

M.M. Acquisitions Limited

Director's Report and Financial Statements

for the Year Ended 30 September 2012

Harrison Salmon Management Services Limited
Chartered Certified Accountants & Registered Auditors
7 Towngate
Leyland
Preston
Lancashire
PR25 2EN

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M.M. Acquisitions Limited
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M.M. Acquisitions Limited
Company Information

Director	Mr J Murphy
Company secretary	Mr J Murphy
Registered office	Corner View Fowler Lane Farington South Leyland Lancashire PR5 3RH
Bankers	NatWest Wigan Branch 4 Standishgate Wigan Lancashire WN1 1UJ
Auditors	Harrison Salmon Management Services Limited Chartered Certified Accountants & Registered Auditors 7 Towngate Leyland Preston Lancashire PR25 2EN

M.M. Acquisitions Limited
Director's Report for the Year Ended 30 September 2012

The director presents his report and the financial statements for the year ended 30 September 2012

Director of the company

The director who held office during the year was as follows

Mr J Murphy

Principal activity

The principal activity of the company is the buying and selling of commercial vehicles

Business review

Fair review of the business

Turnover of the business in 2011 was £8,836,806 it has decreased to £6,994,282 The profit before tax has also decreased in line with sales from £102,996 to £74,404

Principal risks and uncertainties

The business' activities expose it primarily to the financial risks of changes in the foreign currency exchange rates and the economic climate

Financial instruments

Objectives and policies

The management is aware of financial risk and has minimised this through its operations by moving out of a market sector, the objectives and policies of the company are clear and concise

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

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors and finance lease agreements The main purpose of these instruments is to finance the business' operations

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest All of the business' cash balances are held in such a way the achieves a competitive rate of interest The business makes use of money market facilities where funds are available

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amount outstanding for both time and credit limits The amounts presented in the balance sheet are net of allowances for doubtful debtors

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

The business is a lease in respect of finance leased assets Teh liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments

Disclosure of information to the auditors

The director has taken 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 The director confirms that there is no relevant information that he knows of and which he knows the auditors are unaware of

Approved by the Board on 31 May 2013 and signed on its behalf by

M.M. Acquisitions Limited
Director's Report for the Year Ended 30 September 2012

..... continued



Mr J Murphy
Director

M.M. Acquisitions Limited
Statement of Director's Responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they 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 director is required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Independent Auditor's Report to the Members of M.M. Acquisitions Limited

We have audited the financial statements of M M Acquisitions Limited for the year ended 30 September 2012, set out on pages 7 to 17. 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 Statement of Director's Responsibilities (set out on page 4), the director is 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 (APB'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 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 Director's 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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2012 and of its 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 matter prescribed by the Companies Act 2006

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

**Independent Auditor's Report to the Members of
M.M. Acquisitions 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

Harris Saly - Management Services Limited

Mrs Karen Richardson (Senior Statutory Auditor)

For and on behalf of Harrison Salmon Management Services Limited, Statutory Auditor

7 Towngate
Leyland
Preston
Lancashire
PR25 2EN

31 May 2013

M.M. Acquisitions Limited
Profit and Loss Account for the Year Ended 30 September 2012

	Note	2012 £	2011 £
Turnover	2	6,994,282	8,836,806
Cost of sales		<u>(6,363,100)</u>	<u>(8,174,294)</u>
Gross profit		631,182	662,512
Distribution costs		(196,963)	(150,463)
Administrative expenses		<u>(359,111)</u>	<u>(392,173)</u>
Operating profit	3	75,108	119,876
Other interest receivable and similar income	6	629	64
Interest payable and similar charges	7	<u>(1,976)</u>	<u>(16,944)</u>
Profit on ordinary activities before taxation		73,761	102,996
Tax on profit on ordinary activities	8	<u>(62,804)</u>	<u>(37,695)</u>
Profit for the financial year	17	<u>10,957</u>	<u>65,301</u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

M.M. Acquisitions Limited
(Registration number: 02818596)
Balance Sheet at 30 September 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible fixed assets	9	<u>411,963</u>	<u>425,362</u>
Current assets			
Stocks	10	1,688,055	1,956,527
Debtors	11	601,794	1,126,022
Cash at bank and in hand		<u>132,639</u>	<u>25,659</u>
		2,422,488	3,108,208
Creditors Amounts falling due within one year	12	<u>(1,205,246)</u>	<u>(1,801,253)</u>
Net current assets		<u>1,217,242</u>	<u>1,306,955</u>
Total assets less current liabilities		1,629,205	1,732,317
Creditors Amounts falling due after more than one year	13	-	(21,288)
Provisions for liabilities	14	<u>(9,201)</u>	<u>(14,441)</u>
Net assets		<u>1,620,004</u>	<u>1,696,588</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account	17	<u>1,619,904</u>	<u>1,696,487</u>
Shareholders' funds	18	<u>1,620,004</u>	<u>1,696,587</u>

Approved by the director on 31 May 2013


Mr J Murphy
Director

M.M. Acquisitions Limited
Cash Flow Statement for the Year Ended 30 September 2012

Reconciliation of operating profit to net cash flow from operating activities

	2012 £	2011 £
Operating profit	75,108	119,876
Depreciation, amortisation and impairment charges	24,883	29,405
Profit on disposal of fixed assets	-	(5,210)
Decrease/(increase) in stocks	268,472	(397,233)
Decrease in debtors	388,170	34,778
(Decrease)/increase in creditors	<u>(819,892)</u>	<u>685,687</u>
Net cash (outflow)/inflow from operating activities	<u><u>(63,259)</u></u>	<u><u>467,303</u></u>

Cash flow statement

	2012 £	2011 £
Net cash (outflow)/inflow from operating activities	<u>(63,259)</u>	<u>467,303</u>
Returns on investments and servicing of finance		
Interest received	629	64
Interest paid	<u>(1,976)</u>	<u>(16,944)</u>
	<u>(1,347)</u>	<u>(16,880)</u>
Taxation received/(paid)	<u>87,844</u>	<u>(156,385)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(11,484)	(6,851)
Sale of tangible fixed assets	<u>-</u>	<u>60,000</u>
	<u>(11,484)</u>	<u>53,149</u>
Equity dividends paid	<u>(87,541)</u>	<u>(251,500)</u>
Net cash (outflow)/inflow before management of liquid resources and financing	<u>(75,787)</u>	<u>95,687</u>
Financing		
Repayment of capital element of finance leases and HP contracts	<u>(23,334)</u>	<u>(23,333)</u>
(Decrease)/increase in cash	<u><u>(99,121)</u></u>	<u><u>72,354</u></u>

M.M. Acquisitions Limited

Cash Flow Statement for the Year Ended 30 September 2012

..... continued

Reconciliation of net cash flow to movement in net debt

	Note	2012 £	2011 £
(Decrease)/increase in cash		(99,121)	72,354
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>23,334</u>	<u>23,333</u>
Change in net debt resulting from cash flows		<u>(75,787)</u>	<u>95,687</u>
 Movement in net debt		 (75,787)	 95,687
Net debt at 1 October		<u>(322,943)</u>	<u>(418,630)</u>
Net debt at 30 September		<u><u>(398,730)</u></u>	<u><u>(322,943)</u></u>

M.M. Acquisitions Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Asset class	Depreciation method and rate
Property	2% Straight line basis
Fixtures and fittings	25% Reducing balance basis
Motor vehicles	25% Reducing balance basis

Stock

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

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences 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 currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Hire purchase and leasing

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

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

M.M. Acquisitions Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

..... continued

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

2 Turnover

During the year 34.07% of the company's turnover related to exports (2011 - 9.19%).

An analysis of turnover by geographical location is given below:

	2012 £	2011 £
Sales - UK	4,611,543	8,025,031
Sales - Europe	363,650	728,128
Sales - Rest of world	2,019,089	83,647
	<u>6,994,282</u>	<u>8,836,806</u>

An analysis of turnover by class of business is given below:

	2012 £	2011 £
Business segment 1	6,994,282	8,836,806
	<u>6,994,282</u>	<u>8,836,806</u>

3 Operating profit

Operating profit is stated after charging:

	2012 £	2011 £
Operating leases - other assets	9,917	11,000
Auditor's remuneration - The audit of the company's annual accounts	3,995	3,995
Foreign currency losses/(gains)	6,590	(395)
Profit on sale of tangible fixed assets	-	(5,210)
Depreciation of owned assets	24,883	29,405
Hire purchase interest	1,866	1,866

M.M. Acquisitions Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

..... continued

4 Particulars of employees

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows

2012 No.	2011 No.
-------------	-------------

The aggregate payroll costs were as follows

2012 £	2011 £
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Wages and salaries	139,060	133,835
Social security costs	15,213	15,221
	<u>154,273</u>	<u>149,056</u>

5 Director's remuneration

The director's remuneration for the year was as follows

2012 £	2011 £
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Remuneration	2,750	-
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6 Other interest receivable and similar income

2012 £	2011 £
-----------	-----------

Bank interest receivable	21	64
Other interest receivable	608	-
	<u>629</u>	<u>64</u>

7 Interest payable and similar charges

2012 £	2011 £
-----------	-----------

Interest on bank borrowings	1,976	16,944
	<u>1,976</u>	<u>16,944</u>

M.M. Acquisitions Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

..... continued

8 Taxation

Tax on profit on ordinary activities

	2012 £	2011 £
Current tax		
Corporation tax charge	68,043	24,526
Deferred tax		
Origination and reversal of timing differences	(5,239)	13,169
Total tax on profit on ordinary activities	<u>62,804</u>	<u>37,695</u>

9 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 October 2011	467,102	169,973	6,000	643,075
Additions	10,312	1,172	-	11,484
At 30 September 2012	<u>477,414</u>	<u>171,145</u>	<u>6,000</u>	<u>654,559</u>
Depreciation				
At 1 October 2011	101,907	110,194	5,612	217,713
Charge for the year	9,548	15,238	97	24,883
At 30 September 2012	<u>111,455</u>	<u>125,432</u>	<u>5,709</u>	<u>242,596</u>
Net book value				
At 30 September 2012	<u>365,959</u>	<u>45,713</u>	<u>291</u>	<u>411,963</u>
At 30 September 2011	<u>365,195</u>	<u>59,779</u>	<u>388</u>	<u>425,362</u>

10 Stocks

	2012 £	2011 £
Stocks	<u>1,688,055</u>	<u>1,956,527</u>

M.M. Acquisitions Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

..... continued

11 Debtors

	2012 £	2011 £
Trade debtors	157,628	184,898
Amounts owed by group undertakings	33,843	-
Other debtors	377,243	570,446
Prepayments and accrued income	33,080	370,678
	<u>601,794</u>	<u>1,126,022</u>

12 Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	534,158	1,060,199
Bank loans and overdrafts	510,081	303,980
Obligations under finance lease and hire purchase contracts	21,288	23,334
Amounts owed to group undertakings	-	163,320
Corporation tax	19,829	-
Other taxes and social security	5,314	2,509
Other creditors	59,005	83,785
Directors' current accounts	1,175	18
Accruals and deferred income	54,396	164,108
	<u>1,205,246</u>	<u>1,801,253</u>

13 Creditors: Amounts falling due after more than one year

	2012 £	2011 £
Obligations under finance lease and hire purchase contracts	-	21,288

Obligations under finance leases and HP contracts

Amounts repayable:

	2012 £	2011 £
In one year or less on demand	21,288	23,334
Between one and two years	-	21,288
	<u>21,288</u>	<u>44,622</u>

M.M. Acquisitions Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

..... continued

14 Provisions

	Deferred tax £	Total £
At 1 October 2011	-	-
Charged to the profit and loss account	9,201	9,201
At 30 September 2012	9,201	9,201

Analysis of deferred tax

	2012 £	2011 £
Difference between accumulated depreciation and amortisation and capital allowances	-	60,172

15 Share capital

Allotted, called up and fully paid shares

	2012		2011	
	No.	£	No.	£
Ordinary of £1 each	100	100	100	100

16 Dividends

	2012 £	2011 £
Dividends paid		
Prior year final dividend paid	87,541	251,500

17 Reserves

	Profit and loss account £	Total £
At 1 October 2011	1,696,488	1,696,488
Profit for the year	10,957	10,957
Dividends	(87,541)	(87,541)
At 30 September 2012	1,619,904	1,619,904

M.M. Acquisitions Limited

Notes to the Financial Statements for the Year Ended 30 September 2012

..... *continued*

18 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Profit attributable to the members of the company	10,957	65,301
Dividends	<u>(87,541)</u>	<u>(251,500)</u>
Net reduction to shareholders' funds	(76,584)	(186,199)
Shareholders' funds at 1 October	<u>1,696,588</u>	<u>1,882,786</u>
Shareholders' funds at 30 September	<u><u>1,620,004</u></u>	<u><u>1,696,587</u></u>

19 Control

The company is controlled by the director who owns 100% of the called up share capital

M.M. Acquisitions Limited
Detailed Profit and Loss Account for the Year Ended 30 September 2012

	2012		2011	
	£	£	£	£
Turnover (analysed below)		6,994,282		8,836,806
Cost of sales (analysed below)		<u>(6,363,100)</u>		<u>(8,174,294)</u>
Gross profit		631,182		662,512
Distribution costs (analysed below)		(196,963)		(150,463)
Administrative expenses				
Employment costs (analysed below)	(207,351)		(226,648)	
Establishment costs (analysed below)	(67,509)		(78,365)	
General administrative expenses (analysed below)	(42,169)		(54,871)	
Finance charges (analysed below)	(17,199)		(8,094)	
Depreciation costs (analysed below)	<u>(24,883)</u>		<u>(24,195)</u>	
		(359,111)		(392,173)
Other interest receivable and similar income (analysed below)		629		64
Interest payable and similar charges (analysed below)		<u>(1,976)</u>		<u>(16,944)</u>
Profit on ordinary activities before taxation		<u><u>73,761</u></u>		<u><u>102,996</u></u>

M.M. Acquisitions Limited

Detailed Profit and Loss Account for the Year Ended 30 September 2012

	2012 £	2011 £
Turnover		
Sales, UK	4,611,543	8,025,031
Sales - type 1, Europe	363,650	728,128
Sales - type 1, rest of world	2,019,089	83,647
	<u>6,994,282</u>	<u>8,836,806</u>
Cost of sales		
Opening stock	1,956,527	1,559,294
Purchases	5,732,960	8,165,514
Direct costs	361,668	406,013
Closing stock	(1,688,055)	(1,956,527)
	<u>6,363,100</u>	<u>8,174,294</u>
Distribution costs		
Freight and carriage	194,755	142,782
Motor expenses	2,208	7,681
	<u>196,963</u>	<u>150,463</u>
Employment costs		
Wages and salaries	136,310	133,835
Staff NIC (Employers)	15,213	15,221
Directors remuneration	2,750	-
Commissions payable	51,850	73,254
Staff training	500	-
Travelling	728	4,338
	<u>207,351</u>	<u>226,648</u>
Establishment costs		
Rent	9,917	11,000
Rates	11,972	10,285
Light, heat and power	1,744	3,095
Insurance	7,250	1,041
Repairs and maintenance	36,626	52,944
	<u>67,509</u>	<u>78,365</u>

M.M. Acquisitions Limited

Detailed Profit and Loss Account for the Year Ended 30 September 2012

..... continued

	2012 £	2011 £
General administrative expenses		
Telephone and fax	7,383	9,758
Computer software and maintenance costs	1,245	1,458
Printing, postage and stationery	5,214	5,457
Trade subscriptions	4,761	4,506
Sundry expenses	8,235	12,184
Accountancy fees	8,052	7,735
Auditor's remuneration	3,995	3,995
Legal and professional fees	124	6,845
Customer entertaining (disallowable for tax)	260	2,933
Bad debts written off	2,900	-
	<u>42,169</u>	<u>54,871</u>
Finance charges		
Bank charges	8,743	6,623
Hire purchase interest	1,866	1,866
Foreign currency (gains)/losses	6,590	(395)
	<u>17,199</u>	<u>8,094</u>
Depreciation costs		
Depreciation of freehold property	9,548	9,342
Depreciation of fixtures and fittings	15,238	19,934
Depreciation of motor vehicles	97	129
(Profit)/loss on disposal of tangible fixed assets	-	(5,210)
	<u>24,883</u>	<u>24,195</u>
Other interest receivable and similar income		
Bank interest receivable	21	64
Other interest receivable	608	-
	<u>629</u>	<u>64</u>
Interest payable and similar charges		
Bank interest payable	1,976	16,944
	<u>1,976</u>	<u>16,944</u>