

SWALE MOTORS LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2014

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COMPANIES HOUSE

LEAMAN MATTEI
Chartered Accountants & Statutory Auditor
47-57 Marylebone Lane
London
W1U 2NT

SWALE MOTORS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

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SWALE MOTORS LIMITED
STRATEGIC REPORT
YEAR ENDED 30 NOVEMBER 2014

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.

The Company has had a successful year of continued growth with increased turnover of 12% on previous year. The demand for its vehicles is influenced by a variety of factors including, among other things, the growth rate of the economy, availability of credit, disposable income of consumers, interest rates, environmental policies, tax policies, safety regulations, freight rates and fuel prices.

The director's plan for the future is to continue the current policies of promoting and incentivising the salesforce as well as the other productive non-sales departments. Ongoing improvements in the management of working capital are being made. In the director's opinion, the company is well positioned to meet future challenges.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial instruments comprise cash balances, borrowings and various items such as trade debtors and trade creditors which arise directly from trading operations. The main purpose of these financial instruments is to provide finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks.

LIQUIDITY RISK

The Company's main sources of liquidity are cash generated from operations and external debt. The company has sufficient facilities in place to provide short term flexibility to meet fluctuations in the amount and timing of future cashflows.

CREDIT RISK

The company has strong internal controls and procedures in place to minimise credit risk to an acceptably low level. The company has been successful in continuing to improve its risk management and historically has not suffered significant levels of bad debts.

Financing is provided to customers primarily through Ford Options for new Ford vehicles as well as Santander, Black Horse, and HSBC amongst others.

CURRENCY RISK

Currency risk is minimal due to the domestic nature of the business and has no reliance on overseas suppliers or customers.

Signed on behalf of the directors



M J Warnes
Director

Approved by the directors on 24 June 2015

SWALE MOTORS LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2014

The directors present their report and the financial statements of the group for the year ended 30 November 2014.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £820,158. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group'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 group's operations.

The main financial risks arising from the group's financial instruments are credit risk and liquidity risk. The group 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 group minimises its exposure to liquidity risk by ensuring that sufficient funds are available for its day to day operations via use of its borrowing facilities.

DIRECTORS

The directors who served the company during the year were as follows:

C Redfern
L S Mudan
D S Olsen
M J Warnes

FIXED ASSETS

Movements in fixed assets are set out in note 8.

DISABLED PERSONS POLICY

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

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the company's profit sharing schemes and are encouraged to invest in the company through participation in share option schemes.

STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company has set out the business review and the principal risks and uncertainties in the Strategic Report on page 1 of these accounts.

SWALE MOTORS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2014

AUDITOR

Leaman Mattei are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
331 Long Lane
Hillingdon
Uxbridge
Middlesex
UB10 9JU

Signed on behalf of the directors



M J Warnes
Director

Approved by the directors on 24 June 2015

SWALE MOTORS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 30 NOVEMBER 2014

The directors are responsible for preparing the Strategic Report, 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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.

SWALE MOTORS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SWALE MOTORS LIMITED
YEAR ENDED 30 NOVEMBER 2014

We have audited the group and parent company financial statements ("the financial statements") of Swale Motors Limited for the year ended 30 November 2014 which comprise the Profit and Loss Account, Group Balance Sheet and Company Balance Sheet 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 shareholders, 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 shareholders 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 shareholders 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 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 (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 group's and parent company's affairs as at 30 November 2014 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

SWALE MOTORS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SWALE MOTORS LIMITED *(continued)*

YEAR ENDED 30 NOVEMBER 2014

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.



P MATTEI (Senior Statutory Auditor)

For and on behalf of
LEAMAN MATTEI
Chartered Accountants
& Statutory Auditor

47-57 Marylebone Lane
London
W1U 2NT

24 June 2015

SWALE MOTORS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2014

	Note	2014 £	2013 £
GROUP TURNOVER	2	74,984,525	67,126,575
Cost of sales		<u>64,560,511</u>	<u>57,394,323</u>
GROSS PROFIT		10,424,014	9,732,252
Distribution costs		<u>7,068,609</u>	6,397,237
Administrative expenses		<u>2,163,082</u>	3,032,436
OPERATING PROFIT	3	1,192,323	302,579
Attributable to:			
Operating profit before exceptional items		<u>670,866</u>	302,579
Exceptional items	3	<u>521,457</u>	–
		1,192,323	302,579
Interest payable and similar charges	5	<u>122,011</u>	56,700
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,070,312	245,879
Tax on profit on ordinary activities	6	<u>250,154</u>	54,534
PROFIT FOR THE FINANCIAL YEAR	7	<u>820,158</u>	<u>191,345</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 10 to 20 form part of these financial statements.

SWALE MOTORS LIMITED

GROUP BALANCE SHEET

30 NOVEMBER 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	8	<u>5,518,919</u>	<u>5,600,499</u>
CURRENT ASSETS			
Stocks	10	7,061,963	5,102,898
Debtors	11	1,888,361	1,705,248
Cash at bank		<u>129,478</u>	<u>282,872</u>
		<u>9,079,802</u>	<u>7,091,018</u>
CREDITORS: Amounts falling due within one year	12	<u>9,473,251</u>	<u>8,386,205</u>
NET CURRENT LIABILITIES		<u>(393,449)</u>	<u>(1,295,187)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,125,470</u>	<u>4,305,312</u>
CREDITORS: Amounts falling due after more than one year	13	<u>255,000</u>	<u>255,000</u>
		<u>4,870,470</u>	<u>4,050,312</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	1,200	1,200
Revaluation reserve	19	1,489,749	1,489,749
Profit and loss account	19	<u>3,379,521</u>	<u>2,559,363</u>
SHAREHOLDERS' FUNDS	20	<u>4,870,470</u>	<u>4,050,312</u>

These accounts were approved by the directors and authorised for issue on 24 June 2015, and are signed on their behalf by:



M. J. Wames

The notes on pages 10 to 20 form part of these financial statements.

SWALE MOTORS LIMITED

BALANCE SHEET

30 NOVEMBER 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	8	5,518,919	5,600,499
Investments	9	843	843
		<u>5,519,762</u>	<u>5,601,342</u>
CURRENT ASSETS			
Stocks	10	7,061,963	5,102,898
Debtors	11	1,882,842	1,699,729
Cash at bank		129,478	282,872
		<u>9,074,283</u>	<u>7,085,499</u>
CREDITORS: Amounts falling due within one year	12	<u>9,473,251</u>	<u>8,386,205</u>
NET CURRENT LIABILITIES		<u>(398,968)</u>	<u>(1,300,706)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,120,794</u>	<u>4,300,636</u>
CREDITORS: Amounts falling due after more than one year	13	<u>255,000</u>	<u>255,000</u>
		<u>4,865,794</u>	<u>4,045,636</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	1,200	1,200
Revaluation reserve	19	1,489,749	1,489,749
Profit and loss account	19	3,374,845	2,554,687
SHAREHOLDERS' FUNDS		<u>4,865,794</u>	<u>4,045,636</u>

These accounts were approved by the directors and authorised for issue on 24 June 2015, and are signed on their behalf by:



M J Warnes

Company Registration Number: 00403854

The notes on pages 10 to 20 form part of these financial statements.

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements comprise a consolidation of the financial statements of the company and its subsidiary companies for the year ended 30th November 2014.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is a subsidiary of Bestodeck Limited, the consolidated accounts of which are publicly available.

Turnover

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

Fixed assets

All fixed assets are initially recorded at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the Balance Sheet using the following measurement bases:

- Freehold properties – existing use value.
- All other fixed assets – depreciated historical cost.

Assets included in the Balance Sheet at current value are revalued where there have been material changes in the value. Valuations of property assets are carried out by the an external, qualified valuer, who is independent of the Group. The method of valuations is in accordance with the principles and guidance notes issued by the Royal Institute of Chartered Surveyors.

Increases as a result of revaluations are debited to the appropriate asset account, with the opposite entry going to the Revaluation Reserve to recognise unrealised gains, except to the extent where it reverses a previous revaluation loss that was charged to the Profit and Loss Account. In this case the revaluation gain will first be used to offset the previous loss and any further gain is then taken to the Revaluation Reserve.

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property - 2% to 10%

Leasehold property - over the unexpired period of the lease

Fixtures, fittings, plant and equipment - 10% to 33.33%

Stocks

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 group.

Leased assets

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

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.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	2014	2013
	£	£
United Kingdom	<u>74,984,525</u>	<u>67,126,575</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Directors' remuneration	—	—
Depreciation of owned fixed assets	134,159	119,847
Profit on disposal of fixed assets	(1,000)	—
Auditor's remuneration		
- as auditor	23,400	23,400
Operating lease costs:		
- Other	31,848	13,552

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

3. OPERATING PROFIT *(continued)*

Exceptional item	<u>(521,457)</u>	<u>—</u>
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The exceptional item in the current year resulted from a write back of accruals for business rates expected in prior years.

4. PARTICULARS OF EMPLOYEES

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

	2014	2013
	No	No
Number of production staff	32	32
Number of distribution staff	121	118
Number of administrative staff	12	15
	<u>165</u>	<u>165</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	5,251,387	5,011,808
Social security costs	593,574	543,260
Other pension costs	141,255	124,503
	<u>5,986,216</u>	<u>5,679,571</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Interest payable on bank borrowing	4,862	14,192
Other loans	117,149	133,184
Vehicle Stocking Allowance	—	(90,676)
	<u>122,011</u>	<u>56,700</u>

Vehicle Stocking Allowances are included as cost of sales from 2014 onwards.

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014	2013
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 21.67% (2013 - 22.50%)	250,156	56,291
(Over)/under provision in prior year	(2)	(1,757)
Total current tax	<u>250,154</u>	<u>54,534</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21.67% (2013 - 22.50%).

	2014	2013
	£	£
Profit on ordinary activities before taxation	<u>1,070,312</u>	<u>245,879</u>
Profit on ordinary activities by rate of tax	231,937	55,323
Permanent timing differences	4,250	2,220
Other timing differences	13,969	(1,252)
Adjustments to tax charge in respect of previous periods	(2)	(1,757)
Total current tax (note 6(a))	<u>250,154</u>	<u>54,534</u>

7. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £820,158 (2013 - £191,345).

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

8. TANGIBLE FIXED ASSETS

Group	Freehold Property £	Leasehold Property £	Plant & Machinery £	Total £
COST OR VALUATION				
At 1 December 2013	4,932,500	1,025,208	1,366,351	7,324,059
Additions	—	—	52,579	52,579
Disposals	—	—	(17,154)	(17,154)
At 30 November 2014	4,932,500	1,025,208	1,401,776	7,359,484
DEPRECIATION				
At 1 December 2013	126,686	374,176	1,222,698	1,723,560
Charge for the year	57,667	20,504	55,988	134,159
On disposals	—	—	(17,154)	(17,154)
At 30 November 2014	184,353	394,680	1,261,532	1,840,565
NET BOOK VALUE				
At 30 November 2014	4,748,147	630,528	140,244	5,518,919
At 30 November 2013	4,805,814	651,032	143,653	5,600,499

Certain properties were valued by Stiles Harold Williams, Chartered Surveyors, on 17 July 2012 at a value of £3,895,000. The Directors have reviewed the group's other properties and are of the opinion that they are accurately stated at the market value in the accounts.

All other tangible assets are stated at historical cost.

Freehold properties comprise:

	2014 £	2013 £
Valuations:		
1983	27,500	27,500
2005	—	2,200,000
2009	1,010,000	3,005,000
2012	3,895,000	—
	4,932,500	5,232,500

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

8. TANGIBLE FIXED ASSETS *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2014			2013
	£			£
Historical cost	4,805,663			4,805,663
Company	Freehold Property	Leasehold Property	Plant & Machinery	Total
	£	£	£	£
COST OR VALUATION				
At 1 December 2013	4,932,500	1,025,208	1,366,351	7,324,059
Additions	—	—	52,579	52,579
Disposals	—	—	(17,154)	(17,154)
At 30 November 2014	4,932,500	1,025,208	1,401,776	7,359,484
DEPRECIATION				
At 1 December 2013	126,686	374,176	1,222,698	1,723,560
Charge for the year	57,667	20,504	55,988	134,159
On disposals	—	—	(17,154)	(17,154)
At 30 November 2014	184,353	394,680	1,261,532	1,840,565
NET BOOK VALUE				
At 30 November 2014	4,748,147	630,528	140,244	5,518,919
At 30 November 2013	4,805,814	651,032	143,653	5,600,499

Certain properties were valued by Stiles Harold Williams, Chartered Surveyors, on 17 July 2012 at a value of £3,895,000. The Directors have reviewed the other properties and are of the opinion that they are accurately stated at the market value in the accounts.

All other tangible assets are stated at historical cost.

Freehold properties comprise:

	2014	2013
	£	£
Valuations:		
1983	27,500	27,500
2005	—	2,200,000
2009	1,010,000	3,005,000
2012	3,895,000	—
	4,932,500	5,232,500

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

8. TANGIBLE FIXED ASSETS *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2014	2013
		£
Historical cost	<u>4,805,663</u>	<u>4,805,663</u>

9. INVESTMENTS

Company	Group companies £
COST	
At 1 December 2013 and 30 November 2014	<u>843</u>
NET BOOK VALUE	
At 30 November 2014 and 30 November 2013	<u>843</u>

The subsidiary companies, all of which are registered in England, are as follows:

Name	Shareholding %	Principal activity
Swale Motors (Gravesend) Limited	99	Dormant
Swale Finance Limited	50	Dormant

All subsidiaries are included in these consolidated accounts.

10. STOCKS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Stock	<u>7,061,963</u>	<u>5,102,898</u>	<u>7,061,963</u>	<u>5,102,898</u>

11. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	339,187	681,507	339,187	681,507
Amounts owed by group undertakings	1,330,306	869,776	1,324,787	864,257
Prepayments and accrued income	218,868	153,965	218,868	153,965
	<u>1,888,361</u>	<u>1,705,248</u>	<u>1,882,842</u>	<u>1,699,729</u>

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

12. CREDITORS: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	7,660,046	6,265,143	7,660,046	6,265,143
Other creditors including taxation and social security:				
Corporation tax	250,156	56,291	250,156	56,291
Other taxation and social security	129,248	601,068	129,248	601,068
Accruals and deferred income	1,433,801	1,463,703	1,433,801	1,463,703
	<u>9,473,251</u>	<u>8,386,205</u>	<u>9,473,251</u>	<u>8,386,205</u>

The bank overdrafts and certain trade creditors are secured by fixed and floating charges over certain assets of the group.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	<u>3,447,287</u>	<u>3,292,682</u>	<u>3,447,287</u>	<u>3,292,682</u>

13. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Other creditors	<u>255,000</u>	<u>255,000</u>	<u>255,000</u>	<u>255,000</u>

The loan of £255,000 from the parent company, Bestodeck Limited, is at present, free of interest and has been subordinated in favour of Ford Credit Europe Plc in respect of any outstanding liability.

14. 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.

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

15. COMMITMENTS UNDER OPERATING LEASES

At 30 November 2014 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within 1 year	1,250	1,250
Within 2 to 5 years	37,544	11,468
	<u>38,794</u>	<u>12,718</u>

At 30 November 2014 the company had annual commitments under non-cancellable operating leases as set out below.

Company	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within 1 year	1,250	1,250
Within 2 to 5 years	37,544	11,468
	<u>38,794</u>	<u>12,718</u>

16. CONTINGENCIES

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

The company guarantees a group stocking arrangement for the group of which it is a member. At 30 November 2014 the amount of trade creditors guaranteed by the company not included on the company balance sheet was £2,425,379 (2013 - £1,668,564).

17. RELATED PARTY TRANSACTIONS

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

During the year the company was charged management charges by the parent company, Bestodeck Limited, of £661,400 (2013 - £871,400).

At the year end the company was owed £1,330,306 (2013 - £869,776) by Bestodeck Limited in respect of current balances and owed Bestodeck £255,000 (2013 - £255,000) in respect of long term balances.

These balances do not attract interest.

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18. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Deferred non-voting shares of £1 each	600	600	600	600
Ordinary shares of £1 each	600	600	600	600
	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>

Deferred non-voting shares have no rights to dividends nor to vote at meetings and on a liquidation shall rank for distributions after the sum of £1,000,000 has been distributed in respect of each ordinary share.

19. RESERVES

Group	Revaluation reserve £	Profit and loss account £
Balance brought forward	1,489,749	2,559,363
Profit for the year	–	820,158
Balance carried forward	<u>1,489,749</u>	<u>3,379,521</u>
Company	Revaluation reserve £	Profit and loss account £
Balance brought forward	1,489,749	2,554,687
Profit for the year	–	820,158
Balance carried forward	<u>1,489,749</u>	<u>3,374,845</u>

There is no present intention of disposing of the remaining revalued properties; accordingly no provision has been made in these financial statements for taxation of £312,847 (2013 - £342,642) which would rise in the event of such a disposal.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Profit for the financial year	820,158	191,345
Opening shareholders' funds	<u>4,050,312</u>	<u>3,858,967</u>
Closing shareholders' funds	<u>4,870,470</u>	<u>4,050,312</u>

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21. ULTIMATE PARENT COMPANY

The company's ultimate parent company and controlling party is Bestodeck Limited, a company registered in England.

The group has no ultimate controlling party.