

Registered Number 00153658

Appleyard Motor Company Limited

Annual report and financial statements
for the year ended 31 December 2011



Appleyard Motor Company Limited

Annual report and financial statements for the year ended 31 December 2011

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Appleyard Motor Company Limited

Directors and advisors for the year ended 31 December 2011

Directors

A M Jones
M P Herbert
G Banham
S C Everett

Company secretary

R MacNamara

Registered office

770 The Crescent
Colchester Business Park
Colchester
CO4 9YQ

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Benson House
33 Wellington Street
Leeds
LS1 4JP

Solicitors

Eversheds LLP
Kett House
Station Road
Cambridge
CB1 2JY

Bankers

HSBC Bank plc
Midland House
26 North Station Road
Colchester
CO1 1SY

Barclays Bank plc

71 Grey Street
Newcastle
NE99 1JP

Appleyard Motor Company Limited

Directors' report for the year ended 31 December 2011

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2011

Principal activity

The principal activity of the company is the retail distribution of new and used motor vehicles and related activities in the motor trade. The company operates Jaguar, Land Rover, Volvo, Volkswagen, Toyota, Lexus, Honda, Bentley, Ferrari, Aston Martin, Maserati, Lamborghini and Harley-Davidson dealerships.

Review of the business

On 1 June 2011, the company acquired the trade and assets of three Toyota dealerships and one Lexus dealership in Essex/Suffolk for £4.8m. During October 2011, the Toyota dealership at Frinton-on-Sea was closed and the business transferred to the neighbouring Colchester dealership.

With the exception of the company's Land Rover dealerships, the company has been impacted by the uncertain general economic conditions that have impacted margins and resulted in reduced profitability against 2010. The company's Toyota and Honda dealerships were also adversely impacted in supply due to the disruption in Japan in the year caused by the tsunami. Additional costs associated with the acquisitions made in 2010 and 2011, and their integration into the wider group, have been absorbed; the net impact is a reduced retained profit for the year.

Future developments

The company represents a wide mix of franchises and has grown during 2010 and 2011 through key strategic acquisitions. These, together with the further acquisitions in 2012 and the transfer of businesses into the company on 1 January 2012, will ensure the company retains a strong and diverse portfolio of franchises.

The company will continue to concentrate on cost control as the outlook for the general economy remains uncertain.

Post balance sheet events

On 1 January 2012, some of the trade and assets of Wayside Garages Limited and all of the trade and assets of Wayside Aylesbury Limited, Wayside North Bucks Limited, Wayside (auto cz) Limited, Wayside North Herts Limited, Wayside St Albans Limited, Wayside Towcester Limited and Wayside Van Centres Limited were transferred into the company at fair value. All of these companies were part of the wider group on 1 January 2012.

On 1 April 2012, the company acquired the trade and assets of three Toyota dealerships in Essex for £6.7m including goodwill of £1.2m and a freehold property of £3.1m.

On 10 August 2012, the company acquired the trade and assets of a Toyota and Lexus dealership in Cambridge for £0.9m including goodwill of £0.4m.

Principal risks and uncertainties

The company is part of the Jardine Motors Group UK Limited group of companies (referred to as 'group'). The directors manage the company's risks and those of its fellow subsidiaries on a group basis.

a) Funding and liquidity risk

The group's policy is to ensure that the funding requirements forecast by the group can be met within available committed facilities.

Appleyard Motor Company Limited

Directors' report for the year ended 31 December 2011 (continued)

Principal risks and uncertainties (continued)

b) Interest rate risk

The group's interest rate policy is to manage the risk of interest rate fluctuations on the cashflows payable on the group's debt

c) Credit risk

An external credit risk company is used to check the credit ratings of counterparties and limit the group's exposure to credit risk. Credit ratings are updated both throughout the year and also upon credit alerts received from the credit risk company

Key Performance Indicators (KPIs)

The directors manage the group's risks and those of its fellow subsidiaries at a group level. Furthermore, they monitor the group's performance on a dealership basis rather than at a statutory company level

For these reasons the company's directors do not believe that a discussion of the principal risks facing the company or the use of KPIs to analyse its performance are appropriate for an understanding of its development, performance or financial position

The KPIs used by the group and the principal business risks it faces are discussed in the directors' report of Jardine Motors Group UK Limited annual report, which does not form part of this report

Results and dividends

The results for the year are set out in the profit and loss account on page 8

The directors do not recommend the payment of a dividend (2010 £nil)

Directors

The directors who held office during the year and to the date of this report are given below

A M Jones	G Banham
M P Herbert	S C Everett

Employees and equal opportunities

The company is committed to an active equal opportunities policy from recruitment and selection, through training and development, appraisal and promotion to retirement

It is the company's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability

Appleyard Motor Company Limited

Directors' report for the year ended 31 December 2011 (continued)

Employees and equal opportunities (continued)

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through internal newsletters, briefing groups and electronic communications.

Policy and practice on payment of creditors

The company's policy is to pay suppliers generally at the end of the month following that in which the supplier's invoice is received, or earlier where suppliers' terms require. The average period of credit taken by the company from its suppliers was 23 days (2010 28 days).

Charitable donations

During the year the company made charitable donations of £3,253 (2010 £664).

Statement of 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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Directors' report for the year ended 31 December 2011 (continued)

Independent auditors

The company has passed an elective resolution under section 487 of the Companies Act 2006 to dispense with the formal requirement to reappoint auditors annually

In the absence of notice proposing that the appointment be terminated, PricewaterhouseCoopers LLP will remain in office for the next financial year

By order of the Board

A handwritten signature in black ink, appearing to be 'R MacNamara', with a long horizontal line extending to the right.

R MacNamara

Company secretary

13 September 2012

Appleyard Motor Company Limited

Independent auditors' report to the members of Appleyard Motor Company Limited

We have audited the financial statements of Appleyard Motor Company Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 the 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 company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Appleyard Motor Company Limited

Independent auditors' report to the members of Appleyard Motor Company Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Richard Bunter (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
13 September 2012

Appleyard Motor Company Limited

Profit and loss account for the year ended 31 December 2011

	Note	2011 £'000	2010 £'000
Turnover			
- Continuing operations		321,441	335,375
- Acquisitions	18	15,652	-
- Discontinued operations	18	1,413	-
Turnover	2	338,506	335,375
Cost of sales	1	(309,743)	(305,589)
Gross profit		28,763	29,786
Selling and distribution costs	1	(18,061)	(16,298)
Administrative expenses	1	(8,510)	(7,279)
Operating profit			
- Continuing operations		2,623	6,209
- Acquisitions	18	(274)	-
- Discontinued operations	18	(157)	-
Operating profit	2	2,192	6,209
Interest receivable and similar income	5	158	319
Interest payable and similar charges	5	(531)	(483)
Profit on ordinary activities before taxation		1,819	6,045
Tax on profit on ordinary activities	6	(1,179)	(502)
Profit for the financial year	16	640	5,543

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historic cost equivalents

Appleyard Motor Company Limited

Balance sheet as at 31 December 2011

	Note	2011 £'000	2011 £'000	2010 £'000	2010 £'000
Fixed assets					
Intangible assets	7	1,738		1,220	
Tangible assets	8	8,057		6,232	
			9,795		7,452
Current assets					
Stocks	10	41,432		33,609	
Debtors	11	15,555		21,266	
Cash at bank and in hand		614		964	
			57,601		55,839
Creditors - amounts falling due within one year	12		(35,528)		(31,840)
Net current assets			22,073		23,999
Total assets less current liabilities			31,868		31,451
Provisions for liabilities	13		(807)		(1,030)
Net assets			31,061		30,421
Capital and reserves					
Called up share capital	15		10,000		10,000
Profit and loss account	16		21,061		20,421
Total shareholders' funds	16		31,061		30,421

The financial statements on pages 8 to 23 were approved by the board of directors on 13 September 2012 and were signed on its behalf by



M P Herbert
Director

Appleyard Motor Company Limited
Registered Number 00153658

Appleyard Motor Company Limited

Statement of accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The principal accounting policies have been applied consistently throughout the year and are set out below

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less provision for impairment in the financial statements. Provision against the underlying value of investments in subsidiaries is made where, in the opinion of the directors, there is impairment to the value of the underlying business.

Goodwill

Goodwill arising on acquisition, being the difference between the fair value of the net assets acquired and the consideration paid, is recognised in the balance sheet as an intangible fixed asset and amortised through the profit and loss account over the directors' estimate of its useful life, which is usually ten years.

On a subsequent disposal or termination of a previously acquired business, the profit or loss on disposal or termination is calculated after charging the amount of any related goodwill not written off through the profit and loss account, including any previously taken directly to reserves.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on tangible fixed assets in equal annual instalments over their expected useful economic lives as follows:

Freehold buildings	-	2% per annum
Short leasehold land and buildings	-	over term of lease
Plant and machinery	-	10% - 33% per annum
Computer equipment	-	20% - 33% per annum
Furniture, equipment and motor vehicles	-	10% - 33% per annum

No depreciation is provided on freehold land as it is deemed to have an indefinite life. The profit or loss on disposal of tangible fixed assets is recognised by reference to their carrying amount.

Impairment

In accordance with FRS 11 'Impairment of Fixed Assets and Goodwill', the company performs impairment reviews using the forecast net future cash flows of the businesses affected discounted to net present value using the company's cost of capital. Any impairment provision is offset directly against the underlying assets of the business deemed to have suffered the impairment.

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Statement of accounting policies (continued)

Stock

Stock is valued at the lower of cost and net realisable value. Cost is actual purchase price, excluding value added tax. Stock includes interest-bearing consignment stock, the corresponding liabilities of which are included in creditors. Consignment stock that is non-interest bearing is not considered an asset of the company and is excluded. Net realisable value is based on estimated selling price less further costs to be incurred to completion and disposal. Provision is made where necessary for obsolete, slow moving and defective stocks.

Taxation

Corporation tax payable is provided on taxable profits at the current rate prevailing at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets relating to carry forward of unused tax losses are recognised to the extent that it can be regarded as more likely than not that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Trade and other debtors

Trade debtors are recognised and measured at their original invoiced amount less provision for any uncollectable amounts. An estimate for doubtful debts is made when the collection of the full amount is no longer probable. Bad debts are written off to the profit and loss account when they are identified.

Provisions

In accordance with FRS 12 'Provisions, Contingent Liabilities and Contingent Assets', the company provides in full for liabilities when it has a legal or constructive obligation arising from a past event.

The lease costs provision is discounted and was established to provide for all future estimated costs which will be payable up to, and including, the date of termination of the leases. It is discounted at the average cost of capital to the company.

Turnover

Turnover comprises the value of sales of motor vehicles and parts, income from financing agreements and income from servicing, repairing and hiring of vehicles. Value added tax is excluded.

Turnover from the sale of goods is recognised upon transfer to a third party of economic benefits arising from the use of an asset or service. In practice this means that turnover is recognised when vehicles are invoiced and physically dispatched or when the service has been undertaken.

Appleyard Motor Company Limited

Statement of accounting policies (continued)

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

Pensions

The ultimate United Kingdom parent undertaking, Jardine Motors Group UK Limited, operates one principal hybrid scheme, which is in part defined benefit and in part defined contribution, and one principal defined contribution pension scheme that the company participates in. Trustees administer all of these schemes and their funds are independent of the group's assets. The principal hybrid scheme closed to future accrual on 1 December 2009, at which point all remaining members were able to join the defined contribution scheme.

Contributions made to the defined contribution scheme are charged to the profit and loss account as incurred.

Given that the company's share of the assets and liabilities within the group defined benefit scheme cannot be separately identified, the contributions paid by the company to the scheme are accounted for as though to a defined contribution scheme. Full details of the scheme are given in the financial statements of the ultimate United Kingdom parent undertaking, Jardine Motors Group UK Limited.

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Notes to the financial statements for the year ended 31 December 2011

1 Cost of sales and operating expenses

	2011 Continuing operations £'000	2011 Acquisitions £'000	2011 Discontinued operations £'000	2010 Continuing operations £'000
Cost of sales	294,068	14,399	1,276	305,589
Selling and distribution costs	16,891	976	194	16,298
Administrative expenses	7,859	551	100	7,279

2 Turnover and operating profit

All turnover, profit before taxation and net assets of the company are derived from retail and commercial motor trade activities transacted from dealerships within the United Kingdom

	2011 £'000	2010 £'000
Operating profit is stated after charging/(crediting):		
Management charge payable to group undertakings	2,370	1,665
Loss on disposal of fixed assets	30	9
Amortisation of goodwill (note 7)	293	191
Depreciation of tangible fixed assets (note 8)	793	754
Provision released for lease exit costs (note 13)	(40)	(58)
Operating lease charges		
- land and buildings	1,180	624
- plant and machinery	79	92
Services provided by the company's auditor		
- fees payable for the audit	59	57

Appleyard Motor Company Limited

3 Employees

The average monthly number employed by the company within each category of persons was

	2011 Number	2010 Number
Sales	213	194
Aftersales	414	366
Administration	107	90
	734	650

The costs incurred in respect of these employees were

	2011 £'000	2010 £'000
Wages and salaries	19,403	17,838
Social security costs	2,079	1,903
Other pensions costs (note 21)	250	248
	21,732	19,989

4 Directors

No emoluments or fees were paid to directors during the year (2010 £nil) in respect of their services to the company. The emoluments paid to A M Jones and M P Herbert are shown in the financial statements of Jardine Motors Group UK Limited. The emoluments paid to G Banham and S C Everett were made by Lancaster plc during the year.

5 Interest

Interest receivable and similar income	2011 £'000	2010 £'000
Bank interest receivable	158	319
Interest payable and similar charges	2011 £'000	2010 £'000
Stocking loan interest	456	396
Unwinding of discount in provisions (note 13)	75	86
Other	-	1
	531	483

Appleyard Motor Company Limited

6 Tax on profit on ordinary activities

(a) Analysis of charge for the year

	2011 £'000	2010 £'000
Current tax:		
UK corporation tax at 26.5% (2010: 28.0%)	89	1,214
Adjustments in respect of previous years	(1,214)	(2,119)
Total current tax	(1,125)	(905)
Deferred tax:		
Accelerated capital allowances	111	129
Change in rate of tax	(5)	-
Utilisation of losses	2,191	1,278
Adjustments in respect of previous years	7	-
Total deferred tax (note 14)	2,304	1,407
Tax on profit on ordinary activities	1,179	502

(b) Factors affecting corporation tax charge for the year

The tax assessed for the year is lower (2010: lower) than the effective standard rate of corporation tax in the UK 26.5% (2010: 28.0%). The differences are explained below:

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	1,819	6,045
Profit on ordinary activities multiplied by effective standard corporation tax rate in the UK at 26.5% (2010: 28.0%)	482	1,693
Effects of:		
Adjustment to taxable profit - group recharges	(472)	(292)
Expenses not deductible for tax purposes	101	71
Accounting profit in excess of capital loss	(13)	-
Items not taxable	-	(203)
Capital allowances in excess of depreciation	(9)	(55)
Adjustments in respect of previous years	(1,214)	(2,119)
Current tax credit for the year	(1,125)	(905)

Appleyard Motor Company Limited

6 Tax on profit on ordinary activities (continued)

(c) Other factors affecting current and future tax charges

A number of changes to the UK Corporation tax system were announced in the March 2012 Budget statement to reduce the main rate of corporation tax from 26% to a proposed rate of 22% by 1 April 2014. Legislation reducing the main rate of corporation tax from 26% to 24% from 1 April 2012 was enacted by 26 March 2012. Legislation reducing the main rate of corporation tax to 23% from 1 April 2013 is expected to be included in the Finance Bill 2012, with a future Finance Bill reducing the tax rate to 22% from 1 April 2014. It is expected that the impact of these changes will not be material to the company.

7 Intangible assets

	Goodwill £'000
Cost	
At 1 January 2011	2,521
Additions (note 18)	811
At 31 December 2011	3,332
Accumulated amortisation	
At 1 January 2011	1,301
Charge for the year	293
At 31 December 2011	1,594
Net book amount	
At 31 December 2011	1,738
At 31 December 2010	1,220

Appleyard Motor Company Limited

8 Tangible assets

	<u>Land and buildings</u>		Plant and machinery £'000	Computer equipment £'000	Furniture, equipment and motor vehicles £'000	Total £'000
	Freehold £'000	Short leasehold £'000				
Cost						
At 1 January 2011	5,086	624	2,971	981	3,601	13,263
Additions	2,932	-	172	91	289	3,484
Disposals	(832)	-	(47)	(7)	(40)	(926)
Reclassifications	(43)	-	(12)	(6)	18	(43)
At 31 December 2011	7,143	624	3,084	1,059	3,868	15,778
Accumulated depreciation						
At 1 January 2011	1,421	433	2,194	780	2,203	7,031
Charge for the year	50	29	228	111	375	793
Disposals	-	-	(43)	(4)	(13)	(60)
Reclassifications	(43)	-	(1)	(1)	2	(43)
At 31 December 2011	1,428	462	2,378	886	2,567	7,721
Net book amount						
At 31 December 2011	5,715	162	706	173	1,301	8,057
At 31 December 2010	3,665	191	777	201	1,398	6,232

During the year the company disposed of a plot of excess freehold land for £832,000, representing net book value

Appleyard Motor Company Limited

9 Investments

The company has one subsidiary undertaking

Name	Class of share	Principal activity
Abridge Loughton TPS Limited	Ordinary	Wholesale parts centre

The value of the investment in Abridge Loughton TPS Limited is £2 (2010 £2) and represents 100% of the issued share capital. Abridge Loughton TPS Limited is registered and operates in England and Wales.

The directors believe that the carrying value of the investments is supported by their underlying assets.

Consolidated financial statements have not been prepared because the company is a wholly owned subsidiary of Jardine Motors Group UK Limited, a company registered in England and Wales for which consolidated financial statements have been prepared.

10 Stocks

	2011 £'000	2010 £'000
Consignment vehicles	9,625	4,005
Motor vehicles	30,255	28,250
Parts and other stocks	1,552	1,354
	41,432	33,609

Stock held on consignment includes interest-bearing stock, which has a corresponding liability included in trade creditors. Vehicles adopted out of consignment stock are generally invoiced at the price ruling at the date of adoption.

The company also holds consignment stock that is not considered to be an asset of the company. Hence this stock, and the related liability, is excluded from these financial statements. At 31 December 2011, this stock had a value of £9,294,000 (2010 £6,088,000).

Appleyard Motor Company Limited

11 Debtors

	2011 £'000	2010 £'000
Trade debtors	4,162	4,700
Amounts owed by group undertakings	8,390	11,836
Deferred tax asset (note 14)	342	2,646
Other debtors	1,760	1,285
Prepayments	901	799
	15,555	21,266

Amounts owed by group undertakings are unsecured, interest free and have no fixed repayment terms

12 Creditors - amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	25,354	23,357
Corporation tax	89	1,214
Other taxation and social security payable	2,806	574
Other creditors	5,896	5,696
Accruals	1,383	999
	35,528	31,840

Trade creditors includes amounts due arising from the purchase of stocks from suppliers. Under the terms of trade, ownership thereof does not pass to the company until sums due to those suppliers are settled.

13 Provisions for liabilities

	At 1 January 2011 £'000	Provision released during the year £'000	Utilised £'000	Unwinding of discount £'000	At 31 December 2011 £'000
Lease costs	1,030	(40)	(258)	75	807

The lease costs provision was established to provide for all future estimated costs which will be payable up to, and including, the date of termination of the leases and was discounted at the average cost of capital of the company.

Appleyard Motor Company Limited

14 Deferred tax

	2011 £'000	2010 £'000
Deferred tax asset comprises:		
Accelerated capital allowances	(224)	(111)
Tax losses	566	2,757
Deferred tax asset (note 11)	342	2,646

	2011 £'000	2010 £'000
Movements during the year are as follows:		
At 1 January	2,646	4,053
Amount charged to profit and loss (note 6a)	(2,304)	(1,407)
At 31 December	342	2,646

The deferred tax asset provided in respect of losses has been computed at 30% on the basis that this is the rate at which the losses are expected to crystallise. In the event that it becomes certain that losses will not crystallise at this rate, the extent to which it is reasonable to recognise the deferred tax asset on these losses will be reviewed and adjusted where appropriate.

15 Called up share capital

	2011 £'000	2010 £'000
Allotted and fully paid:		
40,000,000 (2010: 40,000,000) ordinary shares of £0.25 each	10,000	10,000

16 Reconciliation of movements in shareholders' funds

	Share capital £'000	Profit and loss account £'000	Total 2011 £'000	Total 2010 £'000
Retained profit for the financial year	-	640	640	5,543
At 1 January	10,000	20,421	30,421	24,878
At 31 December	10,000	21,061	31,061	30,421

Appleyard Motor Company Limited

17 Cash flow statement

The immediate parent undertaking is a wholly owned subsidiary of Jardine Motors Group UK Limited, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 1 'Cash Flow Statements' from preparing a cash flow statement.

18 Acquisitions and Disposals

On 1 June 2011, the company acquired the trade and assets of three Toyota dealerships and one Lexus dealership in Essex/Suffolk. The acquisition has been accounted for in the financial statements for the year ended 31 December 2011. The goodwill arising and consideration paid, on the acquisition was as follows:

	£000's
Tangible fixed assets (fair value)	2,801
Stocks (fair value)	1,359
Debtors	49
Creditors	(231)
Net assets acquired (fair value)	3,978
Goodwill (note 7)	811
Cash consideration	4,789

From acquisition to 31 December 2011, the acquired dealerships contributed £15,652,000 to turnover and a loss of £274,000 to operating profit.

During October 2011, the company closed one of the acquired dealerships located in Frinton-on-Sea. From acquisition to closure the dealership contributed £1,413,000 to turnover and a loss of £156,000 to operating profit.

19 Related party transactions

No disclosure has been made of transactions with other group companies in accordance with Paragraph 3(c) of FRS 8 'Related Party Disclosures' as the immediate parent undertaking is a wholly owned subsidiary of Jardine Motors Group UK Limited.

Appleyard Motor Company Limited

20 Financial commitments

(a) Future capital expenditure

	2011 £'000	2010 £'000
Contracted for but not provided	3	8

(b) Operating leases

At 31 December 2011, the company had annual commitments under non-cancellable operating leases, which expire as follows

	Land and buildings		Other	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Within one year	225	-	32	73
Within two to five years	-	-	17	15
After five years	750	690	-	4
	975	690	49	92

21 Pension schemes

The ultimate United Kingdom parent undertaking, Jardine Motors Group UK Limited, operates one principal hybrid scheme, which is in part defined benefit and in part defined contribution, and one principal defined contribution pension scheme that the company participates in. The principal hybrid scheme closed to future accrual on 1 December 2009, at which point all remaining members were able to join the defined contribution scheme.

For the purposes of FRS 17 'Retirement Benefits' the contributions paid by the company to the defined benefit scheme will be accounted for as though to a defined contribution scheme. This arises since the share of assets and liabilities relating to the company cannot be separately identified. Full details of the scheme are given in the financial statements of the ultimate United Kingdom parent undertaking, Jardine Motors Group UK Limited.

During the year the company made no contributions (2010: £nil) to the defined benefit scheme.

With regard to the defined contribution scheme, the company contributed £250,000 to the scheme in 2011 (2010: £248,000).

22 Contingent liabilities

The company is subject to cross guarantees covering bank loans and overdrafts in Jardine Motors Group UK Limited and fellow subsidiaries. These loans and overdrafts amounted to £28,843,000 at 31 December 2011 (2010: £479,000).

Appleyard Motor Company Limited

23 Post balance sheet events

On 1 January 2012, some of the trade and assets of Wayside Garages Limited and all of the trade and assets of Wayside Aylesbury Limited, Wayside North Bucks Limited, Wayside (auto cz) Limited, Wayside North Herts Limited, Wayside St Albans Limited, Wayside Towcester Limited and Wayside Van Centres Limited were transferred into the company at fair value. All of these companies were part of the wider group on 1 January 2012.

On 1 April 2012, the company acquired the trade and assets of three Toyota dealerships in Essex for £6.7m including goodwill of £1.2m and a freehold property of £3.1m.

On 10 August 2012, the company acquired the trade and assets of a Toyota and Lexus dealership in Cambridge for £0.9m including goodwill of £0.4m.

24 Ultimate parent undertaking

The immediate parent undertaking is Lancaster plc.

The ultimate parent undertaking and controlling party is Jardine Matheson Holdings Limited, a company incorporated in Bermuda.

Jardine Matheson Holdings Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements.

Lancaster plc is the smallest group of undertakings to consolidate these financial statements.

The consolidated financial statements of Jardine Motors Group UK Limited and Jardine Matheson Holdings Limited can be obtained from the address below.

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Colchester
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