

Company registration number: 01535256

Cole Motors Limited

Annual Report and Financial Statements

For the year ended 31 March 2015

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Cole Motors Limited
Company information

01535256

Directors

M A Freeman
P I M Skoulding

Secretary

Mitie Company Secretarial Services Limited

Registered office

1 Harlequin Office Park
Fieldfare
Emersons Green
Bristol
BS16 7FN

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

The directors, in preparing this strategic report, have complied with Section 414C of the Companies Act 2006.

Review of the business

The Company provides the sale and fit out services of motor vehicles. There have not been any significant changes to the Company's principal activities in the year under review and the directors are not aware of any likely significant changes.

As shown in the Company's profit and loss account, the Company's operating profit has decreased by 6% over the prior year. The balance sheet shows the Company's financial position at the year end has, in net asset terms, increased from the prior year from £1,688,000 to £2,041,000.

Key performance indicators

The Group manages its operations on a divisional basis. For this reason, the Company's directors do not believe further key performance indicators are necessary for an appropriate understanding of the performance and position of the business. The performance of the Group's divisions is discussed in the Group's annual report which does not form part of this report.

Principal risks and uncertainties

The majority of work that Cole Motors Limited undertakes will be for other group companies via a third party. The Company is part of the Mitie Group and manages its risks within the Mitie Group Risk Framework. Details of the principal risks and uncertainties are given in the Mitie Group plc annual report. The directors have reviewed the financial risk management objectives and policies of the Company in the light of the Group Risk Framework. The directors do not believe there to be any other significant risks.

Financial risk management

The Company does not enter into any hedging instruments, or any financial instruments for speculative purposes.

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms and the relationships with suppliers and customers and manages any exposure on normal trade terms. The Company prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed as part of the overall Mitie Group plc financing arrangements.

Future developments

The directors expect the general level of activity to remain consistent with 2015 in the forthcoming year.

Post balance sheet events

There have been no significant events since the balance sheet date.

Approved by the Board and signed on its behalf by:



M A Freeman
Director
29 July 2015

The directors present the annual report and audited financial statements of Cole Motors Limited ("the Company") for the year ended 31 March 2015.

Dividends

Dividends for each share class were declared as follows:

Ordinary: £4.60 per share (2014: £3.0375 per share)

Going Concern

The directors have considered the forecast results and associated cash flows for the foreseeable future, being the period not less than 12 months from the date of signing of these financial statements. The directors have considered the facilities available to the Company and believe that they can operate within the facilities available for the period of the cash flow forecast. Accordingly, the directors consider it appropriate to adopt the going concern basis in the preparation of the Company's financial statements.

Payment of creditors

The Company manages its procurement and supply chain with increasing consideration of its impact on the Company's profitability, reputation and sustainability objectives and is committed to proactively developing mutually beneficial and sustainable trading relationships with all of our stakeholders, based on a foundation of trust and co-operation.

Environment

Mitie Group plc and its subsidiaries endeavour to identify, monitor and manage the impact of their activities on the environment and are fully committed to environmental accountability and protection. The Company operates in accordance with Group policies, which are described in the Group's annual and sustainability reports which do not form part of this report.

Post balance sheet events

Information relating to events occurring after the balance sheet date is disclosed in the strategic report.

Directors

The directors who served during the year were:

M A Freeman

P I M Skoulding

I Irvine - resigned 2 April 2014

Disclosure of information to the auditor

Each of the directors in office as of the date of approval of this report confirms that:

- so far as he is aware, there is no relevant audit information (being information required by the auditor in the preparation of their report) of which the Company's auditor is unaware; and
- he has each taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of such information.

This confirmation is given, and should be interpreted in accordance with Section 418 of the Companies Act 2006.

Appointment of auditor

Deloitte LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for it to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and Financial Statements. The directors have elected to prepare financial statements in accordance with UK GAAP. The directors are required to prepare financial statements for each financial year which 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare 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 which disclose with reasonable accuracy at any time the financial position of the Company, safeguarding the assets, taking reasonable steps for the prevention and detection of fraud and other irregularities, and the preparation of a Directors' report which complies with the relevant requirements of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



M A Freeman
Director
29 July 2015

Independent auditor's report to the member of Cole Motors Limited

We have audited the financial statements of Cole Motors Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Note of historical costs profits and losses, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 March 2015 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the member of Cole Motors 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.



Colin Hudson (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
31 July 2015

Cole Motors Limited
Profit and loss account
For the year ended 31 March 2015

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	Note	2015 £'000	*2014 £'000
Turnover	1	1,920	2,449
Cost of sales		(886)	(1,448)
		<hr/>	<hr/>
Gross profit		1,034	1,001
Administration expense		(202)	(113)
		<hr/>	<hr/>
Operating profit	2	832	888
		<hr/>	<hr/>
Profit on ordinary activities before interest and taxation		832	888
Interest receivable and similar income	5	88	76
		<hr/>	<hr/>
Profit on ordinary activities before taxation		920	964
Tax on profit on ordinary activities	6	(199)	(228)
		<hr/>	<hr/>
Profit for the financial year	14	721	736
		<hr/> <hr/>	<hr/> <hr/>

The results for the year are wholly attributable to the continuing operations of the Company.

There were no recognised gains or losses other than those stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been presented.

*2014 revenue and cost of sales have been re-presented following clarification of the company's role as an agent. There is no change to gross profit or profit for the financial year.

Cole Motors Limited
Note of historical cost profits and losses
For the year ended 31 March 2015

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	Note	2015 £'000	2014 £'000
Profit on ordinary activities before taxation		920	964
Difference between a historical cost depreciation charge and the actual depreciation charge for the year		2	3
Historical cost profit on ordinary activities before taxation		<u>922</u>	<u>967</u>
Historical cost profit for the year after taxation		<u><u>723</u></u>	<u><u>739</u></u>

Cole Motors Limited
Balance sheet
As at 31 March 2015

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	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	8	357	366
		<u>357</u>	<u>366</u>
Current assets			
Stocks	9	46	79
Debtors	10		
- due within one year		144	177
Cash at bank and in hand		2,215	1,733
		<u>2,405</u>	<u>1,989</u>
Creditors: amounts falling due within one year	11	(708)	(659)
		<u>1,697</u>	<u>1,330</u>
Net current assets			
		<u>2,054</u>	<u>1,696</u>
Total assets less current liabilities			
Provisions for liabilities	12	(13)	(8)
		<u>2,041</u>	<u>1,688</u>
Net assets			
		<u>2,041</u>	<u>1,688</u>
Share capital and reserves			
Called up share capital	13	8	8
Share premium account	14	144	144
Revaluation reserve	14	43	45
Profit and loss account	14	1,846	1,491
		<u>2,041</u>	<u>1,688</u>
Shareholders' funds	15	<u>2,041</u>	<u>1,688</u>

The financial statements were approved by the board of directors and authorised for issue on 29 July 2015

Signed on its behalf by:



M A Freeman
Director

1. Accounting policies

The financial statements of the Company have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and law.

As more fully detailed in the Directors' report, the Company's financial statements have been prepared on a going concern basis.

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceding year.

Turnover

Turnover represents the total, excluding sales taxes, receivable in respect of goods and services supplied. All turnover arises within the United Kingdom and Republic of Ireland, from the Company's principal activity.

Turnover is recognised as services are delivered.

2014 revenue of £4,172,000 and cost of sales of £3,171,000 have been re-presented following clarification of the company's role as an agent. There is no change to gross profit or profit for the financial year.

Pension costs

The Company participates in the Mitie Group plc Pension Schemes. One of which is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the group. For the purposes of FRS 17 ('Retirement Benefits'), the Company has been unable to identify its share of the underlying assets and liabilities in the main group scheme on a consistent and reasonable basis. Therefore the Company is accounting for contributions to the scheme as if it were a defined contribution scheme.

For defined contribution schemes the amount charged to the profit and loss account is the contributions payable in the year.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based upon tax rates and legislation that have been enacted or substantively enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cole Motors Limited
Notes to the financial statements (continued)
For the year ended 31 March 2015

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1. Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost of the assets over their estimated useful lives and is calculated on a straight-line basis as follows:

Freehold land & buildings	-	50 years
Plant, office equipment	-	3-10 years
Motor vehicles	-	4 years

In accordance with the transitional rules of Financial Reporting Standard 15 assets which were revalued in prior years have not been revalued during the year. The carrying value relating to the previous valuation performed as at 31 March 1995 has been carried forward in this year's accounts.

Stock

Stock and work in progress are valued at the lower of cost or net realisable value.

Cost represents materials, direct labour and overheads incurred in bringing the inventories to their present condition and location. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and estimated selling costs. Provision is made for obsolete, slow moving or defective items where appropriate.

Cash flow statement

The Company has taken the exemption from the requirement to prepare a cash flow statement, as it is included within the consolidated financial statements of Mitie Group plc and greater than 90% of the voting rights of the Company are held by Mitie Group plc.

2. Operating profit

	2015	2014
	£'000	£'000
Operating profit is stated after charging		
Depreciation of tangible fixed assets:		
owned	17	16
Loss on disposal of tangible fixed assets	1	-
	<u> </u>	<u> </u>

Audit fees of £5,000 (2014: £5,000) were borne by Mitie Shared Services Ltd and not recharged.

The Company has taken the exemption available to it not to disclose separately information about fees for non-audit services. provided to the Company as this information is available in the consolidated financial statements of Mitie Group plc.

Cole Motors Limited
Notes to the financial statements (continued)
For the year ended 31 March 2015

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3. Employees

The average number of persons (including directors) employed by the Company during the financial year was:

	2015 No.	2014 No.
Operations	7	8
Administration	2	2
	<u>9</u>	<u>10</u>

Employment cost

	£'000	£'000
Wages and salaries	216	190
Social security costs	19	15
Termination and redundancy costs	11	-
Other pension costs	8	11
	<u>254</u>	<u>216</u>

4. Directors

The following directors are also directors or employees of another group company. They are remunerated by the company shown. It is not practicable to allocate their remuneration between their services as directors of this company and as directors or employees of other group companies.

Director	Remunerated by
M A Freeman	Mitie Facilities Services Limited
P I M Skoulding	Mitie Shared Services Limited
I Irvine	Mitie Group plc

5. Interest

	2015 £'000	2014 £'000
Interest receivable and similar income		
Bank interest	88	76
	<u>88</u>	<u>76</u>

Cole Motors Limited
Notes to the financial statements (continued)
For the year ended 31 March 2015

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6. Tax on profit on ordinary activities

	2015	2014
	£'000	£'000
(a) Analysis of charge in the year		
United Kingdom corporation tax 21% (2014: 23%)	193	222
Adjustment in respect of prior years	1	-
	<hr/>	<hr/>
Total current tax (Note 6(b))	194	222
Deferred taxation:		
Timing differences - origination and reversal	6	6
Adjustment in respect of prior years	(1)	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	199	228
	<hr/>	<hr/>

(b) Factors affecting tax charge in the year

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are as follows:

	2015	2014
	£'000	£'000
Profit on ordinary activities before tax	920	964
	<hr/>	<hr/>
Tax at 21% (2014: 23%) thereon:	193	222
Expenses not deductible for tax purposes	6	8
Differences between capital allowances and depreciation	(6)	(8)
Adjustment to the tax charge in respect of prior periods	1	-
	<hr/>	<hr/>
Current tax charge for the year (Note 6(a))	194	222
	<hr/>	<hr/>

Cole Motors Limited
Notes to the financial statements (continued)
For the year ended 31 March 2015

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6. Tax on profit on ordinary activities (continued)

	2015 £'000	2014 £'000
<i>The deferred tax balance comprises the following:</i>		
Depreciation in excess of capital allowances	13	8
	<hr/>	<hr/>
Total deferred tax asset	13	8
	<hr/> <hr/>	<hr/> <hr/>
Amount charged to the profit and loss account in the year in relation to deferred tax	5	6
	<hr/> <hr/>	<hr/> <hr/>

From 1 April 2015, the main rate of corporation tax reduced to 20%. This rate has been used to calculate the deferred tax balance as it was substantively enacted at the balance sheet date. In the budget on 8 July 2015, the government announced further reduction in the main rate of corporation tax to 19% in 2017 and 18% in 2020. These changes have not been substantively enacted.

7. Dividends

	2015 £'000	2014 £'000
The dividends approved and paid in the year were:		
Ordinary shares	368	243
	<hr/>	<hr/>
	368	243
	<hr/> <hr/>	<hr/> <hr/>

8. Tangible fixed assets

	Land and buildings £'000	Plant and office equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At start of year	407	151	31	589
Additions	-	20	-	20
Disposals	-	(41)	(22)	(63)
At end of year	407	130	9	546
Depreciation				
At start of year	78	133	12	223
Charge for the year	6	9	2	17
Disposals	-	(41)	(10)	(51)
At end of year	84	101	4	189
Net book value				
At 31 March 2015	323	29	5	357
At 31 March 2014	329	18	19	366

Land amounting to £90,000 (2014: £90,000) is not depreciated.

Comparable amounts determined according to the historical cost convention:

	Land and buildings £'000	Plant and office equipment £'000	Motor vehicles £'000	Total £'000
Cost	337	130	9	476
Accumulated depreciation	55	101	4	160
Net book value at end of year	282	29	5	316
Net book value at start of year	284	18	19	321

In accordance with the transitional rules of Financial Reporting Standard 15, assets which were revalued in prior years have not been revalued during the year. The carrying value relating to the previous valuation performed as at 31 March 1995 has been carried forward in this year's financial statements.

Cole Motors Limited
Notes to the financial statements (continued)
For the year ended 31 March 2015

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9. Stocks

	2015 £'000	2014 £'000
Raw materials	46	79
	<hr/> 46	<hr/> 79
	<hr/> <hr/>	<hr/> <hr/>

There is no material difference between the balance sheet value of stocks and their replacement cost.

10. Debtors

	2015 £'000	2014 £'000
<i>Amounts falling due within one year:</i>		
Trade debtors	117	127
Amounts owed by Group undertakings	12	43
Other debtors	1	-
Prepayments and accrued income	14	7
	<hr/> 144	<hr/> 177
	<hr/> <hr/>	<hr/> <hr/>

Cole Motors Limited
Notes to the financial statements (continued)
For the year ended 31 March 2015

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11. Creditors: amounts falling due within one year

	2015	2014
	£'000	£'000
Trade creditors	215	207
Amounts owed to Group undertakings	-	106
Corporation tax	154	187
Other taxation and social security	86	113
Other creditors	21	8
Accruals and deferred income	232	38
	<u>708</u>	<u>659</u>

12. Provisions for liabilities

	Deferred tax	Total
	£'000	£'000
At start of year	8	8
Charged to profit and loss account	5	5
	<u>13</u>	<u>13</u>
At end of year	<u>13</u>	<u>13</u>

13. Called up share capital

	2015	2014
	£'000	£'000
Allotted and called up share capital		
80,000 £0.1 Ordinary	8	8
	<u>8</u>	<u>8</u>
	<u>8</u>	<u>8</u>

Cole Motors Limited
Notes to the financial statements (continued)
For the year ended 31 March 2015

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14. Reserves

	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000
At start of year	144	45	1,491
Profit for the financial year	-	-	721
Dividends paid	-	-	(368)
Transfer of amount equivalent to additional depreciation on revalued assets	-	(2)	2
At end of year	<u>144</u>	<u>43</u>	<u>1,846</u>

15. Reconciliation of movement in shareholders' funds

	2015 £'000	2014 £'000
Profit for the financial year	721	736
Dividends paid on equity shares	(368)	(243)
Net addition to shareholders' funds	<u>353</u>	<u>493</u>
Opening shareholders' funds	<u>1,688</u>	<u>1,195</u>
Closing shareholders' funds	<u>2,041</u>	<u>1,688</u>

16. Pension arrangements

The Company participates in the Mitie Group plc Pension Scheme. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the Group. For the purposes of Financial Reporting Standard 17 ('Retirement Benefits'), the Company has been unable to identify its share of the underlying assets and liabilities in the main Group scheme on a consistent and reasonable basis. Therefore the Company is accounting for contributions to the scheme as if it were a defined contribution scheme. Note 36 to the Report and Accounts of the Group sets out the details of the International Accounting Standard 19 'Employee Benefits' net pension deficit of £34.9 million (2014: deficit of £17 million).

Employer contributions to the scheme for the period are shown in note 3. The agreed contribution rate for employee and employer contributions for the next 12 months is 22.3% (2014: 18.5%).

17. Related party transactions

The Company has taken the exemption available under FRS 8 not to disclose transactions with other wholly-owned subsidiaries of Mitie Group plc. There were no transactions with entities other than members of Mitie Group plc which require disclosure under FRS 8.

Related party transactions are as follows:

Related Party	Nature of transaction	Transaction amount		year end balance	
		2015 £'000	2014 £'000	2015 £'000	2014 £'000
Mitie Technical Facilities Management Limited	Intercompany	1	(282)	1	1
Mitie Waste & Environmental Services Limited	Intercompany	(2)	-	1	-

18. Ultimate parent undertaking and controlling party

Mitie Group plc is the immediate controlling party and the directors regard Mitie Group plc, a company registered in Scotland, as the ultimate parent company and controlling party.

Mitie Group plc is the largest and smallest group for which group accounts are prepared. Copies of the group financial statements can be obtained from the Company Secretary at the registered office.