

AUTOSMART HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2012

Company Registration Number 05433031

THURSDAY



A37 *A1BKTQBC* #192
21/06/2012
COMPANIES HOUSE

AUTOSMART HOLDINGS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 4
Independent auditor's report to the members	5 to 6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10 to 11
Notes to the financial statements	12 to 25

AUTOSMART HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 JANUARY 2012

The board of directors	Mr C A Ashton Mr C K Brain Ms S Atkinson
Business address	Lynn Lane Shenstone Lichfield Staffordshire WS13 0DH
Registered office	As above
Auditor	RSM Tenon Audit Limited Charterhouse Legge Street Birmingham B4 7EU
Solicitors	Keelys 28 Dam Street Lichfield Staffordshire WS13 6AA

AUTOSMART HOLDINGS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 JANUARY 2012

The directors present their report and the financial statements of the group for the year ended 31 January 2012

Principal activities and business review

The principal activity of the group during the period was the manufacture and sale of valeting and maintenance products for vehicles through an exclusive network of franchisees

Business review

These accounts are a full year, compared to an 8 month period in the prior year

In our review we aim to present a balanced and comprehensive report of our business' performance over the year to January 2012

Sales

Our annual sales have been just under £17m. Our sales growth has been 5.7% compared to the previous 12 months of trading. We are pleased with

- Increased sales training in UK
- Increased product range competitiveness as we have innovated around supply chain volatility
- More franchise owners in UK and France
- Australia and Sweden's strong sales growth

Profit

We close the year with a group operating profit of £2.6m. Our profit growth has been 25% over last year on a like for like basis. This has been the result of continued sales growth. Our margins remain under benchmark, although we have seen a slight recovery over the year.

We look forward to increasing operating profit to match that achieved in 2008.

Results and dividends

The profit for the year, after taxation, amounted to £1,938,394. Particulars of dividends proposed are detailed in note 10 to the financial statements.

AUTOSMART HOLDINGS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 JANUARY 2012

Financial risk management objectives and policies

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

Here we review how we manage our financial risks

Price risk

We sell to our franchise owners on an exclusive basis. When we consider our pricing we think about market conditions and our franchises profitability as well as our own profitability.

We also sell to the majority of our export markets in their local currency, which exposes us to financial risks of changes in exchange rates. We state our debtor balances at the actual exchange rate.

Credit risk

Our trade debtors are our primarily individual franchise owners' accounts with us. We have clear payment policies in our franchise agreements, which we enforce. The debtors amounts stated in our balance sheet are net of allowances for doubtful debtors.

Liquidity risk

We do not consider the group to be highly geared. At January 31 2012 the group had £4.2m cash at bank and total bank loans of £500k. We strive to pay creditors to term as policy. We are planning to expand onto a second site over the next year or so and are expecting to fund this with cash.

Research and development

We continue to invest in product research and development to give us competitive advantage in our market.

Directors

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

Mr C A Ashton
Mr C K Brain
Ms S Atkinson

Directors' responsibilities

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 estimates that are reasonable and prudent, and

AUTOSMART HOLDINGS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2012

- 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, individually, 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.

Donations

During the year the company made the following contributions

	Year to 31 January 2012	Period from 1 June 2010 to 31 January 2011
	£	£
Charitable	<u>5,350</u>	<u>5,000</u>

Post balance sheet event

After the year end, a dividend of £622,803 was paid by Autosmart International Limited, a subsidiary of Autosmart Holdings Limited. The main recipients were Autosmart Holdings Limited's shareholders.

Signed on behalf of the directors



Mr C A Ashton
Director

Approved by the directors on 25/05/12

AUTOSMART HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUTOSMART HOLDINGS LIMITED
YEAR ENDED 31 JANUARY 2012

We have audited the group and parent company financial statements ("the financial statements") of Autosmart Holdings Limited for the year ended 31 January 2012 on pages 7 to 25. 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 pages 3 to 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 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 group's and the parent 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 31 January 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.

AUTOSMART HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUTOSMART HOLDINGS LIMITED *(continued)*
YEAR ENDED 31 JANUARY 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



Melanie Crooks ACA, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditors
Charterhouse
Legge Street
Birmingham
B4 7EU

11/6/2012

AUTOSMART HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2012

		Year to 31 Jan '12 £	<i>Period from 1 Jun 10 to 31 Jan 11 £</i>
Group turnover	2	16,896,871	10,371,078
Cost of sales		(10,123,226)	(6,245,643)
Gross profit		<u>6,773,645</u>	<u>4,125,435</u>
Distribution costs		(899,188)	(663,815)
Administrative expenses		(3,455,724)	(2,296,761)
Other operating income	3	202,495	167,546
Operating profit	4	<u>2,621,228</u>	<u>1,332,405</u>
Interest receivable		55,197	46,413
Interest payable and similar charges	7	(41,588)	(32,553)
Profit on ordinary activities before taxation		<u>2,634,837</u>	<u>1,346,265</u>
Tax on profit on ordinary activities	8	(696,443)	(347,560)
Profit for the financial year	9	<u>1,938,394</u>	<u>998,705</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 12 to 25 form part of these financial statements

AUTOSMART HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEET
31 JANUARY 2012

	Note	2012 £	2011 £
Fixed assets			
Intangible assets	12	1,647,653	1,844,129
Tangible assets	13	1,169,511	1,185,433
		<u>2,817,164</u>	<u>3,029,562</u>
Current assets			
Stocks	15	1,229,558	1,165,323
Debtors	16	1,998,535	2,039,522
Cash at bank		4,192,595	1,995,412
		<u>7,420,688</u>	<u>5,200,257</u>
Creditors Amounts falling due within one year	18	<u>(3,361,297)</u>	<u>(2,714,716)</u>
Net current assets		4,059,391	2,485,541
Total assets less current liabilities		<u>6,876,555</u>	<u>5,515,103</u>
Creditors Amounts falling due after more than one year	19	<u>(499,791)</u>	<u>(510,377)</u>
		<u>6,376,764</u>	<u>5,004,726</u>
Capital and reserves			
Called-up share capital	24	503,359	503,359
Share premium account	25	73,806	73,806
Share options reserve	25	1,152,897	1,152,897
Other reserves	25	75,213	75,213
Profit and loss account	25	4,571,489	3,199,451
Shareholders' funds	26	<u>6,376,764</u>	<u>5,004,726</u>

These financial statements were approved by the directors and authorised for issue on 25 May 2012 and are signed on their behalf by

Sophie Atkinson

Ms S Atkinson
Director

The notes on pages 12 to 25 form part of these financial statements

AUTOSMART HOLDINGS LIMITED

Registered Number 05433031

COMPANY BALANCE SHEET**31 JANUARY 2012**

	Note	2012		2011	
		£	£	£	£
Fixed assets					
Investments	14		10,691,452		10,691,452
Current assets					
Debtors	16	3,000		13,500	
Cash at bank		5,456		5,429	
		<u>8,456</u>		<u>18,929</u>	
Creditors Amounts falling due within one year	18	(6,166,100)		(5,558,155)	
Net current liabilities			(6,157,644)		(5,539,226)
Total assets less current liabilities			<u>4,533,808</u>		<u>5,152,226</u>
Creditors. Amounts falling due after more than one year	19		(499,791)		(510,377)
			<u>4,034,017</u>		<u>4,641,849</u>
Capital and reserves					
Called-up share capital	24		503,359		503,359
Share premium account	25		73,806		73,806
Share options reserve	25		1,152,897		1,152,897
Other reserves	25		75,213		75,213
Profit and loss account	25		2,228,742		2,836,574
Shareholders' funds			<u>4,034,017</u>		<u>4,641,849</u>

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

25 May 2012



Ms S Atkinson
Director

The notes on pages 12 to 25 form part of these financial statements

AUTOSMART HOLDINGS LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 JANUARY 2012

		Year to 31 Jan 12		Period from 1 Jun 10 to 31 Jan 11	
	Note	£	£	£	£
Net cash inflow from operating activities	27		3,313,491		1,165,045
Returns on investments and Servicing of finance					
Interest received		55,197		46,413	
Interest paid		<u>(41,588)</u>		<u>(32,553)</u>	
Net cash inflow from returns on investments and servicing of finance			13,609		13,860
Taxation			(528,332)		(459,072)
Capital expenditure and financial investment					
Payments to acquire intangible fixed assets		(49,651)		(128,909)	
Payments to acquire tangible fixed assets		(341,188)		(332,458)	
Receipts from sale of fixed assets		<u>244,748</u>		<u>59,617</u>	
Net cash outflow for capital expenditure and financial investment			(146,091)		(401,750)
Equity dividends paid			(444,908)		–
Cash inflow before financing			<u>2,207,769</u>		<u>318,083</u>
Financing					
Purchase of own equity shares		–		(75,213)	
Premium on purchase of own equity shares		–		(524,787)	
Repayment of bank loans		<u>(10,586)</u>		<u>(337,448)</u>	
Net cash outflow from financing			(10,586)		(937,448)
Increase/(decrease) in cash			<u>2,197,183</u>		<u>(619,365)</u>

The notes on pages 12 to 25 form part of these financial statements

AUTOSMART HOLDINGS LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 JANUARY 2012

Reconciliation of net cash flow to movement in net funds

		2012		2011	
		£	£	£	£
Increase/(decrease) in cash in the period		2,197,183		(619,365)	
Net cash outflow from bank loans		<u>10,586</u>		<u>337,448</u>	
Change in net funds	27		<u>2,207,769</u>		<u>(281,917)</u>
Net funds at 1 February 2011	27		<u>1,485,035</u>		<u>1,766,952</u>
Net funds at 31 January 2012	27		<u><u>3,692,804</u></u>		<u><u>1,485,035</u></u>

The notes on pages 12 to 25 form part of these financial statements

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

1. Accounting policies

Basis of accounting

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings, together with the group's share of the net assets and results of associated undertakings. These are adjusted, where appropriate to conform to group accounting policies. The acquisition method of accounting is adopted. The results of the companies acquired or disposed are included in the consolidated profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year.

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can be reasonably regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Goodwill

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Goodwill and Trade marks - 5 & 10% Straight line basis respectively
Territories are disclosed at their carrying value which is reviewed annually by the directors.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

1. Accounting policies (continued)

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Plant and machinery	- 25% straight line basis
Fixtures and fittings	- 20-50% straight line basis

Freehold land and buildings are not depreciated. It is the group's policy to maintain these assets in a good state of repair to carry out impairment review in accordance with the provisions of FRS 15

Short term leasehold land and buildings are depreciated on a straight line basis over the period of the lease

Stocks

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

Operating lease agreements

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

Pension costs

The group operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing difference between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

1. Accounting policies (continued)

Share-based payments

The group and the company have applied the requirements of FRS 20 "Share-based payments". In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 May 2005. The parent company, Autosmart Holdings Limited, issues equity-settled share-based payments to certain employees of the company, Autosmart International Limited. Equity-settled share-based payments are measured at fair value determined at the grant date and they are expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Fair value is measured by use of maintainable earning method.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any permanent diminution in value.

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.

	Year to 31 Jan 12 £	Period from 1 Jun 10 to 31 Jan 11 £
United Kingdom	12,719,050	8,248,399
Sales - Europe	3,867,360	1,929,619
Sales - Rest of the world	310,461	193,060
	<u>16,896,871</u>	<u>10,371,078</u>

3. Other operating income

	Year to 31 Jan 12 £	Period from 1 Jun 10 to 31 Jan 11 £
Rent receivable	546	364
Manufacturing licensing fees	201,949	167,182
	<u>202,495</u>	<u>167,546</u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

4. Operating profit

Operating profit is stated after charging/(crediting)

	Year to 31 Jan 12 £	<i>Period from 1 Jun 10 to 31 Jan 11 £</i>
Amortisation of intangible assets	122,365	81,576
Depreciation of owned fixed assets	253,982	150,571
Profit on disposal of fixed assets	(40,652)	(476)
Operating lease costs		
-Plant and machinery	23,813	13,069
Net profit on foreign currency translation	(8,181)	(18,475)
Auditor's remuneration - audit of the financial statements	2,500	2,450
Auditor's remuneration - other fees	11,355	16,492
	2012 £	2011 £
Auditor's remuneration - audit of the financial statements	<u>2,500</u>	<u>2,450</u>
Auditor's remuneration - other fees		
- Auditor's remuneration - group	<u>11,355</u>	<u>16,492</u>

5 Particulars of employees

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

	Year to 31 Jan 12 No	<i>Period from 1 Jun 10 to 31 Jan 11 No</i>
Number of production staff	37	37
Number of sales staff	17	18
Number of administrative staff	44	43
	<u>98</u>	<u>98</u>

The aggregate payroll costs of the above were

	Year to 31 Jan 12 £	<i>Period from 1 Jun 10 to 31 Jan 11 £</i>
Wages and salaries	2,828,816	1,797,390
Social security costs	286,109	211,578
Other pension costs	254,309	142,759
	<u>3,369,234</u>	<u>2,151,727</u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	Year to 31 Jan 12 £	<i>Period from 1 Jun 10 to 31 Jan 11 £</i>
Remuneration receivable	404,918	381,814
Value of company pension contributions to money purchase schemes	<u>96,346</u>	<u>49,115</u>
	<u>501,264</u>	<u>430,929</u>

Remuneration of highest paid director.

	Year to 31 Jan 12 £	<i>Period from 1 Jun 10 to 31 Jan 11 £</i>
Total remuneration (excluding pension contributions)	83,137	89,290
Value of company pension contributions to money purchase schemes	<u>45,000</u>	<u>13,333</u>
	<u>128,137</u>	<u>102,623</u>

The number of directors on whose behalf the company made pension contributions was as follows

	Year to 31 Jan 12 No	<i>Period from 1 Jun 10 to 31 Jan 11 No</i>
Money purchase schemes	<u>5</u>	<u>5</u>

7. Interest payable and similar charges

	Year to 31 Jan 12 £	<i>Period from 1 Jun 10 to 31 Jan 11 £</i>
Other similar charges payable	<u>41,588</u>	<u>32,553</u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	Year to 31 Jan 12 £	£	Period from 1 Jun 10 to 31 Jan 11 £	£
In respect of the year				
UK Corporation tax		695,375		333,000
(Over)/under provision in prior year		2,233		-
		<u>697,608</u>		<u>333,000</u>
Deferred tax				
Origination and reversal of timing differences	(1,165)		14,560	
Total deferred tax (note 17)		(1,165)		14,560
Tax on profit on ordinary activities		<u>696,443</u>		<u>347,560</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 26.32% (2011 - 28%)

	Year to 31 Jan 12 £	Period from 1 Jun 10 to 31 Jan 11 £
Profit on ordinary activities before taxation	<u>2,634,837</u>	<u>1,346,265</u>
Profit on ordinary activities by rate of tax	693,489	376,954
Effects of		
Expenses not deductible for tax purposes	8,418	489
Capital allowances for period in excess of depreciation	(8,970)	(245)
Group relief claimed before payment	(10,917)	(6,175)
Adjustments to tax charge in respect of previous periods	544	(28,783)
Other adjustments	41,723	32,597
Research and development relief	(40,328)	(21,410)
Short term timing differences	14,108	(12,883)
Income not taxable for tax purposes	(459)	(1,369)
Group relief surrendered before payment	-	(6,175)
Total current tax (note 8(a))	<u>697,608</u>	<u>333,000</u>

(c) Factors that may affect future tax charges

The UK government has proposed that the corporation tax rate will decrease over the next four years from 28% to 23%. This will affect the future cash payments to be made by the group

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

9. Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £(41,476) (2011 - £(22,052))

10. Dividends

Equity dividends

	Year to 31 Jan 12 £	<i>Period from 1 Jun 10 to 31 Jan 11 £</i>
Proposed at the period-end Dividends on equity shares	566,356	325,184

11 Pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £224,751 (2011 £142,359)

There were no outstanding or prepaid contributions at either the beginning or end of the financial period

12 Intangible fixed assets

Group

	Goodwill £	Trade marks and territories £	Total £
Cost			
At 1 February 2011	2,205,647	366,877	2,572,524
Additions	–	49,651	49,651
Disposals	–	(111,586)	(111,586)
At 31 January 2012	<u>2,205,647</u>	<u>304,942</u>	<u>2,510,589</u>
Amortisation			
At 1 February 2011	459,508	268,887	728,395
Charge for the year	110,282	34,877	145,159
On disposals	–	(10,618)	(10,618)
At 31 January 2012	<u>569,790</u>	<u>293,146</u>	<u>862,936</u>
Net book value			
At 31 January 2012	<u>1,635,857</u>	<u>11,796</u>	<u>1,647,653</u>
At 31 January 2011	<u>1,746,139</u>	<u>97,990</u>	<u>1,844,129</u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

13. Tangible fixed assets

Group	Freehold land and buildings £	Plant & Machinery £	Equipment, vans and containers £	Total £
Cost				
At 1 February 2011	643,379	2,141,668	1,071,309	3,856,356
Additions	–	157,039	184,149	341,188
Disposals	–	–	(168,322)	(168,322)
At 31 January 2012	<u>643,379</u>	<u>2,298,707</u>	<u>1,087,136</u>	<u>4,029,222</u>
Depreciation				
At 1 February 2011	–	1,869,001	801,922	2,670,923
Charge for the year	–	124,489	129,493	253,982
On disposals	–	–	(65,194)	(65,194)
At 31 January 2012	<u>–</u>	<u>1,993,490</u>	<u>866,221</u>	<u>2,859,711</u>
Net book value				
At 31 January 2012	<u>643,379</u>	<u>305,217</u>	<u>220,915</u>	<u>1,169,511</u>
At 31 January 2011	<u>643,379</u>	<u>272,667</u>	<u>269,387</u>	<u>1,185,433</u>

Land and buildings

The net book value of land and buildings includes

	Land and buildings	
	31 January 2012 £	31 January 2011 £
Freehold	<u>643,379</u>	<u>643,379</u>
	<u>643,379</u>	<u>643,379</u>

Freehold land and buildings of £643,379 (2011 £643,379) are not depreciated

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

14. Investments

Company	Group companies £	Associated undertakings £	Total £
Cost			
At 1 February 2011 and 31 January 2012	<u>9,538,555</u>	<u>1,152,897</u>	<u>10,691,452</u>
Net book value			
At 31 January 2012 and 31 January 2011	<u>9,538,555</u>	<u>1,152,897</u>	<u>10,691,452</u>

Other investment in subsidiary undertakings consist of capital contributions arising from the FRS20 "Share-based payments" charge, which are due to the company granting share options to certain directors of Autosmart Holdings Limited. The expense of granting share options to certain directors of Autosmart Holdings Limited therefore results in a corresponding increase in the investment in the subsidiary. The following were subsidiary undertakings at the end of the period and have all been included in the consolidated financial statements.

Name	Holding	Proportion of voting rights and shares held	Nature of business
Autosmart Group Limited	Ordinary shares	100%	Dormant company
Autosmart International Limited	Ordinary shares	100%	Manufacture, marketing, distribution and sale of valeting and maintenance products for vehicles

15. Stocks

	Group 2012 £	2011 £	Company 2012 £	2011 £
Raw materials	686,411	661,579	–	–
Finished goods	543,147	503,744	–	–
	<u>1,229,558</u>	<u>1,165,323</u>	<u>–</u>	<u>–</u>

16. Debtors

	Group 2012 £	2011 £	Company 2012 £	2011 £
Trade debtors	1,702,703	1,751,224	–	–
Other debtors	164,461	155,871	3,000	13,500
Deferred taxation (Note 17)	49,165	48,000	–	–
Prepayments and accrued income	82,206	84,427	–	–
	<u>1,998,535</u>	<u>2,039,522</u>	<u>3,000</u>	<u>13,500</u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

16. Debtors (continued)

The debtors above include the following amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Other debtors	<u>43,840</u>	<u>25,781</u>	<u>-</u>	<u>-</u>

17. Deferred taxation

The movement in the deferred taxation asset during the year was

	Group		Company	
	Year to	Period from	Year to	Period from
	31 Jan 12	1 Jun 10 to	31 Jan 12	1 Jun 10 to
	£	31 Jan 11	£	31 Jan 11
		£		£
Asset brought forward	48,000	62,560	-	-
Increase/(Decrease) in asset	1,165	(14,560)	-	-
Asset carried forward	<u>49,165</u>	<u>48,000</u>	<u>-</u>	<u>-</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2012		2011	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	1,165	-	-	-
Other timing differences	48,000	-	48,000	-
	<u>49,165</u>	<u>-</u>	<u>48,000</u>	<u>-</u>

18. Creditors: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	1,356,539	1,212,747	-	-
Amounts owed to group undertakings	-	-	5,719,468	5,232,971
Dividends payable	446,632	325,184	446,632	325,184
Other creditors including taxation and social security				
Corporation tax	345,374	176,098	-	-
PAYE and social security	65,847	64,167	-	-
VAT	124,078	116,652	-	-
Other creditors	306,778	253,047	-	-
Accruals and deferred income	716,049	566,821	-	-
	<u>3,361,297</u>	<u>2,714,716</u>	<u>6,166,100</u>	<u>5,558,155</u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

19 Creditors. Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	<u>499,791</u>	<u>510,377</u>	<u>499,791</u>	<u>510,377</u>

Interest on the loan is calculated at 2.75% above the Bank's base rate

Interest on the loans are repayable in arrears on a quarterly basis

The company has a cross guarantee in place with Autosmart International Limited and Autosmart Group Limited

The bank borrowings are secured on the freehold property of Autosmart International Limited

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	<u>499,791</u>	<u>510,377</u>	<u>499,791</u>	<u>510,377</u>

20. Share-based payments

The group and the company have applied the requirements of FRS 20 "Share-based payments". In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 May 2005. The parent company, Autosmart Holdings Limited, issues equity-settled share-based payments to certain employees of the company, Autosmart International Limited. Equity-settled share-based payments are measured at fair value determined at the grant date and they are expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Fair value is measured by use of maintainable earning method.

21. Commitments under operating leases

At 31 January 2012 the group had annual commitments under non-cancellable operating leases as set out below

Group	Assets other than Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 1 year	22,203	20,684
Within 2 to 5 years	<u>60,273</u>	<u>68,878</u>
	<u>82,476</u>	<u>89,562</u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

22. Contingencies

The company, Autosmart Holdings Limited, is part of a VAT group registration. As at 31 January 2012, the total contingent liabilities of the group in this respect amounted to £124,077 (2011 £116,652)

23 Related party transactions

On 30th June 2010 Juli Watkins resigned as a director of Autosmart Holdings Limited. The 75,213 shares owned by Juli Watkins were ultimately repurchased by Autosmart Holdings Limited for the sum of £600,000. Autosmart International Ltd provided Autosmart Holdings Limited the sum of £600,000 in order to facilitate the purchase. This represents 13% of the authorised share capital.

Controlling entity

The company is controlled by S Atkinson.

24. Share capital

Authorised share capital:

	2012	2011
	£	£
318,215 Ordinary A shares of £1 each	318,215	318,215
185,144 Ordinary B shares of £1 each	185,144	185,144
	<u>503,359</u>	<u>503,359</u>

Allotted, called up and fully paid.

	2012		2011	
	No	£	No	£
318,215 Ordinary A shares of £1 each	318,215	318,215	318,215	318,215
185,144 Ordinary B shares of £1 each	185,144	185,144	185,144	185,144
	<u>503,359</u>	<u>503,359</u>	<u>503,359</u>	<u>503,359</u>

25 Reserves

Group	Share premium account	Capital redemption reserve	Share options reserve	Profit and loss account
	£	£	£	£
Balance brought forward	73,806	75,213	1,152,897	3,199,451
Profit for the year	—	—	—	1,938,394
Equity dividends	—	—	—	(566,356)
Balance carried forward	<u>73,806</u>	<u>75,213</u>	<u>1,152,897</u>	<u>4,571,489</u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

25 Reserves (continued)

Company	Share premium account	Capital redemption reserve	Share options reserve	Profit and loss account
	£	£	£	£
Balance brought forward	73,806	75,213	1,152,897	2,836,574
Loss for the year	—	—	—	(41,476)
Equity dividends	—	—	—	(566,356)
Balance carried forward	<u>73,806</u>	<u>75,213</u>	<u>1,152,897</u>	<u>2,228,742</u>

26 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit for the financial year	1,938,394	998,705
Purchase of own ordinary shares	—	(75,213)
Premium on purchase of own ordinary shares	—	(524,787)
Equity dividends	<u>(566,356)</u>	<u>(325,184)</u>
	(566,356)	(925,184)
Net addition to shareholders' funds	1,372,038	73,521
Opening shareholders' funds	5,004,726	4,931,205
Closing shareholders' funds	<u>6,376,764</u>	<u>5,004,726</u>

27 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	Year to 31 Jan 12	Period from 1 Jun 10 to 31 Jan 11
	£	£
Operating profit	2,621,228	1,332,405
Amortisation	145,159	111,794
Depreciation	253,982	150,571
Profit on disposal of fixed assets	(40,652)	(476)
Increase in stocks	(64,235)	(134,927)
Decrease in debtors	42,152	505,348
Increase/(decrease) in creditors	355,857	(799,670)
Net cash inflow from operating activities	<u>3,313,491</u>	<u>1,165,045</u>

AUTOSMART HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

27. Notes to the cash flow statement *(continued)*

Analysis of changes in net funds

	At 1 February 2011 £	Cash flows £	At 31 January 2012 £
Net cash			
Cash in hand and at bank	1,995,412	2,197,183	4,192,595
Debt			
Debt due after 1 year	(510,377)	10,586	(499,791)
Net funds	<u>1,485,035</u>	<u>2,207,769</u>	<u>3,692,804</u>

28. Post balance sheet events

After the year end, a dividend of £622,803 was paid by Autosmart International Limited, a subsidiary of Autosmart Holdings Limited. The main recipients were Autosmart Holdings Limited's shareholders.