

CHA (2005) Limited

Directors' report and financial statements  
for the year ended 31 December 2012

Registered number 05471124



# **CHA (2005) Limited**

## **Directors' report and financial statements for the year ended 31 December 2012**

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# **CHA (2005) Limited**

## **Directors and advisers for the year ended 31 December 2012**

### **Directors**

P J Dunkley  
D W Hammond

### **Company secretary and registered office**

D W Hammond  
Hopping Hill  
Harlestone Road  
Northampton  
Northamptonshire  
NN5 6PD

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

### **Solicitors**

Travers Smith Braithwaite  
10 Snow Hill  
London  
EC1A 2AL

### **Bankers**

The Royal Bank of Scotland Group  
2<sup>nd</sup> Floor  
152 Silbury Boulevard  
Milton Keynes  
MK9 1LT

# **CHA (2005) Limited**

## **Directors' report for the year ended 31 December 2012**

The directors present the report and the audited consolidated financial statements of CHA (2005) Limited for the year ended 31 December 2012. CHA (2005) Limited with its subsidiary companies is referred throughout as the "Group" and without its subsidiary companies as the "Company".

### **Business review and principal activities**

The principal activities of the Group during the year were the sale, distribution, repair and servicing of new and used motor vehicles and the sale of accessories and replacement parts. Other operating income relates principally to finance and insurance commissions earned. The parent company's activity is that of a holding company for the trading company Allen Ford UK Limited.

The consolidated profit and loss account is set out on page 7 and shows an operating profit before exceptional items of £3,220,000 (2011 Loss (£705,000)) and a profit on ordinary activities before taxation of £2,705,000 (2011 Loss (£2,108,000)).

Following the restructure that took place in 2011, the business has performed well and had a particularly successful year through its core Ford activities.

### **Future outlook**

Market conditions still remain challenging but the directors are confident that the significant progress made in 2012 will continue into the foreseeable future.

### **Dividends and transfers to reserves**

No interim dividend has been paid (2011: £nil) and no final dividend is proposed (2011: £nil).

The profit for the financial year of £2,053,000 (2011 Loss: £1,638,000) has been transferred from reserves.

### **Key performance indicators**

Given that the owners of the business are also the directors of the business, the directors do not feel that an analysis of key performance indicators is necessary for an understanding of the development, performance or position of the business. The financial performance is however monitored by reference to manufactures composite data that compares the Group performance with that of its peer group.

### **Principal risks and uncertainties**

The management of the business and execution of the company's strategy are subject to a number of risks.

The key business risks affecting the Group are considered to relate to the buoyancy of the new and used vehicle markets and the factors that influence these markets.

We maintain close links with our manufacturing partners in assessing the size and direction of the new vehicle market. Our stock policy varies to recognise any direction changes in the market place.

### **Financial risk management**

The Group's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of such risk.

Given the size of the Group the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department. The department has policies and procedures that set out specific guidelines to manage credit risk, maintain liquidity and monitor interest rate movements.

# **CHA (2005) Limited**

## **Directors' report for the year ended 31 December 2012 (continued)**

### **Financial risk management (continued)**

#### **Credit risk**

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. Hierarchical authority levels ensure appropriate levels of risk appraisal. Additionally, sales of vehicles are largely fully settled with cleared funds prior to the vehicle being released from stock.

#### **Liquidity risk**

The Company actively maintains short-term debt finance that is designed to ensure the Company has sufficient available funds for operations and planned expansions.

#### **Interest rate risk**

The Group has a policy of maintaining debt at a mixture of variable rates with its current bankers to ensure that the Group enjoys the current low interest rate regime but does not expose itself to significant risk should rates increase. The directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

#### **Directors**

The directors of the Company during the year and up to the date of signing the financial statements are set out on page 1.

#### **Political and charitable contributions**

During the financial year the Group made £650 contributions for charitable purposes (2011: £nil). The Group has not made any contributions to political parties (2011: £nil) during the year.

#### **Going concern**

The directors have reviewed the financing requirements of the Company for the foreseeable future and are confident following review of financial forecasts that they have sufficient facilities and the ongoing support of its bankers in place to pay liabilities as they fall due and to ensure the continuing operation of the Company for at least one year from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

#### **Employment of disabled persons**

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

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

The directors are responsible for preparing the 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 prepared the group and parent company 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

# CHA (2005) Limited

## Directors' report for the year ended 31 December 2012 (continued)

### Statement of directors' responsibilities (continued)

- 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 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Directors' indemnity insurance

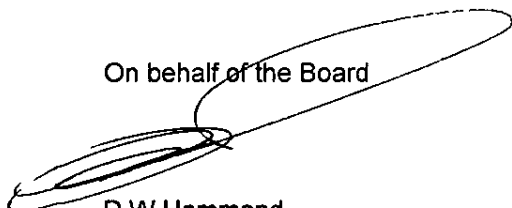
The Company maintained a directors' and officers' liability insurance policy throughout the financial year and up to the date of signing the financial statements.

### Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms in accordance with Section 418 of the Companies Act 2006 that

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- 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.

On behalf of the Board



D W Hammond  
Director

1 March 2013

## **CHA (2005) Limited**

### **Independent auditors' report to the members of CHA (2005) Limited**

We have audited the group and parent company financial statements of CHA (2005) Limited for the year ended 31 December 2012 which comprise the Consolidated profit and loss account, the Reconciliation of movements in shareholders' funds, the Balance sheets, the Consolidated cash flow statement 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 on pages 3 and 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.

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. In addition, we read all the financial and non-financial information in the directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 2012 and of the Group's profit and cash flows 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.

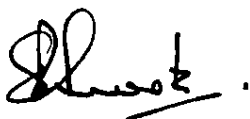
## CHA (2005) Limited

### Independent auditors' report to the members of CHA (2005) 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Stephen Snook (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham

6 March 2013



## CHA (2005) Limited

### Consolidated profit and loss account for the year ended 31 December 2012

	Notes	2012 £000	2011 £000
<b>Turnover</b>	2	<b>370,065</b>	440,739
Cost of sales		(338,518)	(410,732)
Gross profit		<b>31,547</b>	30,007
Distribution costs		(21,287)	(22,310)
Administrative expenses		(13,346)	(14,585)
Other operating income		<b>6,306</b>	6,183
<b>Operating profit/(loss) before exceptional items</b>	7	<b>3,220</b>	(705)
Exceptional items	5	-	(887)
<b>Operating profit/(loss)</b>		<b>3,220</b>	(1,592)
Interest payable and similar charges	6	(515)	(516)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>2,705</b>	(2,108)
Tax on profit/(loss) on ordinary activities	8	(652)	470
<b>Profit/(loss) for the financial year</b>	19	<b>2,053</b>	(1,638)

The Group has no recognised gains or losses other than the profit/(loss) above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the year stated above, and their historical cost equivalents

All results derive from continuing operations

## CHA (2005) Limited

### Reconciliation of movements in shareholders' funds

	Notes	2012 £000	2011 £000
Profit/(loss) for the financial year		2,053	(1,638)
Purchase of 1,614 Ordinary Shares		-	(2,250)
Opening Shareholders' funds		3,068	6,956
<b>Closing shareholders' funds</b>		<b>5,121</b>	<b>3,068</b>

# CHA (2005) Limited

## Balance sheets as at 31 December 2012

		Group		Company	
		2012	2011	2012	2011
	Notes	£000	£000	£000	£000
<b>Fixed assets</b>					
Intangible assets	11	74	80	-	-
Tangible assets	10	2,555	3,007	-	-
Investments	12	-	-	-	-
		2,629	3,087	-	-
<b>Current assets</b>					
Stocks	13	44,709	76,332	-	-
Debtors	14	14,081	19,598	-	-
Cash at bank and in hand		9	9	-	-
		58,799	95,939	-	-
Creditors: amounts falling due within one year	15	(56,259)	(95,933)	-	-
<b>Net current assets</b>		<b>2,540</b>	<b>6</b>	<b>-</b>	<b>-</b>
<b>Total assets less current liabilities</b>		<b>5,169</b>	<b>3,093</b>	<b>-</b>	<b>-</b>
Provisions for liabilities	16	(48)	(25)	-	-
<b>Net assets</b>		<b>5,121</b>	<b>3,068</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves</b>					
Called up share capital	18	-	-	-	-
Other reserves	19	2,472	2,472	-	-
Profit and loss account	19	2,649	596	-	-
<b>Total shareholders' funds</b>	19	<b>5,121</b>	<b>3,068</b>	<b>-</b>	<b>-</b>

The financial statements on pages 7 to 23 were approved by the board of directors of CHA (2005) Limited, registered number 05471124, on 1 March 2013 and were signed on its behalf by

P J Dunkley  
Director

D W Hammond  
Director




## CHA (2005) Limited

### Consolidated cash flow statement for the year ended 31 December 2012

	Notes	2012 £000	2011 £000
<b>Net cash inflow/(outflow) from operating activities</b>		<b>4,430</b>	<b>(834)</b>
<b>Returns on investments and servicing of finance</b>			
Interest paid		(515)	(516)
		<b>3,915</b>	<b>(1,350)</b>
<b>Taxation</b>			
United Kingdom corporation tax paid		(90)	(51)
		<b>3,825</b>	<b>(1,401)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(505)	(476)
<b>Net cash outflow for capital expenditure and financial investment</b>		<b>(505)</b>	<b>(476)</b>
<b>Financing</b>			
Purchase of 1,614 Ordinary Shares		-	(2,250)
<b>Increase/(decrease) in net cash</b>	21	<b>3,320</b>	<b>(4,127)</b>
<b>Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities</b>			
Operating profit/(loss) after exceptional items		3,220	(1,592)
Depreciation of tangible fixed assets		957	882
Amortisation of goodwill		6	6
Decrease / (Increase) in stocks		31,623	(5,827)
Decrease / (Increase) in debtors		4,978	(2,265)
(Decrease) / Increase in creditors		(36,354)	7,962
<b>Net cash inflow/(outflow) from operating activities</b>		<b>4,430</b>	<b>(834)</b>

# **CHA (2005) Limited**

## **Notes to the financial statements for the year ended 31 December 2012 (continued)**

### **1 Principal accounting policies**

#### **Basis of accounting**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

#### **Basis of consolidation**

The Group financial statements consolidate the financial statements of the Company and its subsidiaries for the year ended 31 December 2012. Uniform accounting policies have been applied across the group and that any profits or losses on intra group transactions have been eliminated and that investor's share of profit or losses on transactions have been eliminated.

#### **Intangible fixed assets**

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on acquisitions has been capitalised and is being amortised over a period not exceeding 20 years, being the period expected to benefit.

The Company evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

#### **Tangible fixed assets**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is the purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Leasehold property	Over period of lease
Plant and equipment	10% - 33⅓% per annum

#### **Leased assets**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

#### **Stocks**

Stocks are stated at the lower of invoiced cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stocks on consignment and their related obligations are recognised in current assets and creditors respectively when the risks and rewards of ownership pass to the Company.

Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation.

Demonstration vehicles are depreciated at between 30 – 40% per annum on a straight line basis.

## **CHA (2005) Limited**

### **Notes to the financial statements for the year ended 31 December 2012 (continued)**

#### **Going concern**

The directors have reviewed the financing requirements of the Company for the foreseeable future and are confident following review of financial forecasts that they have sufficient facilities and the ongoing support of its bankers in place to pay liabilities as they fall due and to ensure the continuing operation of the Company for at least one year from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

#### **Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. Turnover consists entirely of sales made in the United Kingdom, in respect of the Company's principal activity. Turnover is recognised on new vehicles at the point of registration, all other turnover is recognised by reference to the date the benefits are transferred.

#### **Other operating income**

This represents amounts received in respect of support not directly relating to manufacturer incentives and is recognised at the point the terms of the support are met, usually on delivery of a vehicle to a customer.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised 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 against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured 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. Deferred tax is measured on an undiscounted basis.

#### **Pension costs**

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Pension arrangements for staff are operated through the Camden Ventures Limited defined contribution scheme. All retirement benefits are accounted for in accordance with FRS 17 'Retirement benefits'. Pension costs are charged to the profit and loss account in the financial year they occur.

## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2012 (continued)

#### Related party transactions

The Company has a number of related parties on the basis of the entities being under common ownership and control. Refer to note 25 for summary of the transactions during the financial year and balances outstanding.

#### Investments

Investments are held at cost less any provision, where necessary, for permanent diminutions in value.

## 2 Turnover

Turnover and profits arise entirely from sales made in the United Kingdom in respect of the Group's principal activity.

## 3 Directors' emoluments

No director (2011: no director) of the Company exercised share options during the year and none (2011: none) became entitled to receive shares under any long term incentive scheme.

The directors did not receive any emoluments in respect of their services to the company in 2012 (2011: £nil). P Dunkley and D Hammond are remunerated by Camden Ventures Limited, a related entity. Accordingly, their emoluments are included in the statutory financial statements of that entity.

## 4 Employee information

The average monthly number of persons (including executive directors) employed by the Group during the year was:

	2012 Number	2011 Number
Sales and service	591	621
Administration	88	89
	679	710
	2012 £'000	2011 £000
Staff costs (for the above persons)		
Wages and salaries	18,227	18,126
Social security costs	1,848	1,882
Other pension costs (note 17)	280	268
	20,355	20,276

## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2012 (continued)

#### 5 Exceptional items

	2012	2011
	£'000	£'000
Costs arising on the restructure of the business in 2011	-	(887)

No exceptional items occurred in 2012

#### 6 Interest payable and similar charges

	2012	2011
	£000	£000
Bank overdraft interest	515	516
	515	516

#### 7 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	2012	2011
	£000	£000
Depreciation of owned tangible fixed assets	957	882
Amortisation of goodwill	6	6
Loss of disposal of fixed assets	2	-
Auditors remuneration – audit services	35	39
Operating leases – all relating to land and buildings	3,928	3,905

#### 8 Tax on profit/(loss) on ordinary activities

Current Tax	2012	2011
	£'000	£'000
UK corporation tax	663	(414)
Adjustment in respect of prior periods	(34)	21
Total current tax	629	(393)
Deferred tax – origination and reversal of timing differences	-	(25)
Adjustments in respect of prior years	23	(52)
Total deferred tax	23	(77)
Total tax on profit/(loss) on ordinary activities	652	(470)



## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2012 (continued)

#### 8 Tax on profit/(loss) on ordinary activities (continued)

The tax for the year is lower (2011 higher) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5% per prior year). The differences are explained below.

	2012 £000	2011 £000
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>2,705</b>	<b>(2,108)</b>
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 24.5% (2011 26.5% per prior year)	663	(559)
Effects of		
Expenses not deductible for tax purposes	-	20
Other timing differences	-	125
Adjustments in respect of prior periods	(34)	21
<b>Total current tax</b>	<b>629</b>	<b>(393)</b>

A reduction in the main rate of corporation tax from 26% to 24% from 1 April 2011 was announced in the Budget in March 2011 and substantively enacted on 26 March 2012.

In addition to the change in corporation tax rate disclosed above, a number of further changes to the UK corporation tax system were announced in the March 2012 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is included in the Finance Act 2012 which was substantively enacted on 3 July 2012. A further reduction in the main rate is also proposed to reduce the rate to 22% from 1 April 2014 although this future reduction has not yet been enacted.

The effect of the changes in corporation tax rates enacted by Parliament on 3 July 2012 is not material to the financial statements.

#### 9 Profit for the financial year

As permitted by section 408 of the Companies Act 2006, the Company's profit and loss account has not been included in these financial statements. The Company's profit for the financial year was £nil (2011 £2,250,000).

# CHA (2005) Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 10 Tangible fixed assets

Group	Leasehold property £000	Plant and equipment £000	Totals £000
<b>Cost</b>			
As at 1 January 2012	141	5,681	5,822
Additions	10	497	507
Disposals	-	(800)	(800)
<b>At 31 December 2012</b>	<b>151</b>	<b>5,378</b>	<b>5,529</b>
<b>Accumulated depreciation</b>			
At 1 January 2012	35	2,780	2,815
Charge for the year	14	943	957
Disposals	-	(798)	(798)
<b>At 31 December 2012</b>	<b>49</b>	<b>2,925</b>	<b>2,974</b>
<b>Net book value at 31 December 2012</b>	<b>102</b>	<b>2,453</b>	<b>2,555</b>
Net book value at 31 December 2011	106	2,901	3,007

The company had no tangible fixed assets. The Allen Ford (UK) Limited business undertook a review of assets which had a nil net book value and had been written off with no future use and cleared them down from the fixed asset register. The assets are included within the disposal above.

## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2012 (continued)

#### 11 Intangible fixed assets

	Goodwill £000
<b>Cost</b>	
At 1 January 2012 and 31 December 2012	<b>114</b>
Accumulated Amortisation	
At 1 January 2012	34
Charge for the year	6
At 31 December 2012	<b>40</b>
<b>Net book value at 31 December 2012</b>	<b>74</b>
Net book value at 31 December 2011	80

#### 12 Fixed asset investments

The following are the wholly owned subsidiary undertakings of CHA (2005) Limited, all of which have been included within the consolidated financial statements

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held by:	
			Group	Company
Camden Motors Limited	Great Britain	'A' Ordinary 1p shares	100%	Nil
		'B' Ordinary 1p shares	-	-
Charles H Allen Limited	Great Britain	Ordinary £1 shares	100%	100%
		Preference £1 shares	100%	100%
		Non cumulative preference	100%	100%
		3 75% £1 shares		
Allen Ford (UK) Limited	Great Britain	'A' Ordinary 1p shares	100%	Nil
		'B' Ordinary 1p shares	-	-

Camden Motors Limited is a dormant company. Charles H Allen Limited is an intermediate holding company. The principal activities of Allen Ford (UK) Limited are the distribution, sale, repair and service of new and used vehicles and the sale of accessories and replacement parts.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2012 (continued)

#### 13 Stocks

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Motor vehicles	42,530	73,793	-	-
Parts, accessories and other stocks	2,179	2,539	-	-
	44,709	76,332	-	-

Vehicle consignment stocks are recognised on the balance sheet where, in substance, they are deemed to be assets of the company. The principal criterion applied is whether the vehicles are interest bearing. The corresponding liabilities have been included in creditors for 2012 amounting to £25,065,259 (2011 £56,357,760).

#### 14 Debtors

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Trade debtors	6,258	7,786	-	-
Amounts owned by related parties	2,472	2,472	-	-
Prepayments and accrued income	4,649	4,629	-	-
Corporation Tax	68	607	-	-
Value added tax	634	4,104	-	-
	14,081	19,598	-	-

Amounts due to related parties are unsecured, interest free and have no fixed date of repayment

## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2012 (continued)

#### 15 Creditors: amounts falling due within one year

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank overdraft	<b>4,801</b>	8,121	-	-
Trade creditors	<b>36,542</b>	74,762	-	-
Amounts owed to related parties	<b>44</b>	78	-	-
Other taxation and social security	<b>1,077</b>	876	-	-
Stocking loan facility	<b>12,892</b>	11,044	-	-
Accruals and deferred income	<b>903</b>	1,052	-	-
	<b>56,259</b>	95,933	-	-

The bank overdraft is secured by way of a fixed and floating charge over the assets of the company

Amounts owed to Group related parties are unsecured, interest free and have no fixed date of repayment

The stocking loan with Lombard North Central PLC is a short term revolving loan agreement with a facility up to £13,000,000 bearing an interest rate of 7 day LIBOR plus 1.4%. It is secured against the vehicles purchased

## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2012 (continued)

#### 16 Provisions for liabilities

	2012 £'000	2011 £'000
At 1 January	(25)	(102)
Profit and loss account	(23)	77
<b>At 31 December</b>	<b>(48)</b>	<b>(25)</b>

The deferred tax liability provided in the financial statements is as follows

	2012 £000	2011 £000
<b>Tax effect of timing differences:</b>		
Accelerated capital allowances	(48)	(25)
	<b>(48)</b>	<b>(25)</b>

There were no unprovided amounts of deferred tax (2011 £nil)

#### 17 Pension and similar obligations

The Company contributes to the Camden Ventures Limited defined contribution scheme where the retirement benefits of certain employees are funded by contributions from the Company. These contributions are based on pension costs across the group as a whole and paid by Camden Ventures Limited to insurance companies and charged to the profit and loss account for the financial year in which they become payable. There were no amounts outstanding at 31 December 2012. The total pension cost for the financial year was £280,000 (2011 £268,000).

## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2012 (continued)

#### 18 Called up share capital

Group and Company	2012 £	2011 £
Alotted and fully paid		
10,638 (2011 10,638) A ordinary shares of 1p each	<b>106</b>	106

#### 19 Reserves

Group	Other reserve £000	Profit and loss account £000	Total £000
At 1 January 2012	2,472	596	<b>3,068</b>
Profit for the financial year	-	2,053	<b>2,053</b>
<b>At 31 December 2012</b>	2,472	2,649	<b>5,121</b>
Company			Profit and loss account £000
At 1 January 2012			-
<b>At 31 December 2012</b>			-

#### 20 Dividends

	2012 £'000	2011 £'000
No Dividends were paid or are Proposed (2011 £2,250,000)	-	2,250

## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2012 (continued)

#### 21 Reconciliation of net cash flow to movement in net debt

	2012	2011
	£000	£000
Increase/(decrease) in cash in the year	3,320	(4,127)
Net debt at 1 January	(8,112)	(3,985)
Net debt at 31 December	(4,792)	(8,112)

#### 22 Movement in net debt

	At 1 January 2012	Cash flow	At 31 December 2012
	£000	£000	£000
Cash in hand and at bank	9	-	9
Overdrafts and other on demand facilities	(8,121)	3,320	(4,801)
	(8,112)	3,320	(4,792)

#### 23 Financial commitments

	2012	2011
	£000	£000
Annual commitments in respect of operating leases relating wholly to land and buildings expiring		
Expiring within one year	87	87
Expiring between two and five years	307	307
Expiring after five years	3,534	3,511
	3,928	3,905

Included in commitments expiring in over five years is the sum of £2,031,000 (2011 £2,031,000) payable to Camden Ventures Limited by way of rent on properties owned by this related party



## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2012 (continued)

#### 24 Contingent liabilities

The Group has provided a guarantee of £1,500,000 in favour of Ford Credit and The Royal Bank of Scotland Group in respect of certain funding facilities provided to Allen Ford (UK) Limited

#### 25 Related party transactions

The group has a number of related parties on the basis of the entities being under common ownership and control. The transactions during the year and balances outstanding are described below

	Sales to related party	Purchases from related party	Amounts owed by related party	Amounts owed to related party
	£000	£000	£000	£000
Related party				
Car Shops Limited	69	10	12	-
Spirit Fleet Solutions Limited	122	2,278	44	-
Camden Ventures Limited	36	2,822	-	44
	227	5,110	56	44

#### 26 Ultimate controlling party

The directors regard Paul Dunkley to be the ultimate owner of the Company