u>-</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2015		2014	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets/(Excess of depreciation over taxation allowances)	75,242	-	(1,012)	-
Other timing differences	(24,217)	-	(7,662)	-
	<u>51,025</u>	<u>-</u>	<u>(8,674)</u>	<u>-</u>

19. Commitments under operating leases

At 31 January 2015 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Assets other than Land and buildings	
	2015	2014
	£	£
Operating leases which expire:		
Within 1 year	63,585	27,506
Within 2 to 5 years	67,687	34,237
	<u>131,272</u>	<u>61,743</u>

20. Share capital

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary A shares of £1 each	318,215	318,215	318,215	318,215
Ordinary B shares of £1 each	185,144	185,144	185,144	185,144
	<u>503,359</u>	<u>503,359</u>	<u>503,359</u>	<u>503,359</u>

The shares rank pari passu in all respects except that the A ordinary class of shares carry the right to appoint one person as an 'A' Director.

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21. Reserves

Group	Share premium account £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	73,806	75,213	8,419,578
Profit for the year	–	–	2,753,355
Equity dividends	–	–	(2,842,039)
Balance carried forward	<u>73,806</u>	<u>75,213</u>	<u>8,330,894</u>
Company	Share premium account £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	73,806	75,213	10,048,923
Profit for the year	–	–	2,842,475
Equity dividends	–	–	(2,842,039)
Balance carried forward	<u>73,806</u>	<u>75,213</u>	<u>10,049,359</u>

22. Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year	2,753,355	2,722,607
Equity dividends	(2,842,039)	(2,295,468)
Net (reduction)/addition to shareholders' funds	<u>(88,684)</u>	<u>427,139</u>
Opening shareholders' funds	9,071,956	8,644,817
Closing shareholders' funds	<u>8,983,272</u>	<u>9,071,956</u>

23. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2015 £	2014 £
Operating profit	3,506,034	3,497,269
Amortisation	275,534	291,017
Depreciation	341,256	297,904
Loss on disposal of fixed assets	26,078	22,884
Increase in stocks	(191,847)	(33,143)
Decrease/(increase) in debtors	34,539	(389,761)
(Decrease)/increase in creditors	(102,917)	311,385
Net cash inflow from operating activities	<u>3,888,677</u>	<u>3,997,555</u>

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23. Notes to the cash flow statement (continued)

Analysis of changes in net funds

	At 1 February 2014 £	Cash flows £	At 31 January 2015 £
Net cash:			
Cash in hand and at bank	4,617,480	(517,181)	4,100,299
Net funds	<u>4,617,480</u>	<u>(517,181)</u>	<u>4,100,299</u>

24. Ultimate controlling party

The company is controlled by S Atkinson.