

REGISTRAR OF COMPANIES COPY

*Registered number 00403854*

**SWALE MOTORS LIMITED**

**FINANCIAL STATEMENTS**

**30<sup>th</sup> November 2010**

TUESDAY



\*AF8ULX4D\*

A33

30/08/2011

153

COMPANIES HOUSE

## **Swale Motors Limited**

### **Directors' report and financial statements**

<b>Contents</b>	<b>Page</b>
Directors' report	1
Statement of directors' responsibilities	3
Independent auditor's report to the shareholders	4
Consolidated profit and loss account	6
Consolidated balance sheet	7
Balance sheet	8
Notes	9 - 16

## **Swale Motors Limited**

### **Directors' report**

The directors present their report and the audited financial statements of the group for the year ended 30<sup>th</sup> November 2010

#### ***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 £56,355,304 (2009 - £49,964,003)

Operating profit was £240,265 (2009 £189,730) and profit before tax was £98,952 (2009 loss £46,680)

Shareholders' funds increased by £63,952 to £3,609,973 as a result of the profit 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 results are detailed in the profit and loss account on page 6. The directors do not recommend the payment of 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.

#### ***Disabled persons policy***

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

#### ***Significant changes in fixed assets***

Movements in fixed assets are set out in note 7.

**Swale Motors Limited**

**Directors' report** *(continued)*

***Directors***

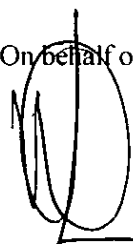
The directors who held office during the year were

M J Warnes  
L B Friedman (deceased 2 January 2011)  
D S Olsen  
T F Bradbury (resigned 18 January 2011)

***Auditors***

A resolution to re-appoint The Leaman Partnership LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 487(2) of the Companies Act 2006

On behalf of the board

  
A handwritten signature, appearing to be 'M J Warnes', is written over a horizontal line. The signature is enclosed within a large, hand-drawn oval.

M J WARNES

17<sup>th</sup> June 2011

Registered Office 4 Canterbury Road, Sittingbourne, Kent ME10 4SD

## **Swale Motors Limited**

### **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 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and group and of the profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 proper accounting records that 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 auditors' report to the shareholders of Swale Motors Limited  
For the year ended 30 November 2010**

We have audited the group and parent company financial statements of Swale Motors Limited for the year ended 30 November 2010. 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 group's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group'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 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 directors, and the overall presentation of the financial statements.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

give a true and fair view of the state of the group's and company's affairs as at 30 November 2010 and of the group's loss 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 auditors' report to the shareholders of Swale Motors Limited**

**For the year ended 30 November 2010**

**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

*The Leaman Partnership LLP*

P MATTEI (Senior Statutory Auditor)

For and on behalf of

The Leaman Partnership LLP

Chartered Accountants

& Registered Auditors

51 Queen Anne Street

London W1G 9HS

17<sup>th</sup> June 2011

**Swale Motors Limited**

**Consolidated Profit And Loss Account**  
for the year ended 30<sup>th</sup> November 2010

	<i>Note</i>	2010 £	2009 £
Turnover	<i>1</i>	56,355,304	49,964,003
Cost of sales		<u>47,030,991</u>	<u>41,215,560</u>
Gross profit		9,324,313	8,748,443
Distribution and administrative expenses	<i>2</i>	<u>9,084,048</u>	<u>8,558,713</u>
Operating profit		240,265	189,730
Interest payable	<i>3</i>	<u>141,313</u>	<u>236,410</u>
Profit/(loss) on ordinary activities before taxation	<i>4</i>	98,952	(46,680)
Taxation	<i>5</i>	<u>(35,000)</u>	<u>-</u>
Profit/(loss) for the financial year	<i>15</i>	<u><u>63,952</u></u>	<u><u>(46,680)</u></u>

All 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

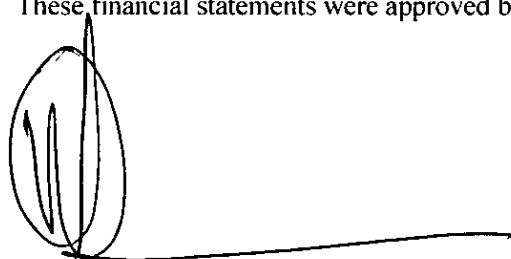


**Swale Motors Limited**

**Consolidated Balance Sheet**  
at 30<sup>th</sup> November 2010

	Note	£	2010 £	£	2009 £
<b>Fixed assets</b>					
Tangible assets	7		5,922,372		6,064,324
<b>Current assets</b>					
Stock	1	3,945,190		4,370,985	
Debtors	9	1,728,121		780,886	
Cash at bank and in hand		2,300		2,400	
			5,675,611	5,154,271	
<b>Creditors</b>					
Amounts falling due within one year	10	7,733,010		7,417,574	
<b>Net current liabilities</b>			(2,057,399)		(2,263,303)
<b>Total assets less current liabilities</b>			3,864,973		3,801,021
<b>Creditors</b>					
Loan from parent company	11		(255,000)		(255,000)
<b>Net assets</b>			3,609,973		3,546,021
<b>Capital and reserves</b>					
Called up share capital	13		1,200		1,200
Revaluation reserve	14		1,527,403		1,527,403
Profit and loss account			2,081,370		2,017,418
<b>Equity shareholders funds</b>	15		3,609,973		3,546,021

These financial statements were approved by the board of directors on 17<sup>th</sup> June 2011 and were signed on its behalf by



**M J WARNES**  
Director

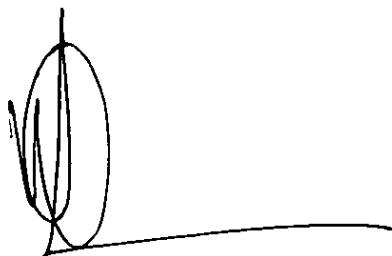
# Swale Motors Limited

## Balance Sheet

at 30<sup>th</sup> November 2010

	Note	£	2010 £	£	2009 £
<b>Fixed assets</b>					
Tangible assets	7		5,922,372		6,064,324
Investments	8		843		843
			<u>5,923,215</u>		<u>6,065,167</u>
<b>Current assets</b>					
Stock	1	3,945,190		4,370,985	
Debtors	9	1,722,602		780,886	
Cash at bank and in hand		2,300		2,400	
			<u>5,670,092</u>	<u>5,154,271</u>	
<b>Creditors</b>					
Amounts falling due within one year	10	7,733,010		7,423,093	
			<u>(2,062,918)</u>	<u>(2,268,822)</u>	
<b>Net current liabilities</b>					
			<u>3,860,297</u>		<u>3,796,345</u>
<b>Total assets less current liabilities</b>					
<b>Creditors</b>					
Loan from parent company	11		(255,000)		(255,000)
<b>Net Assets</b>			<u>3,605,297</u>		<u>3,541,345</u>
<b>Capital and reserves</b>					
Called up share capital	13		1 200		1 200
Revaluation reserve	14		1,527,403		1,527,403
Profit and loss account			2,076,694		2,012,742
			<u>3,605,297</u>		<u>3,541 345</u>
<b>Equity shareholders funds</b>	15				

These financial statements were approved by the board of directors on 17<sup>th</sup> June 2011 and were signed on its behalf by



M J WARNES

Director

Company number 00403854

## Swale Motors Limited

### NOTES

*(forming part of the financial statements)*

#### 1. Accounting policies

##### *Basis of accounting*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules as modified by the revaluation of properties

##### *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 30<sup>th</sup> November 2010

##### *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*

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

##### *Fixed assets and depreciation*

Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Fixtures, fittings, plant and equipment	-	10% to 33 <sup>1</sup> / <sub>3</sub> % per annum
Short leasehold property	-	over the unexpired period of the lease
Freehold property	-	2% to 10% per annum

##### *Stock*

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 company

##### *Leased assets*

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

##### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise

## Swale Motors Limited

### NOTES

*(forming part of the financial statements)*

#### 1. Accounting policies *(continued)*

##### *Financial instruments*

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

	2010 £	2009 £
<b>2. Distribution and administrative expenses</b>		
Distribution costs	6,009,726	5,612,030
Administrative expenses	3,074,322	2,946,683
	<u>9,084,048</u>	<u>8,558,713</u>
<b>3. Interest payable</b>		
Bank overdraft	8,077	24,197
Loans repayable within five years	133,236	212,213
	<u>141,313</u>	<u>236,410</u>
<b>4. Profit on ordinary activities</b>		
This is stated after charging		
Auditors' remuneration	22,000	22,000
Operating lease charges		
Other	71,313	70,054
Depreciation and amounts written off tangible fixed assets	<u>182,611</u>	<u>203,853</u>

# Swale Motors Limited

## Notes (continued)

### 5. Tax on profit/(loss) on ordinary activities

#### (a) Taxation

	2010 £	2009 £
Current tax		
UK corporation tax based on the results for the year at 28% (2009 – 28%)	35,000	-
(Over)/under provision in prior years	-	-
Total current tax	<u>35,000</u>	<u>-</u>

#### (b) Factors affecting current tax charge

Profit/(loss) on ordinary activities before taxation	<u>98,952</u>	<u>(46,680)</u>
Tax at 28% (2009 – 28.0%)	27,707	(13,070)
Permanent timing differences	1,699	220
Other timing differences	20,914	16,149
Other adjustments	(15,320)	(3,299)
Total current tax (5 (a))	<u>35,000</u>	<u>-</u>

### 6. Staff numbers and costs

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

	No	No
Production	37	36
Distribution	119	114
Administrative	23	23
	<u>179</u>	<u>173</u>

The aggregate payroll costs of these persons were as follows

	£	£
Wages and salaries	4,669,905	4,223,313
Social security costs	509,554	449,594
Other pension costs	119,724	124,792
	<u>5,299,183</u>	<u>4,797,699</u>

# Swale Motors Limited

## Notes (continued)

### 7. Tangible assets

Group and company	Freehold properties £	Short leasehold property £	Fixtures, fittings, plant and equipment £	Total £
<b>Cost or valuation</b>				
At beginning of year	5,232,500	1,025,208	1,380,981	7,638,689
Additions	-	-	40,659	40,659
Disposals	-	-	(36,450)	(36,450)
At end of year	<u>5,232,500</u>	<u>1,025,208</u>	<u>1,385,190</u>	<u>7,642,898</u>
<b>Depreciation</b>				
At beginning of year	157,329	292,159	1,124,877	1,574,365
Provided this year	58,181	20,504	103,926	182,611
Disposals	-	-	(36,450)	(36,450)
At end of year	<u>215,510</u>	<u>312,663</u>	<u>1,192,353</u>	<u>1,720,526</u>
<b>Net book values</b>				
30 <sup>th</sup> November 2010	<u>5,016,990</u>	<u>712,545</u>	<u>192,837</u>	<u>5,922,372</u>
30 <sup>th</sup> November 2009	<u>5,075,171</u>	<u>733,049</u>	<u>256,104</u>	<u>6,064,324</u>

Certain properties were valued by Stiles Harold Williams, Chartered Surveyors, on 17 April 2009 at a value of £3,005,000. 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.

	2010 £	2009 £
<b>Freehold properties comprise</b>		
Cost	-	-
<b>Valuations</b>		
1983	27,500	27,500
2005	2,200,000	2,200,000
2009	3,005,000	3,005,000
	<u>5,232,500</u>	<u>5,232,500</u>
The historical cost of these properties was	<u>4,546,320</u>	<u>4,546,320</u>

The cost of freehold properties includes interest of £262,000 (2009 £262,000)

All other tangible assets are stated at historical cost

# Swale Motors Limited

## Notes (continued)

	2010 £	2009 £
--	-----------	-----------

### 8. Investments

#### Company

Shares in subsidiary companies

Cost

At beginning and end of year	843	843
------------------------------	-----	-----

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

Name	Ordinary shares %	Principal activity
Swale Motors (Gravesend) Limited	100	Dormant
Swale Finance Limited	100	Dormant

### 9. Debtors

	Group £	2010 Company £	Group £	2009 Company £
Trade debtors	830,818	830,818	598,587	598,587
Amounts owed by group undertakings	791,693	786,174	-	-
Prepayments and accrued income	105,610	105,610	124,938	124,938
Social security and other taxes	-	-	57,361	57,361
	<u>1,728,121</u>	<u>1,722,602</u>	<u>780,886</u>	<u>780,886</u>

### 10. Creditors falling due within one year

Trade creditors	6,091,279	6,091,279	5,519,844	5,519,844
Social security and other taxes	423,796	423,796	117,560	117,560
Amounts owed to group undertakings	-	-	733,528	739,047
Accruals	991,782	991,782	898,712	898,712
Bank overdrafts (secured – see note 12)	191,153	191,153	147,930	147,930
Corporation tax	35,000	35,000	-	-
	<u>7,733,010</u>	<u>7,733,010</u>	<u>7,417,574</u>	<u>7,423,093</u>

## Swale Motors Limited

### Notes (continued)

#### 11. Related party transactions

The company's ultimate parent company is Bestodeck Limited, a company registered in England. The group has no ultimate controlling party.

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

The loan of £255,000 from 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.

	2010	2009
12. Bank overdrafts and loans	£	£

#### Group and company

The aggregate amount of secured borrowings is as follows:

Falling due within five years		
Bank overdrafts	191,153	147,930

The bank overdraft and loans are secured by fixed and floating charges over the company's assets.

The long term loans are repayable as follows:

- a) Monthly instalments
- b) Quarterly instalments interest variable FHBR
- c) Monthly instalments inclusive of interest



# Swale Motors Limited

## Notes (continued)

	2010	2009
	£	£
<b>13. Share capital</b>		
<b>Group and company</b>		
<i>Authorised</i>		
Deferred non-voting shares of £1 each	600	600
Ordinary shares of £1 each	600	600
	<u>1,200</u>	<u>1,200</u>
<i>Allotted, issued and fully paid</i>		
Deferred non-voting shares of £1 each	600	600
Ordinary shares of £1 each	600	600
	<u>1,200</u>	<u>1,200</u>

## 14. Revaluation reserve

### Group and company

At 1 December 2009	1,527,403	1,229,759
Revaluation	-	297,644
	<u>1,527,403</u>	<u>1,527,403</u>
At 30 November 2010		

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 £368,928 which would arise in the event of such a disposal

## 15. Statement of total recognised gains and losses

### Group

Profit/(Loss) for the financial year (all dealt with in the accounts of the parent company)	63,952	(46,680)
Opening shareholders' funds	3,546,021	3,295,057
Revaluation of certain fixed assets	-	297,644
	<u>3,609,973</u>	<u>3,546,021</u>
Closing shareholders' funds		

### Company

Profit/(Loss) for the financial year	63,952	(46,680)
Opening shareholders' funds	3,541,345	3,290,381
Revaluation of certain fixed assets	-	297,644
	<u>3,605,297</u>	<u>3,541,345</u>
Closing shareholders' funds		

As permitted by Section 408 of the Companies Act 2006 the Profit and Loss Account of the parent company is not presented as part of these financial statements

## Swale Motors Limited

### Notes (continued)

#### 16. Financial commitments

##### *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.

##### *Operating leases*

The company has annual commitments expiring as follows

	2010	2009
	Land and Buildings	Land and Buildings
	£	£
Within one year	8,749	1,250
In two to five years	-	59,500
After five years	10,632	10,563
	<u>19,381</u>	<u>71,313</u>

#### 17. Contingent liabilities

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.

## Swale Motors Limited

### Detailed trading and profit & loss account for the year ended 30<sup>th</sup> November 2010

	2010		2009	
	£	£	£	£
Sales		55,824,207		49 482,846
Commissions		<u>531,097</u>		<u>481,157</u>
		56,355,304		49,964,003
<b>Cost of sales</b>				
Stock at beginning of year	4,370,985		3,954,252	
Purchases	45,749,899		40,757,497	
Production wages	918,846		874,796	
Less stock at end of year	<u>(4,008,739)</u>		<u>(4,370,985)</u>	
		47,030,991		41,215,560
		<u>                    </u>		<u>                    </u>
<b>Gross Profit</b>		9,324,313		8,748,443
<b>Distribution costs</b>				
Salaries and commissions	3,613,457		3,421,683	
Preparation, free service and guarantee work	658,808		588,995	
Training	136,648		122,737	
Advertising and publicity	542,351		499,584	
Equipment and motor vehicle expenses	775,305		705,877	
Travelling and general expenses	<u>283,157</u>		<u>273,154</u>	
		<u>                    </u>		<u>                    </u>
<b>Carried forward</b>	6,009,726	9,324,313	5,612,030	8,748,443

# Swale Motors Limited

## Detailed trading and profit & loss account for the year ended 30<sup>th</sup> November 2010

	2010	2009
	£	£
<i>Brought forward</i>	<u>6,009,726</u>	<u>5,612,030</u>
<i>Administrative expenses</i>		
Management charge	887,216	789,346
Salaries and pension costs	766,878	501,220
Property expenses	445,431	550,966
Training	4,725	3,714
Lighting and heating	207,010	199,486
Insurance	161,819	161,649
Motor vehicle and equipment expenses	35,788	53,381
Travelling and entertaining expenses	3,109	2,015
Postage and telephone	54,812	72,956
Printing and stationery	7,563	16,100
Accounting and computer services	122,836	257,807
Legal and professional charges	47,525	43,842
Bad and doubtful debts	103,409	38,379
Sundry expenses	41,021	45,550
Depreciation	182,611	203,853
Advertising and sales promotion	2,569	6,419
	<u>3,074,322</u>	<u>2,946,683</u>
	9,084,048	8,558,713
	<u>240,265</u>	<u>189,730</u>
<i>Interest payable</i>		
Bank overdraft	8,077	24,197
Other loans	<u>133,236</u>	<u>212,213</u>
	141,313	(236,410)
Profit/(loss) on ordinary activities before taxation	98,952	(46,680)
Taxation	(35,000)	-
Profit/(loss) for the financial year	<u>63,952</u>	<u>(46,680)</u>

The company's Profit and Loss Account was approved by the board of directors on 17<sup>th</sup> June 2011 and signed on its behalf by

  
M J WARNES  
Director