

SWALE MOTORS LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2012



THE LEAMAN PARTNERSHIP LLP
Chartered Accountants & Statutory Auditor
47-57 Marylebone Lane
London
W1U 2NT

SWALE MOTORS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

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SWALE MOTORS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30 NOVEMBER 2012

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 30 November 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The main activities of the group are the sale, export, hire and maintenance of motor vehicles and ancillary services

The directors are satisfied with the results for the year despite the competitive nature of the industry. They consider that existing operational plans will result in development for the group in the foreseeable future.

The directors consider that the key financial performance indicators (KPIs) are those that communicate the financial performance and strength of the group as a whole to the members. These KPIs comprise turnover, operating profit and shareholders' funds.

Turnover for the year was £62,303,381 (2011 £54,312,295)

Operating profit was £438,155 (2011 £317,588) and profit before tax was £296,108 (2011 £154,851)

Shareholders' funds increased by £160,143 to £3,858,967 as a result of the post tax profit and fixed asset revaluations for the year.

The directors consider that the principal non-financial KPIs are customer service, employee satisfaction and health and safety. The directors are satisfied with the group's performance in each of these areas.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £197,797. 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.

SWALE MOTORS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2012

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.

AUDITOR

The Leaman Partnership LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

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 11 June 2013

SWALE MOTORS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 30 NOVEMBER 2012

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 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.

In so far as the directors are 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.

SWALE MOTORS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SWALE MOTORS LIMITED
YEAR ENDED 30 NOVEMBER 2012

We have audited the group and parent company financial statements ("the financial statements") of Swale Motors Limited for the year ended 30 November 2012. 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 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 group's and parent company's affairs as at 30 November 2012 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.

SWALE MOTORS LIMITED

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

YEAR ENDED 30 NOVEMBER 2012

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

THE LEAMAN PARTNERSHIP LLP

Chartered Accountants

& Statutory Auditor

47-57 Marylebone Lane
London
W1U 2NT

11 June 2013

SWALE MOTORS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2012

	Note	2012 £	2011 £
GROUP TURNOVER	2	62,303,381	54,312,295
Cost of sales		<u>53,555,614</u>	<u>45,431,434</u>
GROSS PROFIT		8,747,767	8,880,861
Distribution costs		<u>5,798,439</u>	6,006,463
Administrative expenses		<u>2,511,173</u>	<u>2,556,810</u>
OPERATING PROFIT	3	438,155	317,588
Interest receivable		<u>1</u>	479
Interest payable and similar charges	5	<u>(142,048)</u>	(163,216)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		296,108	154,851
Tax on profit on ordinary activities	6	<u>98,311</u>	66,000
PROFIT FOR THE FINANCIAL YEAR	7	<u>197,797</u>	<u>88,851</u>

All of the activities of the group are classed as continuing

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 STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 NOVEMBER 2012

	2012	2011
	£	£
Profit for the financial year attributable to the shareholders of the parent company	197,797	88,851
Unrealised loss on revaluation of certain fixed assets	(37,654)	—
Total gains and losses recognised since the last annual report	<u>160,143</u>	<u>88,851</u>

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

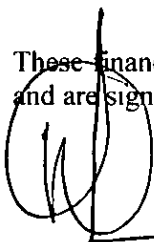
SWALE MOTORS LIMITED

GROUP BALANCE SHEET

30 NOVEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	<u>5,618,642</u>	<u>5,776,068</u>
CURRENT ASSETS			
Stocks	10	4,721,388	4,214,132
Debtors	11	1,460,913	1,417,890
Cash at bank and in hand		<u>1,900</u>	<u>35,315</u>
		<u>6,184,201</u>	<u>5,667,337</u>
CREDITORS: Amounts falling due within one year	12	<u>7,688,876</u>	<u>7,489,581</u>
NET CURRENT LIABILITIES		(1,504,675)	(1,822,244)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,113,967	3,953,824
CREDITORS: Amounts falling due after more than one year	13	<u>255,000</u>	<u>255,000</u>
		<u>3,858,967</u>	<u>3,698,824</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	1,200	1,200
Revaluation reserve	19	1,489,749	1,527,403
Profit and loss account	19	<u>2,368,018</u>	<u>2,170,221</u>
SHAREHOLDERS' FUNDS	20	<u>3,858,967</u>	<u>3,698,824</u>

These financial statements were approved by the directors and authorised for issue on 11 June 2013, and are signed on their behalf by



M J WARNES

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

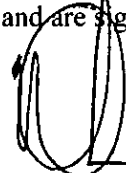
SWALE MOTORS LIMITED

BALANCE SHEET

30 NOVEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	5,618,642	5,776,068
Investments	9	843	843
		<u>5,619,485</u>	<u>5,776,911</u>
CURRENT ASSETS			
Stocks	10	4,721,388	4,214,132
Debtors	11	1,455,394	1,412,371
Cash at bank and in hand		1,900	35,315
		<u>6,178,682</u>	<u>5,661,818</u>
CREDITORS: Amounts falling due within one year	12	<u>7,688,876</u>	<u>7,489,581</u>
NET CURRENT LIABILITIES		<u>(1,510,194)</u>	<u>(1,827,763)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,109,291</u>	<u>3,949,148</u>
CREDITORS: Amounts falling due after more than one year	13	<u>255,000</u>	<u>255,000</u>
		<u>3,854,291</u>	<u>3,694,148</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	1,200	1,200
Revaluation reserve	19	1,489,749	1,527,403
Profit and loss account	19	2,363,342	2,165,545
SHAREHOLDERS' FUNDS		<u>3,854,291</u>	<u>3,694,148</u>

These financial statements were approved by the directors and authorised for issue on 11 June 2013, 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 2012

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 2012

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 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 2012

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.

	2012 £	2011 £
United Kingdom	<u>62,303,381</u>	<u>54,312,295</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Directors' remuneration	—	—
Depreciation of owned fixed assets	141,109	164,461
(Profit)/Loss on disposal of fixed assets	(1,800)	1,742
Operating lease costs		
- Other	10,632	21,010
Auditor's remuneration - audit of the financial statements	18,500	18,500
Auditor's remuneration - other fees	<u>4,500</u>	<u>4,500</u>

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

	2012	2011
	£	£
Auditor's remuneration - audit of the financial statements	<u>18,500</u>	<u>18,500</u>
Auditor's remuneration - other fees		
- Other services	<u>4,500</u>	<u>4,500</u>

4. PARTICULARS OF EMPLOYEES

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

	2012	2011
	No	No
Number of production staff	34	35
Number of distribution staff	114	116
Number of administrative staff	16	17
	<u>164</u>	<u>168</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	4,648,208	4,536,443
Social security costs	491,901	479,926
Other pension costs	122,674	123,043
	<u>5,262,783</u>	<u>5,139,412</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Interest payable on bank borrowing	2,168	16,106
Other similar charges payable	139,880	147,110
	<u>142,048</u>	<u>163,216</u>

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
UK Corporation tax based on the results for the year at 24 67% (2011 - 26 67%)	<u>98,311</u>	<u>66,000</u>
Total current tax	<u>98,311</u>	<u>66,000</u>

(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 67% (2011 - 26 67%)

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>296,108</u>	<u>154,851</u>
Profit on ordinary activities by rate of tax	73,050	41,299
Permanent timing differences	2,153	1,018
Other timing differences	24,251	21,246
Other adjustments	<u>(1,143)</u>	<u>2,437</u>
Total current tax (note 6(a))	<u>98,311</u>	<u>66,000</u>

7. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £197,797 (2011 - £88,851)

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

8. TANGIBLE FIXED ASSETS

Group	Freehold Property £	Leasehold Property £	Plant & Machinery £	Total £
COST OR VALUATION				
At 1 December 2011	5,232,500	1,025,208	1,280,567	7,538,275
Additions	–	–	21,337	21,337
Disposals	–	–	(8,200)	(8,200)
Revaluation	(300,000)	–	–	(300,000)
At 30 November 2012	4,932,500	1,025,208	1,293,704	7,251,412
DEPRECIATION				
At 1 December 2011	273,699	333,167	1,155,341	1,762,207
Charge for the year	57,666	20,504	62,939	141,109
On disposals	–	–	(8,200)	(8,200)
Revaluation adjustment	(262,346)	–	–	(262,346)
At 30 November 2012	69,019	353,671	1,210,080	1,632,770
NET BOOK VALUE				
At 30 November 2012	4,863,481	671,537	83,624	5,618,642
At 30 November 2011	4,958,801	692,041	125,226	5,776,068

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

	2012 £	2011 £
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 2012

8. TANGIBLE FIXED ASSETS *(continued)*

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

	2012 £			2011 £
Historical cost	4,805,663			4,805,663
Company	Freehold Property £	Leasehold Property £	Plant & Machinery £	Total £
COST OR VALUATION				
At 1 December 2011	5,232,500	1,025,208	1,280,567	7,538,275
Additions	–	–	21,337	21,337
Disposals	–	–	(8,200)	(8,200)
Revaluation	(300,000)	–	–	(300,000)
At 30 November 2012	4,932,500	1,025,208	1,293,704	7,251,412
DEPRECIATION				
At 1 December 2011	273,699	333,167	1,155,341	1,762,207
Charge for the year	57,666	20,504	62,939	141,109
On disposals	–	–	(8,200)	(8,200)
Revaluation adjustment	(262,346)	–	–	(262,346)
At 30 November 2012	69,019	353,671	1,210,080	1,632,770
NET BOOK VALUE				
At 30 November 2012	4,863,481	671,537	83,624	5,618,642
At 30 November 2011	4,958,801	692,041	125,226	5,776,068

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

	2012 £	2011 £
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 2012

8. TANGIBLE FIXED ASSETS *(continued)*

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

	2012	2011 £
Historical cost	<u>4,805,663</u>	<u>4,805,663</u>

9. INVESTMENTS

Company	Group companies £
COST	
At 1 December 2011 and 30 November 2012	<u>843</u>
NET BOOK VALUE	
At 30 November 2012 and 30 November 2011	<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	
	2012 £	2011 £	2012 £	2011 £
Stock	<u>4,721,388</u>	<u>4,214,132</u>	<u>4,721,388</u>	<u>4,214,132</u>

11. DEBTORS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	370,697	612,297	370,697	612,297
Amounts owed by group undertakings	1,007,757	740,039	1,002,238	734,520
Prepayments and accrued income	82,459	65,554	82,459	65,554
	<u>1,460,913</u>	<u>1,417,890</u>	<u>1,455,394</u>	<u>1,412,371</u>

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

12. CREDITORS: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Overdrafts	591,847	820,900	591,847	820,900
Trade creditors	5,251,704	5,090,155	5,251,704	5,090,155
Other creditors including taxation and social security				
Corporation tax	100,068	66,000	100,068	66,000
Other taxation and social security	691,766	360,263	691,766	360,263
Accruals and deferred income	1,053,491	1,152,263	1,053,491	1,152,263
	<u>7,688,876</u>	<u>7,489,581</u>	<u>7,688,876</u>	<u>7,489,581</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	
	2012	2011	2012	2011
	£	£	£	£
Overdrafts	591,847	820,900	591,847	820,900
Trade creditors	2,779,570	2,497,420	2,779,570	2,497,420
	<u>3,371,417</u>	<u>3,318,320</u>	<u>3,371,417</u>	<u>3,318,320</u>

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Other creditors	255,000	255,000	255,000	255,000

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 2012

15. COMMITMENTS UNDER OPERATING LEASES

At 30 November 2012 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 1 year	3,441	1,250
Within 2 to 5 years	10,632	-
After more than 5 years	-	10,632
	<u>14,073</u>	<u>11,882</u>

At 30 November 2012 the company had annual commitments under non-cancellable operating leases as set out below

Company	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 1 year	3,441	1,250
Within 2 to 5 years	10,632	-
After more than 5 years	-	10,632
	<u>14,073</u>	<u>11,882</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 2012 the amount of trade creditors guaranteed by the company not included on the company balance sheet was £1,099,297 (2011 - £317,623)

SWALE MOTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

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 £631,792 (2011 - £542,216)

At the year end the company was owed £1,007,757 (2011 - £740,039) by Bestodeck Limited in respect of current balances and owed Bestodeck £255,000 (2011 - £255,000) in respect of long term balances

These balances do not attract interest

18. SHARE CAPITAL

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
600 Deferred non-voting shares of £1 each	600	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	1,527,403	2,170,221
Profit for the year	—	197,797
Other gains and losses		
- Revaluation of fixed assets	(37,654)	—
Balance carried forward	<u>1,489,749</u>	<u>2,368,018</u>

SWALE MOTORS LIMITED
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19. RESERVES *(continued)*

Company	Revaluation reserve £	Profit and loss account £
Balance brought forward	1,527,403	2,165,545
Profit for the year	–	197,797
Other gains and losses		
- Revaluation of fixed assets	(37,654)	–
Balance carried forward	<u>1,489,749</u>	<u>2,363,342</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 £357,540 (2011 - £368,928) which would rise in the event of such a disposal

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	197,797	88,851
Other net recognised gains and losses	(37,654)	–
Net addition to shareholders' funds	<u>160,143</u>	<u>88,851</u>
Opening shareholders' funds	3,698,824	3,609,973
Closing shareholders' funds	<u>3,858,967</u>	<u>3,698,824</u>

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