

Registered number 01614118

COMPANIES HOUSE

SLOUGH MOTOR COMPANY LIMITED

FINANCIAL STATEMENTS

30th November 2006

TUESDAY



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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 2006

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 improved 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 £51,002,345 (2005 - £53,314,977)

Operating profit of £504,210 (2005 loss of £236,487) and profit before tax of £257,118 (2005 - loss of £589,405) have improved from the previous year.

Shareholders' funds increased by £257,118 to £2,336,744 as a result of the profit 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

M J Warnes and L B Friedman are directors of the ultimate parent company, Bestodeck Limited, and their interests in the shares of the group companies are shown in that company's financial statements

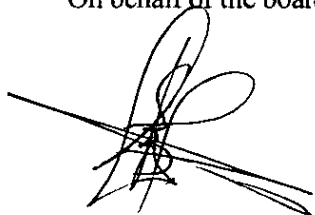
C Redfern and T F Bradbury hold no shares in group companies

M J Warnes retires from the board and, being eligible, offers himself 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', written over a horizontal line.

L B FRIEDMAN

11 June 2007

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

Slough Motor Company Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss 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,
- state whether applicable 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 maintaining proper accounting records which 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Slough Motor Company Limited
Independent auditors' report to the shareholders of Slough Motor Company Limited
For the year ended 30 November 2006

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.

Qualified opinion arising from disagreement about accounting treatment

As shown in note 15 to the accounts, deferred taxation has been provided on the revaluation of freehold properties. This is not in accordance with Financial Reporting Standard 19 'Deferred Tax' as the company has not entered into a binding agreement to sell the re-valued properties.

Except for the failure to comply with Financial Reporting Standard 19, 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 2006, and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

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
11 June 2007

Slough Motor Company Limited

Profit And Loss Account

for the year ended 30th November 2006

	<i>Note</i>	2006 £	2005 £
Turnover	<i>1</i>	51,002,345	53,314,977
Cost of sales		<u>40,523,657</u>	<u>43,911,946</u>
Gross profit		10,478,688	9,403,031
Distribution and administrative expenses	<i>2</i>	<u>9,975,181</u>	<u>9,641,049</u>
		503,507	(238,018)
Other income	<i>3</i>	<u>703</u>	<u>1,531</u>
Operating profit/(loss)		504,210	(236,487)
Interest payable	<i>4</i>	<u>247,092</u>	<u>352,918</u>
Profit/(loss) on ordinary activities before taxation	<i>5</i>	257,118	(589,405)
Taxation	<i>6</i>	<u>-</u>	<u>(8,632)</u>
Profit/(loss) for the financial year	<i>18</i>	<u><u>257,118</u></u>	<u><u>(598,037)</u></u>

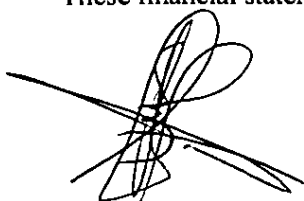
All the activities of the company are classed as continuing

Slough Motor Company Limited

Balance Sheet at 30th November 2006

	Note	£	2006 £	2005 £
Fixed assets				
Tangible assets	8		4,107,393	3,992,669
Current assets				
Stock	1	5,436,301		4,880,622
Debtors	9	2,300,615		2,494,210
Cash at bank and in hand		4,155		4,105
		<u>7,741,071</u>		<u>7,378,937</u>
Creditors				
Amounts falling due within one year	10	8,587,404		8,199,694
Net current liabilities			(846,333)	(820,757)
Total assets less current liabilities			3,261,060	3,171,912
Creditors				
Amounts falling due after more than one year	11	87,230		255,290
Loan from parent company	12	150,000		150,000
		<u>(237,320)</u>		<u>(405,290)</u>
Provision for liabilities and charges			3,023,740	2,766,622
Deferred taxation	15		(686,996)	(686,996)
Net assets			<u>2,336,744</u>	<u>2,079,626</u>
Capital and reserves				
Called up share capital	14		50,100	50,100
Revaluation reserve	15		1,602,991	1,602,991
Profit and loss account			683,653	426,535
Total shareholders' funds	18		<u>2,336,744</u>	<u>2,079,626</u>
Shareholders' funds are attributable to:				
Non-equity shareholders' funds			100	100
Equity shareholders' funds			2,336,644	2,079,526
			<u>2,336,744</u>	<u>2,079,626</u>

These financial statements were approved by the board of directors on 11 June 2007 and were signed on its behalf by



L B FRIEDMAN
Director

Slough Motor Company Limited

Cash Flow Statement

for the year ended 30th November 2006

	Note	£	2006 £	£	2005 £
Net cash inflow/(outflow) from operating activities	16		234,172		(214,754)
Returns on investment and servicing of finance					
Interest received	3	703		1,531	
Interest paid	4	(247,092)		(352,918)	
Net cash outflow from returns on investment and servicing of finance			(246,389)		(351,387)
Taxation					
Corporation tax received/(paid)			20,000		(33,903)
Capital expenditure					
Payments to acquire fixed assets		(412,226)		(194,495)	
Proceeds of sale of tangible fixed assets		7,500		-	
			(404,726)		(194,495)
Net cash outflow before financing	17		(396,943)		(794,539)
Financing					
Decrease in loans	17		(167,970)		(157,171)
Decrease in cash	17		(564,913)		(951,710)
Reconciliation of net cash flow to movement in net debt					
Decrease in cash in the year			(564,913)		(951,710)
Cash inflow from increase in debt			167,970		157,171
Movement in net debt in the year			(396,943)		(794,539)
Net debt at start of year			(2,099,857)		(1,305,318)
Net debt at end of year	17		(2,496,800)		(2,099,857)

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

Fixtures, fittings, plant and equipment	-	10% to 33 $\frac{1}{3}$ % 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 on revaluation of properties.

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.

2. Distribution and administrative expenses

	2006 £	2005 £
Distribution costs	6,915,000	6,813,642
Administrative expenses	3,060,181	2,827,407
	<u>9,975,181</u>	<u>9,641,049</u>

Slough Motor Company Limited

Notes (continued)

	2006 £	2005 £
3. Other income		
Interest	<u>703</u>	<u>1,531</u>
4. Interest payable		
Bank overdraft	80,977	63,160
Loans repayable within five years	<u>166,115</u>	<u>289,758</u>
	<u>247,092</u>	<u>352,918</u>
5. Profit/(loss) on ordinary activities		
This is stated after charging		
Auditors' remuneration	22,000	22,000
Operating lease charges		
Other	533,344	462,650
Depreciation and amounts written off tangible fixed assets	<u>284,904</u>	<u>325,484</u>
6. Tax on profit/(loss) on ordinary activities		
(a) Taxation		
Current tax		
UK corporation tax based on the results for the year at -% (2005 - -%)	-	-
(Over)/under provision in prior years	-	8,632
Total current tax	<u>-</u>	<u>8,632</u>
(b) Factors affecting current tax charge		
Profit/(loss) on ordinary activities before taxation	<u>257,118</u>	<u>(589,405)</u>
Tax at 30% (2005 - 30%)	77,135	(176,822)
Permanent timing differences	3,525	1,816
Other timing differences	(2,514)	17,995
Group relief	(8,963)	63,080
Other adjustments	<u>(69,183)</u>	<u>102,563</u>
Total current tax (6 (a))	<u>-</u>	<u>8,632</u>

Slough Motor Company Limited

Notes (continued)

	2006 £	2005 £
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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	32	33
Distribution	140	148
Administrative	40	44
	<u>212</u>	<u>225</u>

The aggregate payroll costs of these persons were as follows

£

£

Wages and salaries	5,223,721	5,200,080
Social security costs	593,393	580,150
Other pension costs	156,308	143,615
	<u>5,973,422</u>	<u>5,923,845</u>

8. Tangible assets

	Leasehold Improvements £	Freehold properties £	Fixtures, fittings, plant and equipment £	Total £
Cost or valuation				
At beginning of year	-	3,238,006	2,740,589	5,978,595
Additions	45,738	-	366,488	412,226
Disposals	-	-	(428,805)	(428,805)
At end of year	<u>45,738</u>	<u>3,238,006</u>	<u>2,678,272</u>	<u>5,962,016</u>
Depreciation				
At beginning of year	-	7,488	1,978,438	1,985,926
Provided this year	-	14,970	269,934	284,904
Disposals	-	-	(416,207)	(416,207)
At end of year	<u>-</u>	<u>22,458</u>	<u>1,832,165</u>	<u>1,854,623</u>
Net book values				
30 th November 2006	<u>45,738</u>	<u>3,215,548</u>	<u>846,107</u>	<u>4,107,393</u>
30 th November 2005	<u>-</u>	<u>3,230,518</u>	<u>762,151</u>	<u>3,992,669</u>

Slough Motor Company Limited

Notes (continued)

8. Tangible assets (continued)

Freehold properties comprise

	2006 £	2005 £
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	<u>1,107,438</u>	<u>1,107,438</u>
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All other tangible assets are stated at historical cost

9. Debtors

Trade debtors	453,916	503,414
Other debtors	2,902	3,459
Amounts owed by group undertakings	1,484,366	1,686,821
Prepayments and accrued income	359,431	300,516
	<u>2,300,615</u>	<u>2,494,210</u>

10. Creditors falling due within one year

Trade creditors	4,271,852	3,760,390
Other creditors	710	393
Social security and other taxes	338,358	576,614
Amounts owed to group undertakings	429,724	438,062
Accruals	1,105,824	1,568,262
Bank overdraft (secured - see note 13)	2,221,635	1,656,672
Term loans (secured - see note 13)	192,000	192,000
Corporation tax	27,301	7,301
	<u>8,587,404</u>	<u>8,199,694</u>

Slough Motor Company Limited

Notes (continued)

	2006 £	2005 £
11. Creditors falling due after more than one year		
Term loans (secured - see note 13)	87,320	255,290

12. 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 FRS 8 and has not reported transactions with other group companies.

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

13. Bank overdraft and loans

The aggregate amount of secured borrowings is as follows:

Falling due within five years		
Bank overdraft	2,221,635	1,656,672
Term loans	279,320	447,290
	<u>2,500,955</u>	<u>2,103,962</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	11,667
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14. 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)

	2006 £	2005 £
15. Revaluation reserve		
At 1 December 2005	2,289,987	216,524
Increase in year	-	2,073,463
Deferred tax	(686,996)	(686,996)
At 30 November 2006	<u>1,602,991</u>	<u>1,602,991</u>

There is no present intention of disposing of the re-valued properties

16. Reconciliation of operating profit/(loss) to net cash inflow from operating activities

Operating profit/(loss)	504,210	(236,487)
Rent and other operating income	(703)	(1,531)
Depreciation charges	290,002	325,484
(Increase)/decrease in stock	(555,679)	1,344,692
Decrease/(increase) in debtors	193,595	(430,765)
Decrease in creditors	(197,253)	(1,216,147)
	<u>234,172</u>	<u>(214,754)</u>

17. Analysis of net debt

	1-December 2005	Cashflow	30-November 2006
Cash at bank	4,105	50	4,155
Overdrafts	(1,656,672)	(564,963)	(2,221,635)
	<u>(1,652,567)</u>	<u>(564,913)</u>	<u>(2,217,480)</u>
Bank loans	(447,290)	167,970	(279,320)
Net debt	<u>(2,099,857)</u>	<u>(396,943)</u>	<u>(2,496,800)</u>

18. Statement of total recognised gains and losses

Profit/(loss) for the financial year	257,118	(598,037)
Re-valuation of freehold properties	-	1,386,467
Opening shareholders' funds	2,079,626	1,291,196
Closing shareholders' funds	<u>2,336,744</u>	<u>2,079,626</u>

19. 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

Slough Motor Company Limited

Notes (continued)

20. 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

	2006 £ Land and Buildings	2005 £ Land and Buildings
Within one year	24,060	47,233
In two to five years	223,500	5,500
After five years	241,567	413,000
	<u>489,127</u>	<u>465,733</u>