

COMPANIES HOUSE

Registered number 01614118

SLOUGH MOTOR COMPANY LIMITED

FINANCIAL STATEMENTS

30th November 2008

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COMPANIES HOUSE

Slough Motor Company Limited

Directors' report and financial statements

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Slough Motor Company Limited

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 30th November 2008.

Principal activities and business review

The main activities of the company are the sale, export, hire and maintenance of motor vehicles and ancillary services.

The directors are satisfied with the results for the year despite the competitive nature of the industry. They consider that existing operational plans will result in further development for the company in the foreseeable future.

The directors consider that the key financial performance indicators (KPIs) are those that communicate the financial performance and strength of the company as a whole to the members. These KPIs comprise turnover, operating profit and shareholders' funds.

Turnover for the year was £47,069,163 (2007 - £48,330,357).

The operating loss was £15,654 (2007 profit £44,957) and the loss before tax was £287,140 (2007 – £260,383).

Shareholders' funds decreased by £287,140 to £2,476,217 as a result of the loss for the year.

The directors consider that the principal non-financial KPIs are customer service, employee satisfaction and health and safety. The directors are satisfied with the company's performance in each of these areas.

Results and dividends

The results are detailed in the profit and loss account on page 5. The directors do not recommend the payment of a dividend.

Financial risk management objectives and policies

The company's principal financial instruments comprise cash balances and bank overdrafts and loans. The main purpose of these financial instruments is to provide finance for the company's operations.

The main financial risks arising from the company's financial instruments are credit risk and liquidity risk. The company minimises its exposure to credit risk by conducting status enquiries and gate control at trading premises and by regularly reviewing the aged analysis of debtors. The company minimises its exposure to liquidity risk by ensuring that sufficient funds are available for its day to day operations via use of its borrowing facility.

Disabled persons policy

The company operates an equal opportunities policy in respect of the employment, training, career development and promotion of disabled employees.

Significant changes in fixed assets

Movements in fixed assets are set out in note 8.

Slough Motor Company Limited

Directors' report *(continued)*

Directors

The directors who held office during the year were:

M J Warnes
L B Friedman
C Redfern
T F Bradbury

C Redfern and T F Bradbury retire from the board and, being eligible, offer themselves for re-election.

Auditors

A resolution to re-appoint The Leaman Partnership LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

On behalf of the board

A handwritten signature in black ink, appearing to be 'L B Friedman', is written over a horizontal line. The signature is stylized with a large loop and a long horizontal stroke extending to the left.

L B FRIEDMAN

30 April 2009

Registered Office: 51 Queen Anne Street, London, W1G 9HS

Slough Motor Company Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

In so far as the directors are aware:

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

Slough Motor Company Limited
Independent auditors' report to the shareholders of Slough Motor Company Limited
For the year ended 30 November 2008

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the Directors and the Auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- ☐ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2008 and of its loss for the year then ended;
- ☐ the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- ☐ the information given in the Directors' Report is consistent with the financial statements.

The Leaman Partnership LLP
Chartered Accountants
& Registered Auditors
51 Queen Anne Street
London W1G 9HS
30 April 2009



Slough Motor Company Limited

Profit And Loss Account

for the year ended 30th November 2008

	<i>Note</i>	2008 £	2007 £
Turnover	<i>1</i>	47,069,163	48,330,357
Cost of sales		<u>37,864,052</u>	<u>38,684,780</u>
Gross profit		9,205,111	9,645,577
Distribution and administrative expenses	<i>2</i>	<u>9,220,864</u> (15,753)	<u>9,601,352</u> 44,225
Other income	<i>3</i>	<u>99</u>	<u>732</u>
Operating (loss)/profit		(15,654)	44,957
Interest payable	<i>4</i>	<u>271,486</u>	<u>305,340</u>
Loss on ordinary activities before taxation	<i>5</i>	(287,140)	(260,383)
Taxation	<i>6</i>	<u>-</u>	<u>-</u>
Loss for the financial year	<i>17</i>	<u>(287,140)</u>	<u>(260,383)</u>

All the activities of the company are classed as continuing.

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

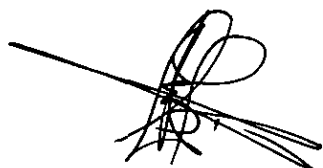
Slough Motor Company Limited

Balance Sheet

at 30th November 2008

	Note	£	2008 £	Restated 2007 £
Fixed assets				
Tangible assets	8		3,728,537	3,864,862
Current assets				
Stock	1	4,093,614		5,379,408
Debtors	9	1,165,973		1,706,620
Cash at bank and in hand		4,355		4,155
		5,263,942		7,090,183
Creditors				
Amounts falling due within one year	10	6,366,262		8,041,688
Net current liabilities			(1,102,320)	(951,505)
Total assets less current liabilities			2,626,217	2,913,357
Creditors				
Amounts falling due within one year				
Loan from parent company	11		(150,000)	(150,000)
Net assets			2,476,217	2,763,357
Capital and reserves				
Called up share capital	13		50,100	50,100
Revaluation reserve	14		2,289,987	2,289,987
Profit and loss account			136,130	423,270
Total shareholders' funds	17		2,476,217	2,763,357
Shareholders' funds are attributable to:				
Non-equity shareholders' funds			100	100
Equity shareholders' funds			2,476,117	2,763,257
			2,476,217	2,763,357

These financial statements were approved by the board of directors on 30 April 2009 and were signed on its behalf by:



L B FRIEDMAN
Director

Slough Motor Company Limited

Cash Flow Statement

for the year ended 30th November 2008

	Note	£	2008 £	£	2007 £
Net cash inflow from operating activities	15		1,570,717		911,248
Returns on investment and servicing of finance					
Interest received	3	99		732	
Interest paid	4	(271,486)		(305,340)	
Net cash outflow from returns on investment and servicing of finance			(271,387)		(304,608)
Capital expenditure					
Payments to acquire fixed assets			(112,832)		(53,184)
Net cash inflow before financing	16		1,186,498		553,456
Financing					
Decrease in loans	16		(102,651)		(176,669)
Increase in cash	16		1,083,847		376,787
Reconciliation of net cash flow to movement in net debt					
Increase in cash in the year			1,083,847		376,787
Cash outflow from decrease in debt			102,651		176,669
Movement in net debt in the year			1,186,498		553,456
Net debt at start of year			(1,943,344)		(2,496,800)
Net debt at end of year	16		(756,846)		(1,943,344)

Slough Motor Company Limited

Notes

(forming part of the financial statements)

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules as modified by the revaluation of properties.

Turnover

This represents the value of goods sold, services provided and commissions receivable by the company, excluding value added tax.

Fixed assets and depreciation

Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold property	-	over the unexpired period of the lease
Fixtures, fittings, plant and equipment	-	10% to 33 ¹ / ₃ % per annum
Freehold property	-	2% to 10% per annum

Stock

Stock is valued at the lower of cost and net realisable value. Stock held on consignment is accounted for in the balance sheet only when title has passed to the company or when the commercial risk of obsolescence rests with the company.

Leased assets

Rental payments are written off in the period in which they are incurred.

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. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

	2008 £	2007 £
2. Distribution and administrative expenses		
Distribution costs	6,323,443	6,718,388
Administrative expenses	2,897,421	2,882,964
	<u>9,220,864</u>	<u>9,601,352</u>

Slough Motor Company Limited

Notes (continued)

	2008 £	2007 £
3. Other income		
Interest	<u>99</u>	<u>732</u>
4. Interest payable		
Bank overdraft	73,825	98,546
Loans repayable within five years	<u>197,661</u>	<u>206,794</u>
	<u>271,486</u>	<u>305,340</u>
5. Loss on ordinary activities		
This is stated after charging:		
Auditors' remuneration	22,000	22,000
Operating lease charges:		
Other	552,321	476,860
Depreciation and amounts written off tangible fixed assets	<u>249,157</u>	<u>295,715</u>
6. Tax on loss on ordinary activities		
(a) Taxation		
Current tax:		
UK corporation tax based on the results for the year at 30% (2007- 30%)	-	-
(Over)/under provision in prior years	-	-
Total current tax	<u>-</u>	<u>-</u>
(b) Factors affecting current tax charge		
Loss on ordinary activities before taxation	<u>(287,140)</u>	<u>(260,383)</u>
Tax at 30% (2007 – 30%)	(86,142)	(78,115)
Permanent timing differences	793	1,310
Other timing differences	12,953	7,811
Other adjustments	<u>72,396</u>	<u>68,994</u>
Total current tax (6 (a))	<u>-</u>	<u>-</u>

Slough Motor Company Limited

Notes (continued)

	2008 £	2007 £
7. Staff numbers and costs	No.	No.
The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:		
Production	28	31
Distribution	135	139
Administrative	40	38
	<u>203</u>	<u>208</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	5,060,859	5,254,661
Social security costs	523,666	549,964
Other pension costs	153,865	152,862
	<u>5,738,390</u>	<u>5,957,487</u>

8. Tangible assets

	Leasehold Improvements £	Freehold properties £	Fixtures, fittings, plant and equipment £	Total £
Cost or valuation				
At beginning of year	45,738	3,238,006	2,470,693	5,754,437
Additions	-	-	112,832	112,832
Disposals	-	-	(171,160)	(171,160)
At end of year	<u>45,738</u>	<u>3,238,006</u>	<u>2,412,365</u>	<u>5,696,109</u>
Depreciation				
At beginning of year	6,665	37,427	1,845,483	1,889,575
Provided this year	6,666	14,967	227,524	249,157
Disposals	-	-	(171,160)	(171,160)
At end of year	<u>13,331</u>	<u>52,394</u>	<u>1,901,847</u>	<u>1,967,572</u>
Net book values				
30 th November 2008	<u>32,407</u>	<u>3,185,612</u>	<u>510,518</u>	<u>3,728,537</u>
30 th November 2007	<u>39,073</u>	<u>3,200,579</u>	<u>625,210</u>	<u>3,864,862</u>

Slough Motor Company Limited

Notes (continued)

8. Tangible assets (continued)

<i>Freehold properties comprise</i>	2008	2007
	£	£
Cost	-	-
Valuation - 2005	3,238,006	3,238,006
	<u>3,238,006</u>	<u>3,238,006</u>
 The historical cost of these properties was	 1,107,438	 1,107,438

All other tangible assets are stated at historical cost.

9. Debtors

Trade debtors	307,766	462,802
Other debtors	-	200
Amounts owed by group undertakings	518,157	904,655
Prepayments and accrued income	340,050	338,963
	<u>1,165,973</u>	<u>1,706,620</u>

10. Creditors falling due within one year

Trade creditors	3,952,096	4,485,644
Other creditors	245	77
Social security and other taxes	263,288	225,617
Amounts owed to group undertakings	479,166	429,724
Accruals	882,966	925,826
Bank overdraft (secured - see note 12)	761,200	1,844,848
Term loans (secured - see note 12)	-	102,651
Corporation tax	27,301	27,301
	<u>6,366,262</u>	<u>8,041,688</u>

Slough Motor Company Limited

Notes (continued)

11. Related party transactions

The company's ultimate parent company and controlling party is Bestodeck Limited, a company registered in England. The group has no ultimate controlling party.

The company has taken advantage of the exemptions provided by Financial Reporting Standard 8 and has not reported transactions with other group companies.

The loan of £150,000 from Bestodeck Limited, is at present, free of interest.

12. Bank overdraft and loans

The aggregate amount of secured borrowings is as follows:

Falling due within five years:

Bank overdraft	761,200	1,844,848
Term loans	-	102,651
	<u>761,200</u>	<u>1,947,499</u>

The bank overdraft and loans are secured by fixed and floating charges over certain of the company's assets.

The long term loans are repayable by instalments as follows:

Monthly instalments Inclusive of interest	-	11,667
	<u>-</u>	<u>11,667</u>

13. Share capital

Authorised

'A' ordinary shares of £1 each	50,000	50,000
'B' ordinary shares of £1 each	100	100
	<u>50,100</u>	<u>50,100</u>

Allotted, issued and fully paid

'A' ordinary shares of £1 each	50,000	50,000
'B' ordinary shares of £1 each	100	100
	<u>50,100</u>	<u>50,100</u>

Slough Motor Company Limited

Notes (continued)

	2008 £	Restated 2007 £
14. Revaluation reserve		
At 1 December 2007 as previously stated	2,289,987	1,602,991
Prior year adjustment (see note 20)	-	686,996
	<u>2,289,987</u>	<u>2,289,987</u>
At 30 November 2008	<u>2,289,987</u>	<u>2,289,987</u>

There is no present intention of disposing of the remaining revalued properties; accordingly no provision has been made in these financial statements for taxation of £686,996 which would arise in the event of such a disposal.

15. Reconciliation of operating loss to net cash inflow from operating activities

Operating (loss)/profit	(15,654)	44,957
Rent and other operating income	(99)	(732)
Depreciation and (profit)/loss on sale of fixed assets	249,157	295,715
Decrease in stock	1,285,793	56,893
Decrease in debtors	540,647	593,995
Decrease in creditors	(489,127)	(79,580)
	<u>1,570,717</u>	<u>911,248</u>

16. Analysis of net debt

	1-December 2007	Cashflow	30-November 2008
Cash at bank	4,155	199	4,354
Overdrafts	(1,844,848)	1,083,648	(761,200)
	<u>(1,840,693)</u>	<u>1,083,847</u>	<u>(756,846)</u>
Bank loans	(102,651)	102,651	-
Net debt	<u>(1,943,344)</u>	<u>1,186,498</u>	<u>(756,846)</u>

17. Statement of total recognised gains and losses

Loss for the financial year	(287,140)	(260,383)
Opening shareholders' funds (restated)	2,763,357	2,336,744
Prior year adjustment (see note 20)	-	686,996
Closing shareholders' funds	<u>2,476,217</u>	<u>2,763,357</u>

Slough Motor Company Limited

Notes (continued)

18. Contingent liability

The company is the representative member of a group registration for value added tax purposes and, accordingly, is jointly and severally liable for any such tax due by other group members.

19. Financial commitments

Pensions

The parent company operates a group personal pension plan under which contributions are paid into individual policies. Contributions paid by the company are written off to the profit and loss account in the accounting period in which they are incurred.

Operating leases

The company has annual commitments expiring as follows:

	2008 £	2007 £
	Land and Buildings	Land and Buildings
Within one year	73,750	10,500
In two to five years	65,000	226,500
After five years	289,900	244,900
	<u>428,650</u>	<u>481,900</u>

20. Prior year adjustment

The group has revised its policy for accounting for deferred tax in order to comply with the requirements of Financial Reporting Standard 19 'Deferred Tax'. As a result the total provision for deferred tax made in previous years has been reversed.