

**Imperial Commercials Ltd**

**Report and Financial Statements**

**For the year ended**

**30 June 2013**

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# **IMPERIAL COMMERCIALS LTD**

## **REPORT AND FINANCIAL STATEMENTS 2013**

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# **IMPERIAL COMMERCIALS LTD**

## **REPORT AND FINANCIAL STATEMENTS 2013**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

PB Michaux  
OS Arbee  
IT Oakes  
AB Welch  
AG Haspell  
WF Minty

#### **SECRETARY**

AB Welch

#### **REGISTERED OFFICE**

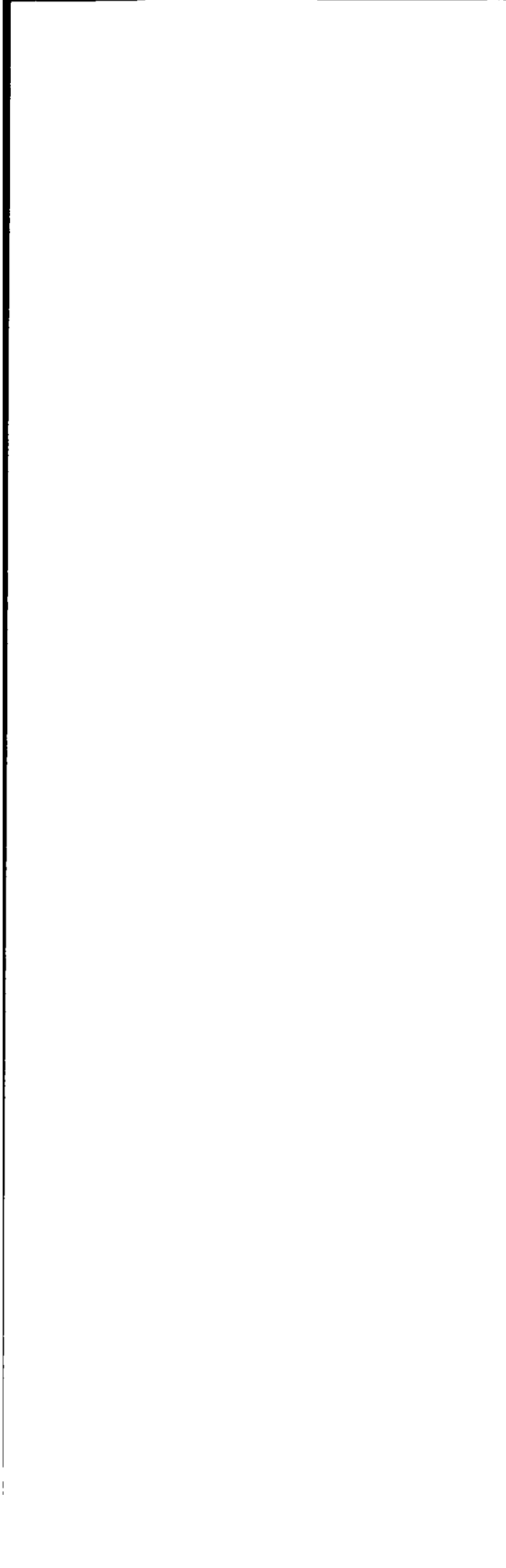
Imperial House  
14-15 High Street  
High Wycombe  
HP11 2BE

#### **BANKERS**

Barclays Bank PLC  
1 Churchill Place,  
London,  
E14 5HP

#### **AUDITOR**

Deloitte LLP  
St Albans, United Kingdom  
Chartered Accountants and Statutory Auditor



# **IMPERIAL COMMERCIALS LTD**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 June 2013

### **PRINCIPAL ACTIVITY**

The principal activity of the company throughout the period was the operation of commercial vehicle dealerships

### **REVIEW OF THE BUSINESS AND FUTURE PROSPECTS**

The results for the year are as set out in the profit and loss account on page 7

The company performed ahead of expectations in the year despite a weakening truck market. Nationally, in the year to 30 June 2013, the number of truck registrations fell by 7.5% to 37,588 (2012 rose by 25% to 40,629) although, in the same period, the number of national van registrations rose by 2.6% to 253,032 (2012 fell by 0.9% to 246,649)

The trade and assets of Imperial Commercials (Gloucester) Ltd were transferred into Imperial Commercials Ltd on 30<sup>th</sup> June 2011. The Directors are satisfied with the performance of that business and the contribution is made in the year.

At the end of 2013, new HGV vehicles will be subject to Euro 6 vehicle emission standards. This has led to a pull forward of vehicle orders into 2013 and is the primary cause of the increase in vehicle stock value as at 30<sup>th</sup> June 2013 compared with the same point in 2012.

The company has a loan of £9.5m (2012 £9.5m) from its immediate parent IH Mobility Holdings (UK) Ltd. The directors of IH Mobility Holdings (UK) Ltd have confirmed that this loan will remain in place for the foreseeable future and for a period of at least 12 months from the date that the accounts are signed.

The directors are satisfied with the performance of the business over the last year.

### **GOING CONCERN**

On the basis of current financial projections and facilities available, taking into account the current economic uncertainty, we have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company substantially finances operations through use of intercompany loan facilities as disclosed in note 20, and the directors are satisfied these facilities will continue to be made available. Thus the directors consider that it is appropriate to adopt the going concern basis in preparing the annual report and financial statements.

### **KEY PERFORMANCE INDICATORS AND MANAGEMENT OF RISK**

#### **Key performance indicators**

Management will continue to focus on long established key performance indicators within the business namely turnover, gross margin, distribution costs and administration expenses as noted in the review of the business shown above.

#### **Strategic risks**

We are reliant on our vehicle manufacturer partners to provide products of sufficient quality to maintain their market share. The business' views are represented by participation in dealer council meetings.

# **IMPERIAL COMMERCIALS LTD**

## **DIRECTORS' REPORT (CONTINUED)**

### **KEY PERFORMANCE INDICATORS AND MANAGEMENT OF RISK (CONTINUED)**

The business is exposed to changes in legislation that impact the markets in which it operates. The company monitors such changes and lobbies as appropriate.

#### **Financial risks**

The company's activities do not expose it to significant financial market risks, including price risk, interest rate risk, liquidity risk and foreign exchange risk. The company also has no significant concentration of credit risks due to exposure being spread over a large number of customers.

The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by periodic monitoring of these exposures posed by these financial market risks. The policies are set by the parent company and are monitored locally. There has been no change to either the risks or the management of those risks in the period.

### **DIVIDEND**

No interim dividends were declared or paid during the year (2012: £nil) and the directors do not recommend the payment of a final dividend (2012: £nil).

### **DIRECTORS**

The directors who held office during the year and to the date of this report were as follows:

PB Michaux  
OS Arbee  
IT Oakes  
AB Welch  
WF Minty  
AG Haspell

### **EMPLOYEE INVOLVEMENT**

The company believes that to achieve excellent customer service its employees should be well informed about company plans and performance and have the opportunity to discuss their performance at least on an annual basis with their manager. Additionally, the company is committed to providing all its employees with information on a regular basis at their home or in the workplace in a range of different forms, from newsletters to company briefings.

The Champions of Quality programme recognises individuals or teams who have made a significant personal contribution to the quality of service provided to customers, or who have made a major change in operating methods which improves service levels.

### **CHARITABLE DONATIONS**

The company made charitable donations to charities local to its business operations of £2,311 (2012: £2,837) during the year.

### **EMPLOYMENT OF DISABLED PERSONS**

It is the company's policy to ensure that disabled persons are treated fairly and consistently in terms of recruitment, training, career development and promotion and that their employment opportunities should be based on a realistic assessment of their aptitudes and abilities.

Wherever possible the company will continue the employment of persons who become disabled during the course of their employment with the company through re-training, acquisition of special aids and equipment or the provision of suitable alternative employment.

## **IMPERIAL COMMERCIALS LTD**

### **DIRECTORS' REPORT (CONTINUED)**

#### **PAYMENTS TO SUPPLIERS**

The company is responsible for agreeing the terms and conditions under which business transactions with suppliers are conducted. It is company policy that payments to suppliers are made in accordance with these terms, providing that the supplier is also complying with all the relevant terms and conditions. The company does not have a standard code of practice applicable to any class of suppliers. The number of days credit period outstanding at the end of the financial year was 68 days (2012: 51 days).

#### **AUDITOR**

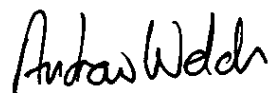
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP is deemed to be reappointed under s487(2) of the Companies Act 2006.

On behalf of the Board



AB Welch  
Director

14 February 2014



## **IMPERIAL COMMERCIALS LTD**

### **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 FRS101 Reduced Disclosure Framework. 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 judgments and accounting estimates that are reasonable and prudent,
- provide additional disclosures when compliance with the specific requirements in Financial Reporting Standard 101 Reduced Disclosure Frameworks are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- 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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMPERIAL COMMERCIALS LTD**

We have audited the financial statements of Imperial Commercials Ltd for the year ended 30 June 2013 which comprise the profit and loss account, the statement of changes in capital and reserves, the balance sheet and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and FRS 101 Reduced Disclosure Framework.

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

### **Scope of the audit of the financial statements**

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 30 June 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework, 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.

### **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.



**Robert Knight (Senior Statutory Auditor)**  
For and behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
St Albans, United Kingdom  
17 February 2014

# IMPERIAL COMMERCIALS LTD

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
<b>TURNOVER</b>	4	<b>218,105</b>	191,916
Cost of sales		<u>(177,745)</u>	<u>(157,116)</u>
<b>GROSS PROFIT</b>		<b>40,360</b>	34,800
Distribution costs		(22,768)	(19,973)
Loss on the sale of property	12	-	(1,679)
Administration expenses		<u>(13,698)</u>	<u>(11,886)</u>
<b>OPERATING PROFIT</b>		<b>3,894</b>	1,262
Interest payable and similar charges	5	<u>(451)</u>	<u>(378)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>	6	<b>3,443</b>	884
Tax on profit on ordinary activities	9	<u>(817)</u>	<u>(397)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	22	<b><u>2,626</u></b>	<b><u>487</u></b>

All amounts relate to continuing operations

There have been no recognised gains and losses in either the current or preceding financial years other than those shown above

**IMPERIAL COMMERCIALS LTD****STATEMENT OF CHANGES IN CAPITAL AND RESERVES****FOR THE YEAR ENDED 30 JUNE 2013**

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 30 June 2011	560	554	3,570	4,684
Profit for the year	-	-	487	487
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2012	560	554	4,057	5,171
Profit for the year	-	-	2,626	2,626
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2013	<u>560</u>	<u>554</u>	<u>6,683</u>	<u>7,797</u>

# IMPERIAL COMMERCIALS LTD

## BALANCE SHEET

AS AT 30 JUNE 2013

	Notes	30 June 2013 £'000	30 June 2012 £'000
<b>FIXED ASSETS</b>			
Intangible assets	11	82	140
Tangible assets	12	5,450	5,791
Investments	13	-	-
		<u>5,532</u>	<u>5,931</u>
<b>CURRENT ASSETS</b>			
Stock	14	37,517	28,517
Debtors	15	18,088	18,934
Cash and cash equivalents	17	8,785	11
		<u>64,390</u>	<u>47,462</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>(52,232)</u>	<u>(38,512)</u>
<b>NET CURRENT ASSETS</b>		<u>12,158</u>	<u>8,950</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>17,690</u>	<u>14,881</u>
Creditors amounts falling due after more than one year	19	(9,450)	(9,450)
Provisions for liabilities	20	(443)	(260)
<b>NET ASSETS</b>		<u>7,797</u>	<u>5,171</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	21	560	560
Share premium		554	554
Profit and loss account	22	6,683	4,057
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>7,797</u>	<u>5,171</u>

These financial statements of Imperial Commercials Ltd registered number 00653665 were approved and authorised for issue by the Board of Directors on 14 February 2014

Signed on behalf of the Board of Directors



**AB Welch**  
Director



**IT Oakes**  
Director

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2013

#### 1. GENERAL INFORMATION

Imperial Commercials Ltd is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activity are set out in the directors' report on page 2.

##### *Basis of preparation*

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 30 June 2013 the company has undergone transition from reporting under IFRs adopted by the European Union to FRS 101 as issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. This transition is not considered to have had a material effect on the financial statements. FRS 101 Reduced disclosure Framework has been early adopted as permitted by paragraph 11 of that standard.

As a consequence of adopting FRS 101 Reduced Disclosure Framework the presentation of the accounts has been amended to comply with section 395 (1) (a) of the Companies Act 2006 and a cash flow statement, otherwise required by IAS1 and IAS7, has not been presented. In addition, as permitted by FRS 101 Reduced Disclosure Framework, advantage has been taken of the exemptions available not to disclose

- The disclosure requirements of IFRS7 Financial Investments Disclosures,
- The effect of new IFRS's that are not yet effective and have not yet been adopted,
- Key management compensation,
- Related party transactions between the company and other members of the group,
- Comparative information for movements in tangible and intangible fixed assets,
- Certain disclosure requirements otherwise required by IFRS 3 relating to business combinations,
- Fair value measurement disclosures required by IFRS 13 paragraphs 91 and 99

Further details of the changes required as a result of the transition to FRS 101 Reduced Disclosure Framework are given in note 24.

The financial statements have been prepared under the historical cost basis of accounting and in accordance with FRS 101 Reduced Disclosure Framework and with the Companies Act 2006. FRS 101 Reduced Disclosure Framework has been early adopted as permitted by paragraph 1 of that standard.

The ultimate parent company into which this company's accounts are consolidated is Imperial Holdings Limited. Copies of the consolidated accounts can be obtained from Imperial Holdings Limited, PO Box 3013, Edenvale, Johannesburg, 1610, South Africa.

##### *Going Concern*

On the basis of current financial projections and facilities available, taking into account the current economic uncertainty, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company substantially finances operations through use of intercompany loan facilities as disclosed in note 19, and the directors are satisfied these facilities will continue to be made available. Thus the directors consider that it is appropriate to adopt the going concern basis in preparing the annual report and financial statements.

##### *Functional and presentational currency*

The financial statements are presented in pounds Sterling because that is the functional currency of the economic environment in which the company operates.

##### *International Financial Reporting Standards adopted for the first time in 2013*

Where relevant, the company has adopted the following statement for the first time this year:

- IAS 12 (Amendment) Deferred tax Recovery of underlying assets

## **IMPERIAL COMMERCIALS LTD**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 30 JUNE 2013**

##### **GENERAL INFORMATION (continued)**

The adoption of the above standard has had a minimal impact on the current years' financial statements. There have been no changes to the prior year comparative figures as a result of adoption of the new standard.

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### *Individual company accounts*

The company has taken advantage of the exemption contained within paragraph 10 of IAS 27 - Consolidated and Separate Financial Statements - not to prepare consolidated accounts on the basis that

- The company's sole shareholder, IH Mobility Holdings (UK) Limited, has been informed of, and does not object to, consolidated accounts not being prepared,
- The company's shares are not traded on a recognised stock exchange,
- The company did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market, and
- The ultimate parent company produces consolidated financial statements that are available to the public, in accordance with International Financial Reporting Standards

Accordingly these financial statements present information on the individual company and not on the group as a whole. Investments in subsidiaries are stated at cost less dividends received paid out of pre-acquisition reserves and impairment provisions.

##### *Business combinations and goodwill*

The acquisition of businesses, whether by asset or share purchases, are accounted for using the acquisition method. The assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 - Business Combinations - are recognised at their fair value at their acquisition date except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - which are recognised and measured at fair value less costs to sell. Any excess of the cost over the asset valuation as calculated above is recognised as goodwill.

Goodwill is recognised as an asset and is not amortised. It is reviewed for impairment as detailed in "impairment of non-financial assets" below.

##### *Tangible fixed assets*

Tangible fixed assets are stated at purchase cost including directly attributable costs. The company does not have a revaluation policy. Freehold land is not depreciated. Depreciation of other tangible fixed assets is provided on a straight line basis using rates calculated to write down the cost of each asset to its estimated residual value over its estimated useful life as follows:

Property	
Freehold buildings and long leasehold property	2%
Plant and equipment	
Motor vehicles	25%
Plant and machinery	20%
Fixtures, fittings, tools and equipment	10%
Computer equipment	12.5% to 33%

Annual reviews are made of estimated useful lives and material residual values.

The gain or loss arising on the disposal of tangible fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss account.



# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### *Leased assets*

##### *Lessor accounting*

The company does not hold any assets for hire under finance or operating leases

##### *Lessee accounting*

Property leases are split into two elements, land and buildings and each considered in isolation. The land element is always classified as an operating lease and the building element is reviewed to determine if it is operating or finance in nature.

Initial rental payments in respect of operating leases are prepaid and amortised to profit and loss account over the period of the lease. On-going rental payments are charged as an expense in the profit and loss account on a straight line basis until the date of the next rent review. Finance leases are capitalised and depreciated in accordance with the accounting policy for property.

Immaterial peppercorn rentals and ground rents in respect of all properties are expensed to the profit and loss account on an accruals basis.

Rental costs arising from plant and machinery operating leases are charged as an expense in the profit and loss account on a straight line basis over the period of the lease.

The company does not have any items of plant and equipment financed by finance leases or similar hire purchase agreements.

##### *Assets held for sale*

Assets and disposal groups are reclassified as assets held for sale if their carrying value will be recovered through a sale transaction which is highly probable to be completed within 12 months of the initial classification. Assets held for sale are valued at the lower of carrying amount at the date of initial classification and fair value less costs to sell.

##### *Impairment of non-financial assets*

Goodwill is tested annually for impairment or more frequently if there are any changes in circumstances or events that indicate that a potential impairment may exist. Goodwill impairments are not reversed.

Tangible fixed assets are reviewed for indications of impairment when events or changes in circumstances indicate that the carrying amount may not be recovered. If there are indications then a test is performed on the asset affected to assess its recoverable amount against carrying value.

An asset impaired is written down to the higher of value in use or its fair value less costs to sell.

##### *Current and deferred taxation*

The current tax charge is based on the taxable profit or loss for the period and takes into account both permanent disallowable items and deferred taxation because of differences between the treatment of certain items for taxation and for accounting purposes.

Deferred tax arises due to differences between the accounts carrying value and the corresponding tax bases used in the computation of taxable profit. Full provision, calculated using the balance sheet liability method, is made for the tax effects of these differences except that deferred tax is not recognised if the temporary timing difference arises from the initial recognition of goodwill.

Deferred tax is provided using tax rates that have been enacted, or substantively enacted, by the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets is reviewed at each balance sheet date to ensure that it is probable that sufficient taxable profits will be available to allow the asset to be recovered.

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

##### *Current and deferred taxation (continued)*

Assets and liabilities, in respect of both deferred and current tax, are only offset when there is a legally enforceable right to offset and the assets and liabilities relate to taxes levied by the same taxation authority

Deferred and current tax are charged or credited in the profit and loss account except when they relate to items charged directly to reserves in which case the associated tax is also dealt with in reserves

##### *Stock*

Stock is valued at the lower of cost of purchase and net realisable value. Cost comprises actual purchase price. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Vehicles held under consignment stock arrangements are brought onto the balance sheet after the point that the vehicles have been added to the relevant manufacturer stocking plan.

##### *Financial instruments*

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes a party to the contractual provisions of the instrument.

The company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The company de-recognises financial liabilities only when the company's obligations are discharged, cancelled or they expire.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### *Trade and other debtors*

Trade and other debtors are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Allowances for irrecoverable amounts, which are dealt with in the profit and loss account, are calculated based on the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

##### *Cash and cash equivalents*

Cash and cash equivalents includes cash-in-hand, cash-at-bank and short term highly liquid investments that are readily convertible into known amounts of cash within three months from the date of initial acquisition with an insignificant risk of a change in value.

##### *Trade and other creditors*

Trade and other creditors are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method.

##### *Bank borrowings*

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Interest charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the profit or loss account using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

##### *Equity instruments*

Equity instruments issued by the company are recorded at the proceeds received net of direct issue costs.

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### *Provisions for liabilities*

Provisions for liabilities are created where the company has a present obligation (legal or constructive) as a result of a past event where it is probable that the company will be required to settle that obligation. Provisions for liabilities are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions for liabilities are only discounted to present value where the effect is material.

##### *Retirement benefit costs*

###### *Defined contribution schemes*

Employer's contributions are charged to the profit and loss account on an accruals basis.

##### *Net debt*

Net debt is defined as cash and cash equivalents, bank and other intercompany loans and derivative financial instruments stated at current fair value.

##### *Turnover*

Turnover represents the fair value of the consideration received and receivable for the distribution and repair of commercial vehicles, after deducting trade discounts, during the financial period. Turnover excludes Value Added Tax.

Income generated from the sale of commercial vehicles and spare parts is recognised in the profit and loss account on the date of transfer of ownership of the goods. Income generated from the provision of service facilities is recognised in the profit and loss account on the date the service is provided. Bonus income from the manufacturer is recognised on an accruals basis when receipt is probable.

An element of turnover is deferred to the extent that it relates to future maintenance contracts and is recognised in accordance with the expected profile of anticipated future costs. Maintenance costs are written off when incurred, or provided for when future costs are forecast to exceed future turnover.

##### *Interest income*

Interest income from bank deposit accounts is accrued on a time basis calculated by reference to the principal on deposit and the effective interest rate applicable.

##### *Interest payable*

Interest payable is recognised in the profit and loss account on an accruals basis in the period in which it is incurred.

##### *Operating profit*

Operating profit is defined as the profit for the period from continuing operations after all operating costs and income but before investment income, interest receivable, interest payable and taxation.

#### 3. USE OF CRITICAL ACCOUNTING ASSUMPTIONS AND ESTIMATES

Estimates and judgements are continually evaluated and assessed based on historical experience and other factors, including expectations of future events that are believed to be reasonable given the circumstances prevailing when the accounts are approved.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, the directors consider that there is not a significant risk of a material adjustment arising to the carrying value of the company's assets and liabilities as a result of the use of these estimates and assumptions.

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 4. TURNOVER

The turnover arises from the two classes of business. Sale of goods includes parts and vehicle sales. Sales of services represent the sale of labour.

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Sales of goods	180,539	157,199
Sales of services	37,566	34,717
	<u>218,105</u>	<u>191,916</u>

Turnover from continuing operations is generated wholly in the UK.

#### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Interest charge on bank loans and overdrafts	6	17
Interest charge on manufacturer floorplan	219	283
Intercompany interest charges	226	78
	<u>451</u>	<u>378</u>

#### 6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

Profit on ordinary activities before tax for the year has been arrived at after charging/ (crediting)

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Cost of stock recognised as an expense	168,652	148,020
Rent receivable	(229)	(232)
Intangible asset impairment and amortisation charges (note 11)	58	109
Depreciation of property, plant and equipment – Owned	1,570	1,709
Loss on sale of plant and equipment	13	-
Loss on the sale of property (note 12)	-	1,679
Operating lease rental payments		
Property lease rental payments	1,689	1,063
Plant and machinery lease rental payments	598	630
Auditor's remuneration (see note 7)	74	79
Staff costs (see note 8)	<u>31,201</u>	<u>27,233</u>

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 7. AUDITOR'S REMUNERATION

A more detailed analysis of auditor's remuneration is as follows

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Fees payable to the company's auditor in respect of audit services		
The audit of the financial statements	74	79
Total audit fees	<u>74</u>	<u>79</u>

#### 8. EMPLOYEE INFORMATION

	Year ended 30 June 2013 No.	Year ended 30 June 2012 No
The average number of employees employed during the period was		
Sales	64	55
Service and bodyshop	618	569
Parts	182	161
Administration	97	93
	<u>961</u>	<u>878</u>

Staff costs charged in the profit and loss account	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Staff costs, including directors' remuneration amounted to		
Wages and salaries	26,892	23,427
Social security costs	2,781	2,256
Other pension costs – defined contribution and similar schemes	1,528	1,451
	<u>31,201</u>	<u>27,134</u>

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 8. EMPLOYEE INFORMATION (continued)

Directors' emoluments	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Total directors' emoluments were as follows		
Emoluments	585	586
Company contributions to a money purchase pension scheme	87	83
	<u>672</u>	<u>669</u>

No directors were either granted or exercised share options during the period

The number of directors in office at the period end to whom retirement benefits are accruing in the defined contribution scheme are as follows

	Year ended 30 June 2013 No	Year ended 30 June 2012 No
Defined contribution scheme	<u>4</u>	<u>4</u>

Details in respect of the highest paid director are as follows

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Emoluments	230	234
Company contributions to a money purchase pension scheme	37	17
	<u>267</u>	<u>251</u>

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 9. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge on profit on ordinary activities is as follows

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
<b>Current tax</b>		
UK Corporation tax and group relief at 23.75% (2012: 25.5%) based on the taxable profit for the period	773	676
Adjustments in respect of prior periods	(61)	-
	<u>712</u>	<u>676</u>
<b>Deferred tax charge/(credit)</b>		
Deferred tax on the origination and reversal of temporary differences	84	(286)
Adjustments to deferred tax in respect of prior periods	21	7
	<u>105</u>	<u>(279)</u>
Total deferred tax charge/(credit) (note 16)		
	<u>817</u>	<u>397</u>
Total tax charge for the financial period attributable to continuing operations		

The tax charge for the financial year can be reconciled to the profit before tax per the profit and loss account multiplied by the weighted average standard effective corporation tax rate in the UK of 23.75% (2012: 25.5%) as follows

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Profit on ordinary activities before taxation from continuing operations	3,443	884
Tax at the UK effective corporation tax rate of 23.75% (2012: 25.5%)	818	225
Effects of		
Expenses not deductible for tax purposes	44	42
Loss on sale of ineligible assets and ineligible depreciation	25	46
Disallowed industrial building allowances	-	81
Transfer price adjustment imputed	(74)	(79)
Change in rate of corporation tax	44	75
Adjustments to tax charge in respect of previous periods	(40)	7
	<u>817</u>	<u>397</u>

#### *Factors affecting future current and total tax charges*

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

The above changes will reduce the company's future tax charge accordingly and further reduce the deferred tax asset at 30 June 2013 (which has been calculated based on the rate of 23% substantively enacted at the balance sheet date) by approximately £87,000.

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 10 DIVIDENDS

No dividends were declared or paid in either the current or previous financial periods

#### 11. INTANGIBLE ASSETS

	Customer relationships and databases £'000	Goodwill £'000	Total £'000
<b>Cost</b>			
As at 30 June 2012 and 30 June 2013	615	1,012	1,627
<b>Accumulated amortisation and impairment charges</b>			
As at 30 June 2012	475	1,012	1,487
Amortisation charges	58	-	58
<b>At 30 June 2013</b>	<b>533</b>	<b>1,012</b>	<b>1,545</b>
<b>Carrying value</b>			
As at 30 June 2013	82	-	82
As at 30 June 2012	140	-	140

Customer relationships and databases are being amortised over their expected useful lives which is estimated to be three years

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGU) that are expected to benefit from that goodwill. Before recognition of impairment losses, the cost of goodwill had been allocated as follows

	2013 £'000	2012 £'000
Meo Commercials	100	100
Truck Services Grimsby	575	575
Hawarden Commercials	292	292
Joseph Rice Truck Services Gloucester	27	27
Bellshill	18	18
	<b>1,012</b>	<b>1,012</b>

Goodwill impairment tests are performed annually or more frequently if there are indications that the goodwill may be impaired. The goodwill in respect of all of the above acquisitions has been fully impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The CGUs do not include any other intangible assets. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market estimates of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts.

Changes in selling prices and direct costs are based on past experience and expectations of future changes in the market.

The company prepares cash flow forecasts derived from the approved financial budgets for the year and extrapolates cash flows for the next five years based on an estimated growth rate of 3%. This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows from the above CGU is 8%.



# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 12. TANGIBLE ASSETS

	Property £'000	Motor vehicles £'000	Plant and machinery £'000	Fixtures fittings, tools and equipment £'000	Computer equipment £'000	Total £'000
<b>Cost</b>						
As at 30 June 2012	3,038	2,374	5,139	2,076	1,964	14,591
External additions	78	369	454	86	291	1,278
External disposals	(32)	(431)	(195)	(56)	(353)	(1,067)
<b>As at 30 June 2013</b>	<b>3,084</b>	<b>2,312</b>	<b>5,398</b>	<b>2,106</b>	<b>1,902</b>	<b>14,802</b>
<b>Accumulated depreciation</b>						
As at 30 June 2012	622	1,500	3,876	1,265	1,537	8,800
Depreciation charge	123	441	530	255	221	1,570
External disposals	(32)	(391)	(194)	(48)	(353)	(1,018)
<b>As at 30 June 2013</b>	<b>713</b>	<b>1,550</b>	<b>4,212</b>	<b>1,472</b>	<b>1,405</b>	<b>9,352</b>
<b>Carrying value</b>						
<b>As at 30 June 2013</b>	<b>2,371</b>	<b>762</b>	<b>1,186</b>	<b>634</b>	<b>497</b>	<b>5,450</b>
As at 30 June 2012	2,416	874	1,263	811	427	5,791

At 30 June 2013 the company had entered into contractual commitments for the acquisition of property, plant and equipment of £43,000 (30 June 2012 £21,000)

External disposals represent items with no further useful life that have been disposed of as well as assets sold to third parties

During 2012 the company transferred its remaining freehold properties to its parent undertaking, IH Mobility Holdings (UK) Limited, for a total consideration of £6,737,000. This resulted in a loss on sale of £1,679,000 which was charged in the profit and loss account in arriving at the profit before tax (see note 6)

The carrying value of the company's property is as follows

	30 June 2013 £'000	30 June 2012 £'000
Short leasehold improvements	2,371	2,416

#### 13. INVESTMENTS

The company owned 100% of the issued share capital of Manor Park Engineering Limited, a non-trading company incorporated in England and Wales. Manor Park Engineering Limited was liquidated during the year.

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 14. STOCK

	30 June 2013 £'000	30 June 2012 £'000
Raw materials and consumables	747	532
Work in progress	627	557
Goods held for resale	36,143	27,428
	<u>37,517</u>	<u>28,517</u>

The cost of stock recognised as an expense in the period was £168,652,000 (2012 £148,020,000) and the net credit in the profit and loss account for net realisable value provisions was £32,000 (2012 Charge of £78,000)

#### 15 DEBTORS

	30 June 2013 £'000	30 June 2012 £'000
Amounts falling due within one year		
Trade debtors	15,847	16,148
Amounts owed by group undertakings	4	4
Other debtors	79	295
Prepayments and accrued income	1,156	1,380
Deferred tax (note 16)	1,002	1,107
	<u>18,088</u>	<u>18,934</u>

#### 16. DEFERRED TAX ASSET

The deferred tax asset recognised by the company and the movements thereon during the current and prior reporting periods are as follows

	Depreciation in excess of capital allowances £'000	Provisions and other short term timing differences £'000	Total £'000
Asset as at 30 June 2011 at 26%	501	199	700
Business acquisition (note 23)	68	60	128
Credited to profit and loss account (note 9)	254	25	279
	<u>823</u>	<u>284</u>	<u>1,107</u>
Asset as at 30 June 2012 at 24% (note 15)	(32)	(73)	(105)
Charge to profit and loss account (note 9)			
	<u>791</u>	<u>211</u>	<u>1,002</u>

The company did not have any unused capital or trading losses at the end of either period There was no unprovided deferred tax at either 30 June 2013 or 30 June 2012

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 17. CASH AND CASH EQUIVALENTS

	30 June 2013 £'000	30 June 2012 £'000
Cash at bank	8,775	-
Cash in hand	10	11
	<u>8,785</u>	<u>11</u>

#### 18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2013 £'000	30 June 2012 £'000
Bank loans and overdrafts	-	1,057
Trade creditors	38,703	27,213
Amounts owed to group undertakings	2,645	2,050
Corporation tax and group relief	541	661
Other tax and social security	1,771	3,007
Other creditors	4,160	963
Accruals and deferred income	4,412	3,561
	<u>52,232</u>	<u>38,512</u>

#### 19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 June 2013 £'000	30 June 2012 £'000
Amounts due to group undertakings represent intercompany borrowings which are repayable as follows		
Unsecured parent company loans due in more than one but less than five years (IH Mobility Holdings (UK) Limited)	9,450	9,450
	<u>9,450</u>	<u>9,450</u>

IH Mobility Holdings (UK) Limited has agreed to subordinate a maximum amount of £5 million of the above debt in preference to amounts owed by this company to Paccar Financial Services Europe B V. The amount actually subordinated is calculated in accordance with an agreed formula. As at 30 June 2013 the amount owed by this company included within trade creditors as disclosed in note 18, to Paccar Financial Services Europe B V was £17,958,000 (2012: £13,772,000) and the amount of debt subordinated was £5 million (2012: £5 million).

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 20 PROVISIONS FOR LIABILITIES

	Repair and maintenance provisions £'000	Dilapidation provisions £'000	Total £'000
At 30 June 2011	26	256	282
Charged in the profit and loss account	1	-	1
Utilised	(23)	-	(23)
At 30 June 2012	4	256	260
Charged in the profit and loss account	93	90	183
Utilised	-	-	-
At 30 June 2013	<b>97</b>	<b>346</b>	<b>443</b>

The repair and maintenance provisions reflect onerous contractual obligations under such contracts

The dilapidations provisions represent the anticipated costs of reinstating leasehold premises at the end of the lease agreements

Provisions are expected to be utilised within the next five years

#### 21 SHARE CAPITAL

	30 June 2013 £'000	30 June 2012 £'000
<b>Called up, allotted and fully paid</b>		
560,000 ordinary shares of £1 each	<b>560</b>	<b>560</b>

The company has one class of ordinary shares which carry no right to fixed income

#### 22. RESERVES

	Profit and loss account	
	30 June 2013 £'000	30 June 2012 £'000
At beginning of year	4,057	3,570
Profit for the financial year	2,626	487
At end of year	<b>6,683</b>	<b>4,057</b>

## IMPERIAL COMMERCIALS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2013

##### 23. BUSINESS ACQUISITIONS

Last year, on 30 June 2012 the company purchased the trade and assets of Imperial Commercials (Gloucester) Limited for a consideration of £3,571,000. The consideration was settled by an intercompany loan from IH Mobility Holdings (UK) Limited, this company's parent company and the vendor of Imperial Commercials (Gloucester) Limited.

The net assets acquired and consideration paid were as follows

	Book and fair value £'000
Tangible fixed assets	309
Deferred tax asset (note 16)	128
Stock	2,708
Debtors	406
Cash and cash equivalents	85
Creditors	(80)
Corporation tax and group relief	15
Total consideration	<u>3,571</u>
Satisfied by	
Loan from parent company	<u>3,571</u>
Net cash inflow arising on acquisition	
Cash consideration paid	-
Cash and cash equivalents acquired	<u>85</u>
	<u>85</u>

Trade from Imperial Commercials (Gloucester) Limited was transferred on 30 June 2012 and therefore revenue and net profit contributed to the results for last year was nil. There are no outstanding consideration or contingencies related to this acquisition.

##### 24. CONTINGENT LIABILITIES

The company has contingent liabilities under performance and trade guarantees entered into the normal course of business.

The company has guaranteed the bank overdraft of its parent company, IH Mobility Holdings (UK) Limited. The amount outstanding at 30 June 2013 was £nil (30 June 2012: £nil).

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 25 OPERATING LEASE ARRANGEMENTS

At the balance sheet date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows

	Total		Property		Plant, machinery and equipment	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	£'000	£'000	£'000	£'000	£'000	£'000
Amounts payable under operating leases						
Within one year	2,173	2,238	1,631	1,608	542	630
In the second to fifth years inclusive	4,355	5,737	3,668	4,946	687	791
After five years	4,840	4,334	4,840	4,334	-	-
	<u>11,368</u>	<u>12,309</u>	<u>10,139</u>	<u>10,888</u>	<u>1,229</u>	<u>1,421</u>

Property lease payments represent rentals payable by the company for certain of its operating locations and offices. Leases are negotiated over various terms to suit the particular requirements at that time. Break clauses are included wherever appropriate and the above liability has been calculated from the balance sheet date to either the end of the lease or the first break clause, whichever is the earlier.

Plant, machinery and equipment leases represent short term leases for office, general equipment and company cars.

#### 26. RELATED PARTY TRANSACTIONS

##### Transactions with directors

Other than remuneration, as set out in note 8, the company did not enter into any material transactions with any director during either the current or preceding financial periods.

#### 27. EXPLANATION OF TRANSITION TO FRS 101

This is the first year that the company has prepared its financial statements in accordance with FRS 101 Reduced Disclosure Framework (FRS 101), the previous year's accounts having been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The date of transition from IFRS to FRS 101 was 1 July 2011.

##### Reconciliation of capital and reserves as at 1 July 2011 (date of transition to FRS 101)

No changes were required to capital and reserves as a result of the adoption of FRS 101 as at 1 July 2011.

##### Reconciliation of profit for the year ended 31 July 2012

Other than changes in terminology to ensure that the format of the profit and loss accounts complies with Companies Act accounts as defined by section 395(1) (a) of the Companies Act 2006 and Statutory Instrument 2008 number 410, there have been no changes to the profit and loss account result for the year as a result of adopting FRS 101.

# IMPERIAL COMMERCIALS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2013

#### 27 EXPLANATION OF TRANSITION TO FRS 101 (CONTINUED)

##### Reconciliation of balance sheets as at 31 July 2012 (date of last IFRS financial statements)

	IFRS £'000	Note 1 £'000	Terminology and presentational changes Note 2 £'000	Note 3 £'000	Note 4 £'000	Note 5 £'000	FRS 101 £'000
<b>Fixed assets</b>							
Intangible assets	-	140	-	-	-	-	140
Tangible assets	-	5,791	-	-	-	-	5,791
	-	5,931	-	-	-	-	5,931
<b>Non-current assets</b>							
Intangible assets	140	(140)	-	-	-	-	-
Property, plant and equipment	5,791	(5,791)	-	-	-	-	-
Deferred tax asset	1,107	-	(1,107)	-	-	-	-
	7,038	(5,931)	(1,107)	-	-	-	-
<b>Current assets</b>							
Inventory	28,517	-	-	(28,517)	-	-	-
Stock	-	-	-	28,517	-	-	28,517
Trade and other receivables	17,827	-	-	(17,827)	-	-	-
Debtors	-	-	1,107	17,827	-	-	18,934
Cash	11	-	-	-	-	-	11
	46,355	-	1,107	-	-	-	47,462
<b>Creditors. Amounts falling due within one year</b>					(38,512)	-	(38,512)
<b>Current liabilities</b>							
Trade and other payables	(36,794)	-	-	-	36,794	-	-
Current tax liabilities	(661)	-	-	-	661	-	-
Bank overdrafts	(1,057)	-	-	-	1,057	-	-
Provisions	(135)	-	-	-	135	-	-
	(38,647)	-	-	-	38,647	-	-
<b>Net current assets</b>	7,708	-	1,107	-	135	-	8,950
<b>Total assets less current liabilities</b>	14,746	-	-	-	135	-	14,881
<b>Creditors. Amounts falling due after more than one year</b>			-	-	(9,450)	-	(9,450)
<b>Provisions for liabilities</b>	-	-	-	-	(260)	-	(260)
<b>Non-current liabilities</b>							
Provisions	(125)	-	-	-	125	-	-
Loans due to related parties	(9,450)	-	-	-	9,450	-	-
	(9,575)	-	-	-	9,575	-	-
<b>Net assets</b>	5,171	-	-	-	-	-	5,171
<b>Equity</b>							
Share capital	560	-	-	-	-	(560)	-
Share premium	554	-	-	-	-	(554)	-
Retained earnings	4,057	-	-	-	-	(4,057)	-
<b>Capital and reserves</b>							
Share capital	-	-	-	-	-	560	560
Share premium	-	-	-	-	-	554	554
Profit and loss account	-	-	-	-	-	4,057	4,057
<b>Shareholders' funds</b>	5,171	-	-	-	-	-	5,171

## **IMPERIAL COMMERCIALS LTD**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 30 JUNE 2013**

##### **27. EXPLANATION OF TRANSITION TO FRS 101 (CONTINUED)**

###### **Notes to the reconciliation of the balance sheet as at 30 June 2012**

- 1 Terminology change, non-current assets reclassified as fixed assets under FRS 101
- 2 Deferred tax asset classified as a debtor and not shown as a separate line within fixed assets under FRS 101
- 3 Terminology changes to current assets
- 4 Terminology changes, current liabilities amalgamated and shown as one line under FRS 101  
Provisions shown as a separate line under FRS 101
- 5 Terminology changes to equity, reclassified as capital and reserves under FRS 101

##### **28. ULTIMATE PARENT COMPANY**

The company regarded by the directors as the ultimate parent and controlling party is Imperial Holdings Limited, which is incorporated in South Africa. It is also the parent company of the largest and smallest group for which group accounts are prepared. The immediate parent company and immediate controlling entity is IH Mobility Holdings (UK) Limited.

Copies of the consolidated accounts of Imperial Holdings Limited can be obtained from PO Box 3013, Edenvale, Johannesburg, 1610, South Africa.