

LMC Automotive Forecasting Limited *(formerly JD Power
Automotive Forecasting U.K. Limited)*

Report and Financial Statements

31 October 2011

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COMPANIES HOUSE

Registered No 04189385

LMC Automotive Forecasting Limited (formerly JD Power Automotive
Forecasting U K Limited)

Registered No 04189385

Directors

P Kelly	(appointed on 1 November 2011)
M R Todd	(appointed on 1 November 2011)
M Phillips	(appointed on 1 November 2011)
R N T Simmons	(appointed on 1 November 2011)
G Goldberg	(resigned on 1 November 2011)
J P Hauben	(resigned on 1 November 2011)
P J Sansom	(resigned on 1 November 2011)

Secretary

A B T Montague (resigned on 1 November 2011)

Registered Office

4th Floor
Clarendon House
52 Cornmarket Street
Oxford
OX1 3HJ

Directors' report

The Directors present their report and audited financial statements of the Company for the period ended 31 October 2011

Results and dividends

The profit for the period, after taxation was £463,040 (2010 – £466,822) The Company paid a dividend of £1,040,000 during the period (2010 – £nil)

Principal activity and review of the business

The principal activity of the Company in the period was the provision of economic consultancy services to the automotive industry

On 1 November 2011 the Company's trade and assets were hived into LMC Automotive Limited

Principal risks, uncertainties and future developments

An economic downturn in the automotive industry or a change in the regulatory environment could adversely impact operating results in 2012 and are viewed by the Directors as being the principal risks and uncertainties faced by the Company

Going concern

No material uncertainties that cast doubt about the ability of the Company to continue as a going concern have been identified by the Directors. The Company's business activities together with the factors likely to affect its future development and performance have been included in the Directors' Report. The Company has the financial resources to manage its business risks successfully in the current economic environment and to continue in operational existence for the foreseeable future. Thus we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The Directors who served during the period and thereafter were as listed on page 1

On behalf of the Board



Pete Kelly

Managing Director

21st September 2012

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 period. 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 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 judgments 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, and
- 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 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 them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of LMC Automotive Forecasting Limited

We have audited the financial statements of LMC Automotive Forecasting Limited for the period ended 31 October 2011 which comprise profit and loss account, balance sheet, statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 October 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

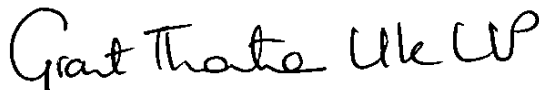
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of LMC Automotive Forecasting Limited

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



Tracey James

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Oxford

21 September, 2012

Profit and loss account

for the period ended 31 October 2011

		<i>10 months ended 31 October 2011</i>	<i>Year ended 31 December 2010</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Turnover	2	1,525,519	1,679,354
Cost of sales		<u>(521,760)</u>	<u>(616,978)</u>
Gross profit		1,003,759	1,062,376
Distribution costs and administrative expenses		<u>(387,716)</u>	<u>(597,159)</u>
Operating profit	3	616,043	465,217
Interest receivable and similar income	6	8,801	4,030
Interest payable and similar charges	7	<u>(1,110)</u>	<u>(2,136)</u>
Profit on ordinary activities before taxation		623,734	467,111
Tax	8	<u>(160,694)</u>	<u>(289)</u>
Profit for the financial period	14	<u>463,040</u>	<u>466,822</u>

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the period ended 31 October 2011

There are no recognised gains or losses other than the profit attributable to the shareholders of the Company of £463,040 in the period ended 31 October 2011 (year ended 31 December 2010 – profit of £466,822)

Balance sheet

at 31 October 2011

		31 October 2011	31 December 2010
	Notes	£	£
Fixed assets			
Tangible fixed assets	10	-	5,982
Current assets			
Debtors	11	155,665	1,671,736
Cash at bank and in hand		535,546	14,206
		691,211	1,685,942
Creditors: amounts falling due within one year	12	(521,342)	(945 095)
Net current assets		169,869	740,847
Net assets		169,869	746,829
Capital and reserves			
Called up share capital	13	240	240
Share premium account	14	5,880	5,880
Profit and loss reserve	14	163,749	740,709
Shareholders' funds	14	169,869	746,829

The financial statements of LMC Automotive Forecasting Limited (formerly JD Power Automotive Forecasting U K Limited), registered number 04189385, were approved by the Board and authorised for issue on [date] They were signed on its behalf by



Pete Kelly

Managing Director

21st September 2012

Notes to the financial statements

at 31 October 2011

1. Accounting policies

Basis of preparation

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

Going concern

The financial statements have been prepared on the going concern basis. Further information can be found in the Directors' Report

Statement of cash flows

The Company is exempt from preparing a statement of cash flows under FRS 1 (revised)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset over its expected useful life as follows:

Leasehold improvements	–	over the shorter of the lease term or 20 years
Furniture and office equipment	–	between 3 and 10 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Rendering of services

Subscription revenue for monthly and quarterly publications is recognised evenly over the period of the subscription.

Revenue for client studies is recognised evenly over the access period.

Interest income

Revenue is recognised as interest accrues using the effective-interest method.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 October 2011

1. Accounting policies (continued)

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Operating leases

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

Pensions

The Company contributes to a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity.

An analysis of turnover by geographical market is given below.

	<i>10 months ended 31 October 2011 £</i>	<i>Year ended 31 December 2010 £</i>
United Kingdom	314,649	389,189
Rest of Europe	1,024,282	1,074,710
Other	186,588	215,455
	<u>1,525,519</u>	<u>1,679,354</u>

3. Operating profit

This is stated after charging

	<i>10 months ended 31 October 2011 £</i>	<i>Year ended 31 December 2010 £</i>
Operating lease charges other	59,240	33,174
Depreciation of tangible assets	5,982	15,997
Foreign exchange (gains)/losses	(22,993)	29,741

Notes to the financial statements

at 31 October 2011

4. Directors' remuneration

The Directors' remuneration for the periods ending 31 December 2010 and 31 October 2011 was borne by McGraw-Hill International (UK) Limited which makes no recharge to the Company. It is not possible to make an accurate apportionment of the remuneration in respect of this subsidiary.

5. Staff costs

	<i>10 months ended 31 October 2011 £</i>	<i>Year ended 31 December 2010 £</i>
Wages and salaries	303,626	441,912
Social security	33,259	42,238
Other pension costs	33,420	36,814
	<u>370,305</u>	<u>520,964</u>

The average monthly number of employees during the period was 10 (year ended 31 December 2010 – 10). All employees were involved in the supply of the Company's goods and services.

6. Interest receivable and similar income

	<i>10 months ended 31 October 2011 £</i>	<i>Year ended 31 December 2010 £</i>
Intercompany interest	8,801	4,001
Other interest	-	29
	<u>8,801</u>	<u>4,030</u>

7. Interest payable and similar charges

	<i>10 months ended 31 October 2011 £</i>	<i>Year ended 31 December 2010 £</i>
Intercompany interest	1,110	2,136

Notes to the financial statements

at 31 October 2011

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	<i>10 months ended 31 October 2011 £</i>	<i>Year ended 31 December 2010 £</i>
Current tax		
Current tax charge	160,413	–
Deferred tax		
Deferred tax – profit and loss account (note 8(c))	199	(132)
Deferred tax – prior year adjustment (note 8(c))	(117)	318
Deferred tax – change in tax rate (note 8(c))	199	103
Deferred tax charge	281	289
Tax on profit on ordinary activities	160,694	289

(b) Factors affecting tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 26.592% (year ended 31 December 2010 – 28%). The differences are explained below

	<i>10 months ended 31 October 2011 £</i>	<i>Year ended 31 December 2010 £</i>
Profit on ordinary activities before tax	623,734	467,111
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.592% (year ended 31 December 2010 – 28%)	165,863	130,791
Effects of		
Non deductible expenses and permanent differences	2,474	5,223
Group relief	(5,962)	(136,146)
Capital allowances in (advance)/arrear of depreciation	(1,962)	132
Current tax for the period (note 8(a))	160,413	–

Notes to the financial statements

at 31 October 2011

8. Tax (continued)

(c) Deferred tax

Deferred tax asset recognised in the financial statements is as follows

	<i>Timing differences capital allowances</i>	<i>£</i>
At 1 January 2011		2,769
Profit and loss movement for the period		(199)
Prior year adjustment		117
Change in tax rate		(199)
At 31 October 2011		<u>2,488</u>

The Directors believe these assets will be recovered against future taxable profit. There is no unprovided deferred taxation.

(d) Factors that may affect future tax charges

Following the Budget on 23 March 2011, the main rate of corporation tax was reduced to 26% effective from 1 April 2011. Finance Act 2011 provided that, with effect from 1 April 2012, the corporation tax rate would be reduced to 25%. On the basis that it is anticipated that the Company's deferred tax asset is expected to unwind after 1 April 2012, the closing deferred tax asset balance has been tax effected at the lower rate of 25%.

In the Budget of 21 March 2012, the Government announced that instead of reducing the corporation tax rate to 25% from 1 April 2012, the corporation tax rate would be reduced to 24%. As the further reduction was not substantially enacted at 31 October 2011, the corporation tax rate of 25% has been applied in calculating the Deferred Tax asset.

In addition, the Government announced its intention to further reduce the UK corporation tax rate to 23% from 1 April 2013 and to 22% from 1 April 2014. The aggregate impact of the proposed reduction in corporation tax from 25% to 22% on the closing deferred tax asset is a reduction of £79,735 which would reduce the closing deferred tax asset to £1,690,194.

9. Dividends

	<i>31 October 2011</i>	<i>31 December 2010</i>
	<i>£</i>	<i>£</i>
Equity dividends paid on ordinary shares	<u>1,040,000</u>	<u>—</u>

Notes to the financial statements

at 31 October 2011

10. Tangible fixed assets

	<i>Furniture and office equipment</i>	<i>Leasehold improve- ments</i>	<i>Total</i>
	£	£	£
Cost			
At 1 January 2011 and 31 October 2011	39,548	61,340	100,888
Depreciation			
At 1 January 2011	37,656	57,250	94,906
Charge for the period	1,892	4,090	5,982
At 31 October 2011	39,548	61,340	100,888
Net book value			
At 31 October 2011	-	-	-
At 1 January 2011	1,892	4,090	5,982

11. Debtors

	<i>31 October 2011</i>	<i>31 December 2010</i>
	£	£
Trade debtors	153,177	212,561
Amounts owed by group undertakings	-	1,456,406
Deferred taxation (note 8(c))	2,488	2,769
	<u>155,665</u>	<u>1,671,736</u>

12. Creditors: amounts falling due within one year

	<i>31 October 2011</i>	<i>31 December 2010</i>
	£	£
Amounts due to group undertakings	-	493,021
Other taxes and social security costs	27,900	9,165
Accruals and deferred income	493,442	442,909
	<u>521,342</u>	<u>945,095</u>

Notes to the financial statements

at 31 October 2011

13. Issued share capital

	31 October 2011		31 December 2010	
<i>Allotted, called up and fully paid</i>	<i>No</i>	<i>£</i>	<i>No</i>	<i>£</i>
Ordinary shares of £0.50 each	480	<u>240</u>	480	<u>240</u>

14. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Share premium</i>	<i>Profit and loss reserve</i>	<i>Total shareholders' funds</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
At 1 January 2010	240	5,880	273,887	280,007
Profit for the period	-	-	466,822	466,822
At 1 January 2011	<u>240</u>	<u>5,880</u>	<u>740,709</u>	<u>746,829</u>
Profit for the period	-	-	463,040	463,040
Dividends paid	-	-	(1,040,000)	(1,040,000)
At 31 October 2011	<u>240</u>	<u>5,880</u>	<u>163,749</u>	<u>169,869</u>

15. Pensions

The Company contributes to a defined contribution plan. There are no outstanding or prepaid pension contributions at the balance sheet date. The amount charged during the period has been disclosed in note 5.

16. Other financial commitments

At 31 October 2011 the Company had annual commitments under non-cancellable operating leases as set out below:

	31 October 2011	31 December 2010
	<i>£</i>	<i>£</i>
Operating leases which expire		
Within one year	<u>4,718</u>	<u>12,170</u>

17. Contingent liabilities

The Company was part of a group VAT registration. The contingent liability in respect of its joint and several liabilities at 31 October 2011 was £277,617 (31 December 2010 – £738,636).

18. Related party transactions

The Company has taken advantage of the exemption available under FRS 8 from disclosure of related party transactions with fellow wholly owned group undertakings as it is a wholly owned subsidiary and is consolidated into the group financial statements of its ultimate parent undertaking.

Notes to the financial statements

at 31 October 2011

19. Ultimate parent undertaking and controlling party

Until 1 November 2011, the immediate parent undertaking was JD Power Associates, Inc and the Directors regarded The McGraw-Hill Companies, Inc, a Company incorporated in the United States of America, as the Company's ultimate parent undertaking and controlling party

On 1 November 2011, LMC Oxford Holdings Limited became the immediate and ultimate parent undertaking and controlling party

20. Post balance sheet events

On 1 November 2011 the trade and assets of the company were hived into LMC Automotive Limited, a fellow subsidiary of LMC Oxford Holdings Limited