

**AUTOSMART HOLDINGS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

**Company Registration Number 05433031**

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**AUTOSMART HOLDINGS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 31 JANUARY 2013**

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<b>The board of directors</b>	Mr C A Ashton Mr C K Brain Ms S Atkinson
<b>Business address</b>	Lynn Lane Shenstone Lichfield Staffordshire WS13 0DH
<b>Registered office</b>	As above
<b>Auditor</b>	RSM Tenon Audit Limited Charterhouse Legge Street Birmingham B4 7EU
<b>Bankers</b>	Lloyds TSB Bank Plc 125 Colmore Row Birmingham B3 3SD
<b>Solicitors</b>	Keelys 28 Dam Street Lichfield Staffordshire WS13 6AA

# **AUTOSMART HOLDINGS LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 JANUARY 2013**

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The directors present their report and the financial statements of the group for the year ended 31 January 2013

#### **Principal activities and business review**

The principal activity of the group during the year was the manufacture and sales of vehicle valeting, cleaning and maintenance products, which are distributed to the automotive trade by an exclusive network of franchise owners

#### **Business Review**

In our review we aim to present a balanced and comprehensive report of our business' performance over the year to January 2013

#### **Sales**

Sales grew by 5% over the year with a notable increase in the third trimester. The increase was seen from all markets particularly the UK

#### **Profit**

We are pleased to have restored operating profits to 2008 levels at £3.2m

#### **Future developments**

We have bought a second site in May 2013 which will become our stock distribution hub and gives us double our current manufacturing capacity

#### **Key performance indicators**

Our business is built on the success of our individual franchise owners' success. Over 2012 a third of Autosmart franchise owners in all markets had their strongest performance so far, which has been very pleasing. During the year the Autosmart franchise owner in Edinburgh won the BFA's top award for Best British Franchisee, and we were also awarded the Coup de Coeur for Best Foreign Concept in France, by the French Franchise Federation

Our number of franchise owners in France increased by 40% over the year

#### **Principal risks and uncertainties**

The principal risks and uncertainties facing the group are the continued price volatility, and availability of raw materials

#### **Results and dividends**

The profit for the year, after taxation, amounted to £2,440,615. Particulars of dividends paid are detailed in note 11 to the financial statements

**AUTOSMART HOLDINGS LIMITED**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 31 JANUARY 2013**

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**Financial risk management objectives and policies**

**Price risk, credit risk, liquidity risk, and cash flow risk**

**Price risk**

We sell to our franchise owners on an exclusive basis. When we consider our pricing we think about market conditions and our franchise'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.

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

**AUTOSMART HOLDINGS LIMITED**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 31 JANUARY 2013**

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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.

In so far as the directors are, individually, aware

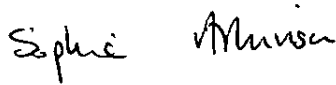
- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Donations**

During the year the company made the following contributions

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Charitable	<u>5,000</u>	<u>5,350</u>

Signed on behalf of the directors



Ms S Atkinson

Director

Approved by the directors on 7 June 2013

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

**YEAR ENDED 31 JANUARY 2013**

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We have audited the group and parent company financial statements ("the financial statements") of Autosmart Holdings Limited for the year ended 31 January 2013 on pages 7 to 23. 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**

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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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 January 2013 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

**YEAR ENDED 31 JANUARY 2013**

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**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

*RSM Tenon Audit Limited*

Richard Eccles, Senior Statutory Auditor  
For and on behalf of

RSM Tenon Audit Limited  
Statutory Auditor  
Charterhouse  
Legge Street  
Birmingham  
B4 7EU

*14 June 2013*

**AUTOSMART HOLDINGS LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 JANUARY 2013**

	Note	2013 £	2012 £
<b>Group turnover</b>	3	17,044,578	16,160,665
Cost of sales		(10,232,131)	(10,123,226)
<b>Gross profit</b>		<u>6,812,447</u>	<u>6,037,439</u>
Distribution costs		(153,719)	(162,982)
Administrative expenses		(3,648,842)	(3,455,724)
Other operating income	4	157,861	202,495
<b>Operating profit</b>	5	<u>3,167,747</u>	<u>2,621,228</u>
Interest receivable		58,666	55,197
Interest payable and similar charges	8	(10,143)	(41,588)
<b>Profit on ordinary activities before taxation</b>		<u>3,216,270</u>	<u>2,634,837</u>
Tax on profit on ordinary activities	9	(775,655)	(696,443)
<b>Profit for the financial year</b>	10	<u>2,440,615</u>	<u>1,938,394</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 23 form part of these financial statements



**AUTOSMART HOLDINGS LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**31 JANUARY 2013**

		2013		2012	
	Note	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		1,567,824		1,647,653
Tangible assets	13		1,244,226		1,169,511
			<u>2,812,050</u>		<u>2,817,164</u>
<b>Current assets</b>					
Stocks	15	1,179,587		1,229,558	
Debtors	16	2,109,029		1,998,535	
Cash at bank		5,503,682		4,192,595	
			<u>8,792,298</u>	<u>7,420,688</u>	
<b>Creditors: Amounts falling due within one year</b>	18	(2,959,531)		(3,361,297)	
<b>Net current assets</b>			5,832,767		4,059,391
<b>Total assets less current liabilities</b>			<u>8,644,817</u>		<u>6,876,555</u>
<b>Creditors: Amounts falling due after more than one year</b>	19		—		(499,791)
			<u>8,644,817</u>		<u>6,376,764</u>
<b>Capital and reserves</b>					
Called-up share capital	24		503,359		503,359
Share premium account	25		73,806		73,806
Share options reserve	25		—		1,152,897
Other reserves	25		75,213		75,213
Profit and loss account	25		7,992,439		4,571,489
<b>Shareholders' funds</b>	25		<u>8,644,817</u>		<u>6,376,764</u>

These financial statements were approved by the directors and authorised for issue on 7 June 2013 and are signed on their behalf by

*Sophie Atkinson*  
Ms S Atkinson  
Director

The notes on pages 11 to 23 form part of these financial statements

**AUTOSMART HOLDINGS LIMITED**

Registered Number 05433031

**COMPANY BALANCE SHEET****31 JANUARY 2013**

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Investments	14	10,691,452	10,691,452
<b>Current assets</b>			
Debtors	16	—	3,000
Cash at bank		9,105	5,456
		<u>9,105</u>	<u>8,456</u>
<b>Creditors Amounts falling due within one year</b>	18	<u>—</u>	<u>(6,166,100)</u>
<b>Net current liabilities</b>		9,105	(6,157,644)
<b>Total assets less current liabilities</b>		<u>10,700,557</u>	<u>4,533,808</u>
<b>Creditors Amounts falling due after more than one year</b>	19	<u>—</u>	<u>(499,791)</u>
		<u>10,700,557</u>	<u>4,034,017</u>
<b>Capital and reserves</b>			
Called-up share capital	24	503,359	503,359
Share premium account	25	73,806	73,806
Share options reserve	25	—	1,152,897
Other reserves	25	75,213	75,213
Profit and loss account	25	10,048,179	2,228,742
<b>Shareholders' funds</b>		<u>10,700,557</u>	<u>4,034,017</u>

These financial statements were approved by the directors and authorised for issue on 7th June 2013 and are signed on their behalf by

*Sophie Atkinson*

Ms S Atkinson  
Director

The notes on pages 11 to 23 form part of these financial statements

**AUTOSMART HOLDINGS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31 JANUARY 2013**

		2013		2012	
	Note	£	£	£	£
<b>Net cash inflow from operating activities</b>	26		3,508,928		3,313,491
<b>Returns on investments and Servicing of finance</b>					
Dividend to minority interest		(619,194)			
Interest received		58,666		55,197	
Interest paid		<u>(10,143)</u>		<u>(41,588)</u>	
<b>Net cash inflow from returns on investments and servicing of finance</b>			(570,671)		13,609
<b>Taxation</b>			(788,314)		(528,332)
<b>Capital expenditure</b>					
Payments to acquire intangible fixed assets		(119,982)		(49,651)	
Payments to acquire tangible fixed assets		(394,890)		(341,188)	
Receipts from sale of fixed assets		<u>175,807</u>		<u>244,748</u>	
<b>Net cash outflow from capital expenditure</b>			(339,065)		(146,091)
<b>Equity dividends paid</b>			-		(444,908)
<b>Cash inflow before financing</b>			<u>1,810,878</u>		<u>2,207,769</u>
<b>Financing</b>					
Repayment of bank loans		(499,791)		(10,586)	
<b>Net cash outflow from financing</b>			(499,791)		(10,586)
<b>Increase in cash</b>			<u>1,311,087</u>		<u>2,197,183</u>
<b>Reconciliation of net cash flow to movement in net funds</b>					
		2013		2012	
		£	£	£	£
Increase in cash in the period		1,311,087		2,197,183	
Net cash outflow from bank loans		<u>499,791</u>		<u>10,586</u>	
Change in net funds	26		<u>1,810,878</u>		<u>2,207,769</u>
Net funds at 1 February 2012	26		3,692,804		1,485,035
Net funds at 31 January 2013	26		<u>5,503,682</u>		<u>3,692,804</u>

The notes on pages 11 to 23 form part of these financial statements

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2013**

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**1 Accounting policies**

**Basis of accounting**

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

**Basis of consolidation**

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. The acquisition method of accounting is adopted. The results of the companies acquired or disposed are included in the consolidated profit and loss account after or up to the date that control passes respectively. 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**

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year.

**Research and development**

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can be reasonably regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

**Goodwill**

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 changes in circumstances indicate that the carrying value may not be recoverable.

**Amortisation**

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 - 5 & 10% Straight line basis respectively  
Territories are disclosed at their carrying value which is reviewed annually by the directors.

**Tangible fixed assets**

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 2013**

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**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

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

Freehold land and buildings are not depreciated. It is the group's policy to maintain these assets in a good state of repair to carry out impairment review in accordance with the provisions of FRS 15

**Stocks**

Stock is valued at the lower 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 2013**

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**1 Accounting policies (continued)**

**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 group after deducting all of its liabilities.

**Fixed asset investments**

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

**2 Restatement of the prior year costs**

During the year the directors have considered the allocation of costs in the profit and loss account and decided to reclassify certain subsidies from distribution costs to turnover. This has resulted in prior year turnover increasing by £736,206 and distribution costs reducing by the same amount. This has no impact on profit before tax or net assets.

**3 Turnover**

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

An analysis of turnover is given below:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
United Kingdom	12,627,597	11,982,844
Sales - Europe	4,030,565	3,867,360
Sales - Rest of the world	386,416	310,461
	<u>17,044,578</u>	<u>16,160,665</u>

**4. Other operating income**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Rent receivable	846	546
Franchisee fees	157,015	201,949
	<u>157,861</u>	<u>202,495</u>

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2013**

**5. Operating profit**

Operating profit is stated after charging/(crediting)

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Amortisation of intangible assets	147,147	122,365
Research and development costs	212,029	159,556
Depreciation of owned fixed assets	233,502	253,982
Profit on disposal of fixed assets	(36,470)	(40,652)
Operating lease costs		
- Plant and machinery	16,831	23,813
Net loss/(profit) on foreign currency translation	4,697	(8,181)
Auditor's remuneration - audit of the financial statements	1,350	2,500
Auditor's remuneration - other fees	<u>52,650</u>	<u>11,355</u>
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration - audit of the financial statements	<u>1,350</u>	<u>2,500</u>
Auditor's remuneration - other fees		
- Taxation services	40,000	-
- Auditor's remuneration - group	<u>12,650</u>	<u>11,355</u>
	<u>52,650</u>	<u>11,355</u>

**6 Particulars of employees**

The average number of staff employed by the group during the financial year amounted to

	<b>2013</b>	<b>2012</b>
	<b>No</b>	<b>No</b>
Number of production staff	39	37
Number of sales staff	19	17
Number of administrative staff	<u>45</u>	<u>44</u>
	<u>103</u>	<u>98</u>

The aggregate payroll costs of the above were

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,955,144	2,828,816
Social security costs	345,369	286,109
Other pension costs	<u>267,775</u>	<u>254,309</u>
	<u>3,568,288</u>	<u>3,369,234</u>

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2013**

**7 Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services were

	<b>2013</b>	<i>2012</i>
	<b>£</b>	<b>£</b>
Remuneration receivable	204,128	231,861
Value of company pension contributions to money purchase schemes	74,261	68,175
	<u>278,389</u>	<u>300,036</u>

**Remuneration of highest paid director**

	<b>2013</b>	<i>2012</i>
	<b>£</b>	<b>£</b>
Total remuneration (excluding pension contributions)	76,379	74,114
Value of company pension contributions to money purchase schemes	12,130	45,000
	<u>88,509</u>	<u>119,114</u>

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

	<b>2013</b>	<i>2012</i>
	<b>No</b>	<b>No</b>
Money purchase schemes	<u>3</u>	<u>3</u>

**8 Interest payable and similar charges**

	<b>2013</b>	<i>2012</i>
	<b>£</b>	<b>£</b>
Other similar charges payable	<u>10,143</u>	<u>41,588</u>

**9 Taxation on ordinary activities**

**(a) Analysis of charge in the year**

	<b>2013</b>		<i>2012</i>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
In respect of the year				
UK Corporation tax		735,333		695,375
(Over)/under provision in prior year		10,807		2,233
		<u>746,140</u>		<u>697,608</u>
Deferred tax				
Origination and reversal of timing differences	29,515		(1,165)	
Total deferred tax (note 17)		<u>29,515</u>		<u>(1,165)</u>
Tax on profit on ordinary activities		<u>775,655</u>		<u>696,443</u>



**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2013**

**9 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 24 33% (2012 - 26 32%)

	2013 £	2012 £
Profit on ordinary activities before taxation	3,216,270	2,634,837
Profit on ordinary activities by rate of tax	782,752	693,489
Effects of		
Expenses not deductible for tax purposes	10,993	8,418
Capital allowances for period in excess of depreciation	(2,635)	(8,970)
Group relief claimed before payment	-	(10,917)
Adjustments to tax charge in respect of previous periods	10,807	544
Other adjustments	29,592	41,723
Research and development relief	(62,349)	(40,328)
Short term timing differences	(23,020)	14,108
Income not taxable for tax purposes	-	(459)
Total current tax (note 9(a))	746,140	697,608

**(c) Factors that may affect future tax charges**

The UK Government has proposed that the corporation tax rate will decrease to 21% by 1 April 2014. This will affect the future cash payments to be made by the company.

A deferred tax asset in respect of capital losses of £1.2m has not been recognised on the grounds that it is more likely than not that sufficient future profits will arise to enable the asset to be recovered.

**10 Profit attributable to members of the parent company**

The profit dealt with in the financial statements of the parent company was £6,219,908 (2012 - £(41,476)).

**11 Dividends**

**Equity dividends**

	2013 £	2012 £
Paid during the year		
Dividends paid to minority interests	619,194	-
Proposed at the period-end		
Dividends on equity shares	-	566,356

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2013**

**12 Intangible fixed assets**

Group	Goodwill £	Trade marks and territories £	Total £
<b>Cost</b>			
At 1 February 2012	2,205,647	304,942	2,510,589
Additions	–	119,982	119,982
Disposals	–	(65,729)	(65,729)
At 31 January 2013	<u>2,205,647</u>	<u>359,195</u>	<u>2,564,842</u>
<b>Amortisation</b>			
At 1 February 2012	569,790	293,146	862,936
Charge for the year	110,282	36,865	147,147
On disposals	–	(13,065)	(13,065)
At 31 January 2013	<u>680,072</u>	<u>316,946</u>	<u>997,018</u>
<b>Net book value</b>			
At 31 January 2013	<u>1,525,575</u>	<u>42,249</u>	<u>1,567,824</u>
At 31 January 2012	<u>1,635,857</u>	<u>11,796</u>	<u>1,647,653</u>

**13 Tangible fixed assets**

Group	Freehold land and buildings £	Plant & Machinery £	Equipment, vans and containers £	Total £
<b>Cost</b>				
At 1 February 2012	643,379	2,298,707	1,087,136	4,029,222
Additions	–	178,292	216,598	394,890
Disposals	–	(55,116)	(111,561)	(166,677)
At 31 January 2013	<u>643,379</u>	<u>2,421,883</u>	<u>1,192,173</u>	<u>4,257,435</u>
<b>Depreciation</b>				
At 1 February 2012	–	1,993,490	866,221	2,859,711
Charge for the year	–	126,477	107,025	233,502
On disposals	–	(17,825)	(62,179)	(80,004)
At 31 January 2013	<u>–</u>	<u>2,102,142</u>	<u>911,067</u>	<u>3,013,209</u>
<b>Net book value</b>				
At 31 January 2013	<u>643,379</u>	<u>319,741</u>	<u>281,106</u>	<u>1,244,226</u>
At 31 January 2012	<u>643,379</u>	<u>305,217</u>	<u>220,915</u>	<u>1,169,511</u>

Freehold land and buildings of £643,379 (2012 £643,379) are not depreciated

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**14 Investments**

<b>Company</b>	<b>Group companies £</b>
<b>Cost</b>	
At 1 February 2012 and 31 January 2013	<u>10,691,452</u>
<b>Net book value</b>	
At 31 January 2013 and 31 January 2012	<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

<b>Name</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	<b>Nature of business</b>
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

**15. Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raw materials	632,316	686,411	—	—
Finished goods	547,271	543,147	—	—
	<u>1,179,587</u>	<u>1,229,558</u>	<u>—</u>	<u>—</u>

**16 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	1,886,325	1,702,703	—	—
Other debtors	140,102	164,461	—	3,000
Deferred taxation (Note 17)	19,650	49,165	—	—
Prepayments and accrued income	62,952	82,206	—	—
	<u>2,109,029</u>	<u>1,998,535</u>	<u>—</u>	<u>3,000</u>

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

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other debtors	<u>23,241</u>	<u>43,840</u>	<u>—</u>	<u>—</u>

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**17 Deferred taxation**

The movement in the deferred taxation asset during the year was

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Asset brought forward	49,165	48,000	-	-
(Decrease)/Increase in asset	(29,515)	1,165	-	-
Asset carried forward	<u>19,650</u>	<u>49,165</u>	<u>-</u>	<u>-</u>

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

<b>Group</b>	<b>2013</b>		<b>2012</b>	
	<b>Provided</b>	<b>Unprovided</b>	<b>Provided</b>	<b>Unprovided</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Excess of depreciation over taxation allowances	11,888	-	1,165	-
Other timing differences	<u>7,762</u>	<u>-</u>	<u>48,000</u>	<u>-</u>
	<u>19,650</u>	<u>-</u>	<u>49,165</u>	<u>-</u>

**18 Creditors Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	1,136,875	1,356,539	-	-
Amounts owed to group undertakings	-	-	-	5,719,468
Dividends payable	-	446,632	-	446,632
Other creditors including taxation and social security				
Corporation tax	303,200	345,374	-	-
PAYE and social security	64,605	65,847	-	-
VAT	171,591	124,078	-	-
Other creditors	339,292	306,778	-	-
Accruals and deferred income	943,968	716,049	-	-
	<u>2,959,531</u>	<u>3,361,297</u>	<u>-</u>	<u>6,166,100</u>

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**19 Creditors Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	—	499,791	—	499,791

Interest on the loan was calculated at 2.75% above the Bank's base rate

Interest on the loans were repayable in arrears on a quarterly basis

The company has a cross guarantee in place with Autosmart International Limited and Autosmart Group Limited

Should a bank borrowing occur they are secured on the freehold property of Autosmart International Limited

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	—	499,791	—	499,791

**20 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 £267,775 (2012: £254,309).

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

**21 Share-based payments**

The group and the company have applied the requirements of FRS 20 "Share-based payments". In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 May 2005. The parent company, Autosmart Holdings Limited, issues equity-settled share-based payments to certain employees of the company, Autosmart International Limited. Equity-settled share-based payments are measured at fair value determined at the grant date and they are expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Fair value is measured by use of maintainable earning method.

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**22 Commitments under operating leases**

At 31 January 2013 the group had annual commitments under non-cancellable operating leases as set out below

Group	<i>Assets other than Land and buildings</i>	
	2013 £	2012 £
Operating leases which expire		
Within 1 year	17,115	22,203
Within 2 to 5 years	51,801	60,273
	<u>68,916</u>	<u>82,476</u>

**23. Related party transactions**

During the period, Autosmart International Ltd paid a dividend of £622,803 on a B share held by a Trust whose main beneficiaries are Autosmart Holdings Limited and its shareholders

**Controlling entity**

The company is controlled by S Atkinson

**24 Share capital**

**Allotted, called up and fully paid**

	2013		2012	
	No	£	No	£
318,215 Ordinary A shares of £1 each	318,215	318,215	318,215	318,215
185,144 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>

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**25 Reconciliation of shareholders' funds and movement on reserves**

<b>Group</b>	<b>Share capital £</b>	<b>Share premium account £</b>	<b>Capital redemption reserve £</b>	<b>Share options reserve £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' funds £</b>
Balance brought forward	503,359	73,806	75,213	1,152,897	3,199,451	5,004,726
Profit for the year	—	—	—	—	1,938,394	1,938,394
Equity dividends	—	—	—	—	(566,356)	(566,356)
Balance brought forward	503,359	73,806	75,213	1,152,897	4,571,489	6,376,764
Profit for the year	—	—	—	—	2,440,615	2,440,615
Dividend to minority interests	—	—	—	—	(619,194)	(619,194)
Dividend	—	—	—	—	446,632	446,632
Transfer	—	—	—	(1,152,897)	1,152,897	—
Balance carried forward	503,359	73,806	75,213	—	7,992,439	8,644,817
<b>Company</b>	<b>Share capital £</b>	<b>Share premium account £</b>	<b>Capital redemption reserve £</b>	<b>Share options reserve £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' funds £</b>
Balance brought forward	503,359	73,806	75,213	1,152,897	2,836,574	4,641,849
Loss for the year	—	—	—	—	(41,476)	(41,476)
Equity dividends	—	—	—	—	(566,356)	(566,356)
Balance brought forward	503,359	73,806	75,213	1,152,897	2,228,742	4,034,017
Profit for the year	—	—	—	—	6,219,908	6,219,908
Dividend	—	—	—	—	446,632	446,632
Transfer	—	—	—	(1,152,897)	1,152,897	—
Balance carried forward	503,359	73,806	75,213	—	10,048,179	10,700,557

The dividend recorded in the prior year is no longer a liability to the company and therefore has been credited to the profit and loss account reserve

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**26. Notes to the cash flow statement**

**Reconciliation of operating profit to net cash inflow from operating activities**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Operating profit	3,167,747	2,621,228
Amortisation	147,147	145,159
Depreciation	233,502	253,982
Profit on disposal of fixed assets	(36,470)	(40,652)
Decrease/(increase) in stocks	49,971	(64,235)
(Increase)/decrease in debtors	(140,009)	42,152
Increase in creditors	87,040	355,857
Net cash inflow from operating activities	<u>3,508,928</u>	<u>3,313,491</u>

**Analysis of changes in net funds**

	<b>At 1 February 2012 £</b>	<b>Cash flows £</b>	<b>At 31 January 2013 £</b>
Net cash			
Cash in hand and at bank	<u>4,192,595</u>	<u>1,311,087</u>	<u>5,503,682</u>
Debt			
Debt due after 1 year	<u>(499,791)</u>	<u>499,791</u>	<u>—</u>
Net funds	<u>3,692,804</u>	<u>1,810,878</u>	<u>5,503,682</u>