

Company Registration No. 03012199 (England and Wales)

**BECKS (EASTBOURNE) LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

WEDNESDAY



\*A1HA0QIO\*

A21

12/09/2012

#89

COMPANIES HOUSE

**Carpenter Box LLP**  
*Chartered Accountants*  
Amelia House  
Crescent Road  
Worthing  
West Sussex  
BN11 1QR

# BECKS (EASTBOURNE) LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Mr R G Maxwell Mr E G Zoratti
<b>Secretary</b>	Mr E G Zoratti
<b>Company number</b>	03012199
<b>Registered office</b>	200 London Road Burgess Hill West Sussex RH15 9RT
<b>Auditors</b>	Carpenter Box LLP Amelia House Crescent Road Worthing West Sussex BN11 1QR
<b>Bankers</b>	Lloyds TSB Bank Plc Lloyds Bank Chambers 36-38 Church Road Burgess Hill West Sussex RH15 9AH
<b>Solicitors</b>	DMH Stallard 100 Queens Road Brighton East Sussex BN1 3YB

---

# BECKS (EASTBOURNE) LIMITED

## CONTENTS

---

	Page
Directors' report	1 - 3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 16

---

# BECKS (EASTBOURNE) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2011

---

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

#### Principal activities and review of the business

The company trades as "Becks Eastbourne", "Becks Brighton", "Becks Burgess Hill" and "Becks Cars Direct" and is principally engaged as main dealerships for the Peugeot franchise, together with associated parts and servicing operations for all makes of vehicles

#### Directors

The following directors have held office since 1 January 2011

Mr R G Maxwell

Mr E G Zoratti

#### Results and dividends

The results for the year are set out on page 5

The loss for the year amounted to £238,638 (2010 - profit £14,981) of which £75,276 was an impairment adjustment relating to the sale of the Becks Eastbourne dealership in January 2012. Particulars of dividends are detailed in note 7 to the financial statements

#### Financial overview

The company has been representing Peugeot since 1995. The company operates three Peugeot dealerships in Sussex. These are located in Burgess Hill, Eastbourne and Brighton

#### Financial performance

Financial performance for the year has been analysed as follows

	Year to 31 December 2011 £000	Year to 31 December 2010 £000	Change £000	Change %
Turnover	14,478	13,321	1,157	9
Gross profit	1,824	1,934	(110)	(6)
(Loss)/profit before tax	(288)	24	(312)	

#### Turnover

As shown by the financial summary above, the year ended with an increase in turnover of 9%. This was largely due to an increase of 55% in used vehicle volumes

#### Gross profit

Gross profit decreased to 12.6% (2010 - 14.5%) due to pressure on after sales margins

#### Operating costs

Although administrative costs were reduced by 6.9%, distribution costs rose by 19.5% as the company decided to increase its selling capacity in the early part of the year. The directors reassessed the position in mid-year and took the necessary action to realign its costs as margins were adversely affected

# **BECKS (EASTBOURNE) LIMITED**

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

***FOR THE YEAR ENDED 31 DECEMBER 2011***

---

### **Post balance sheet events**

At the latter end of the year the company was approached by Kent Auto Panels Ltd of Kent, with the full approval of Peugeot Motor Company Plc, to acquire the business and assets of the Becks Eastbourne Peugeot dealership. The sale was completed on 20 January 2012 with all employees being taken on by the new company.

Following the above Kent Auto Panels Ltd expressed an interest in acquiring the business and assets of the Becks Brighton Peugeot dealership which was completed on 27 April 2012 with the full approval of Peugeot. All employees were taken on by the new company.

The directors have decided to continue trading from their Burgess Hill dealership as a used car centre and with the Peugeot after sales franchise.

### **Financial instruments**

#### Treasury operations and financial instruments

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main risk arising from the company's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies from managing each of the risks and they are summarised below.

#### Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. The company policy throughout the year has been to ensure continuity of funding by using facilities from both Peugeot and the company's bankers. Short term flexibility is achieved by overdraft facilities. Debt is structured so repayments can be made out of cash generated through operations.

#### Interest rate risk

The company finances its operations through a mixture of retained profits and borrowings from Peugeot. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

### **Auditors**

In accordance with the company's articles, a resolution proposing that Carpenter Box LLP be reappointed as auditors of the company will be put at a General Meeting.

# BECKS (EASTBOURNE) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2011**

---

### 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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,
- 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.

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

  
Mr E G Zoratti  
Secretary  
4/9/12

# BECKS (EASTBOURNE) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BECKS (EASTBOURNE) LIMITED

---

We have audited the financial statements of Becks (Eastbourne) Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet 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).

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 auditors' 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 auditors

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

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### 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 loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


#### Opinion on other 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 Dowling FCA (Senior Statutory Auditor)  
for and on behalf of Carpenter Box LLP  
Chartered Accountants  
Statutory Auditor  
Worthing

7/9/12

# BECKS (EASTBOURNE) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	14,477,700	13,321,155
Cost of sales		(12,653,905)	(11,387,126)
<b>Gross profit</b>		<b>1,823,795</b>	<b>1,934,029</b>
Distribution costs		(1,063,706)	(890,225)
Administrative expenses		(907,788)	(975,504)
<b>Operating (loss)/profit</b>	<b>3</b>	<b>(147,699)</b>	<b>68,300</b>
Impairment of tangible fixed assets (net)	3	(75,276)	-
		(75,276)	-
<b>(Loss)/profit on ordinary activities before interest</b>		<b>(222,975)</b>	<b>68,300</b>
Other interest receivable and similar income	4	147	1,982
Interest payable and similar charges	5	(65,410)	(46,411)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(288,238)</b>	<b>23,871</b>
Tax on (loss)/profit on ordinary activities	6	49,600	(8,890)
<b>(Loss)/profit for the year</b>	<b>16</b>	<b>(238,638)</b>	<b>14,981</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



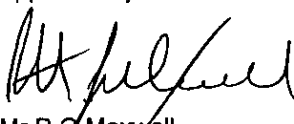
# BECKS (EASTBOURNE) LIMITED


## BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
<b>Fixed assets</b>					
Tangible assets	9		575,626		549,647
<b>Current assets</b>					
Stocks	10	2,052,195		2,266,689	
Debtors	11	650,127		662,659	
Cash at bank and in hand		18,756		308,255	
		<u>2,721,078</u>		<u>3,237,603</u>	
<b>Creditors' amounts falling due within one year</b>	12	<u>(2,241,318)</u>		<u>(2,566,426)</u>	
<b>Net current assets</b>			<u>479,760</u>		<u>671,177</u>
<b>Total assets less current liabilities</b>			1,055,386		1,220,824
<b>Provisions for liabilities</b>	13		<u>(37,200)</u>		<u>(64,000)</u>
			<u>1,018,186</u>		<u>1,156,824</u>
<b>Capital and reserves</b>					
Called up share capital	15		775,000		775,000
Profit and loss account	16		243,186		381,824
<b>Shareholders' funds</b>	17		<u>1,018,186</u>		<u>1,156,824</u>

Approved by the Board and authorised for issue on 4/9/12

  
Mr R G Maxwell  
Director

  
Mr E G Zoratti  
Director

Company Registration No 03012199

# BECKS (EASTBOURNE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard 1 (Revised 1996) 'Cash Flow Statements' from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

#### 1.3 Turnover

Turnover is the total amount receivable by the company in the ordinary course of business for goods supplied as principal and the services provided, excluding VAT and trade discounts

#### 1.4 Goodwill

Acquired goodwill has been written off in equal annual instalments over its estimated useful economic life

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Short leasehold property	over the period of the lease
Plant and machinery	between 15% and 25% per annum straight line

#### 1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Rentals applicable to operating leases where substantially all the risks and benefits of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

#### 1.7 Stock

Stocks are valued at the lower of cost and net realisable value

Vehicles on consignment from manufacturers that are the subject of interest charges or where the company carries significant commercial risks relating to the vehicles are recorded at cost. The associated liability is included in creditors

#### 1.8 Pensions

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable

# BECKS (EASTBOURNE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

---

**1 Accounting policies** (continued)

**1 9 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

**2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

<b>3 Operating (loss)/profit</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit is stated after charging		
Depreciation of tangible assets	27,807	38,985
Operating lease rentals		
- Plant and machinery	29,262	29,338
- Other assets	260,000	228,000
Auditors' remuneration	7,579	7,500

The exceptional item in the profit and loss account of £75,276 is due to the impairment of plant and machinery of £94,376 and the relevant decrease in the deferred tax liability of £19,100. This has arisen as a result of the post year end disposals as detailed at note 22.

<b>4 Investment income</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Other interest	147	1,982

<b>5 Interest payable</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	101	-
Other similar charges payable	64,474	46,411
Hire purchase interest	835	-
	65,410	46,411

# BECKS (EASTBOURNE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

6	Taxation	2011 £	2010 £
	<b>Domestic current year tax</b>		
	Receipt in respect of group relief	(41,900)	-
	<b>Total current tax</b>	(41,900)	-
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(7,700)	8,890
		(49,600)	8,890
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	(288,238)	23,871
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.25% (2010 - 21.00%)	(58,368)	5,013
	Effects of		
	Non deductible expenses	16,868	787
	Capital allowances for period in excess of depreciation	(20,002)	(7,962)
	Unutilised losses	25,289	-
	Group relief	(5,687)	2,162
		16,468	(5,013)
	<b>Current tax charge for the year</b>	(41,900)	-
7	<b>Dividends</b>	2011 £	2010 £
	Ordinary interim paid	-	56,000

# BECKS (EASTBOURNE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2011*

---

### 8 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2011 & at 31 December 2011	40,000
	<hr/>
<b>Amortisation</b>	
At 1 January 2011 & at 31 December 2011	40,000
	<hr/>
<b>Net book value</b>	
At 31 December 2011	-
	<hr/>
At 31 December 2010	-
	<hr/>

# BECKS (EASTBOURNE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 9 Tangible fixed assets

	Short leasehold property £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2011	182,010	959,694	1,141,704
Adjustment	-	5,288	5,288
Additions	66,733	81,829	148,562
Disposals	-	(800)	(800)
At 31 December 2011	248,743	1,046,011	1,294,754
<b>Depreciation</b>			
At 1 January 2011	7,115	584,942	592,057
Adjustment	-	5,288	5,288
Impairment	-	94,376	94,376
On disposals	-	(400)	(400)
Charge for the year	4,561	23,246	27,807
At 31 December 2011	11,676	707,452	719,128
<b>Net book value</b>			
At 31 December 2011	237,067	338,559	575,626
At 31 December 2010	174,895	374,752	549,647

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £
<b>Net book values</b>	
At 31 December 2011	43,558
<b>Depreciation charge for the year</b>	
At 31 December 2011	3,591

# BECKS (EASTBOURNE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

10 Stocks	2011 £	2010 £
Parts	235,740	229,302
Vehicles	1,198,413	1,382,912
Vehicles on consignment	618,042	654,475
	<u>2,052,195</u>	<u>2,266,689</u>
11 Debtors	2011 £	2010 £
Trade debtors	234,618	274,096
Amounts owed by parent and fellow subsidiary undertakings	119,534	23,743
Corporation tax	41,900	-
Other debtors	1,500	136,901
Prepayments and accrued income	252,575	227,919
	<u>650,127</u>	<u>662,659</u>

# BECKS (EASTBOURNE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

12 Creditors: amounts falling due within one year	2011 £	2010 £
Payments received on account	9,933	23,809
Net obligations under hire purchase contracts	31,826	-
Trade creditors	1,451,101	1,806,337
Taxes and social security costs	66,963	52,244
Other creditors	39,546	-
Obligations relating to consignment stock	618,042	654,475
Accruals and deferred income	23,907	29,561
	<u>2,241,318</u>	<u>2,566,426</u>

Included in trade creditors is an amount of £1,230,188 (2010 - £1,691,239) secured by a fixed charge over vehicle stock and vehicle debtors and a floating charge over plant and equipment

The obligations relating to consignment stock are secured on the consignment vehicle stock

### Net obligations under hire purchase contracts

Repayable within one year	31,826	-
Finance charges and interest allocated to future accounting periods	-	-
	<u>31,826</u>	<u>-</u>

### 13 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2011	64,000
Profit and loss account	(26,800)
	<u>37,200</u>
Balance at 31 December 2011	<u>37,200</u>

The deferred tax liability is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	<u>37,200</u>	<u>64,000</u>



# BECKS (EASTBOURNE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 14 Pension and other post-retirement benefit commitments

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2011 £	2010 £
Contributions payable by the company for the year	<u>20,654</u>	<u>29,295</u>

### 15 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
775,000 Ordinary shares of £1 each	<u>775,000</u>	<u>775,000</u>

### 16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2011	381,824
Loss for the year	(238,638)
Capital contribution from parent company	<u>100,000</u>
Balance at 31 December 2011	<u>243,186</u>

During the year RBG Group Limited, the parent company, injected £100,000 into the company in order to strengthen the balance sheet for the coming year as part of its continuing support of Becks (Eastbourne) Limited.

# BECKS (EASTBOURNE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

17 Reconciliation of movements in shareholders' funds	2011 £	2010 £
(Loss)/Profit for the financial year	(238,638)	14,981
Dividends	-	(56,000)
	(238,638)	(41,019)
Capital contribution from parent company	100,000	-
Net depletion in shareholders' funds	(138,638)	(41,019)
Opening shareholders' funds	1,156,824	1,197,843
Closing shareholders' funds	1,018,186	1,156,824

## 18 Financial commitments

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Operating leases which expire				
Within one year	112,005	240,000	17,894	-
Between two and five years	-	-	622	15,012
	112,005	240,000	18,516	15,012

19 Capital commitments	2011 £	2010 £
At 31 December 2011 the company had capital commitments as follows		
Contracted for but not provided in the financial statements	22,000	91,311

# BECKS (EASTBOURNE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 20 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Administrative	8	8
Sales	12	12
Servicing, parts and bodyshop	46	46
	<u>66</u>	<u>66</u>

#### Employment costs

	2011 £	2010 £
Wages and salaries	1,627,152	1,477,459
Social security costs	153,766	147,967
Other pension costs	20,654	29,295
	<u>1,801,572</u>	<u>1,654,721</u>

### 21 Control

The company is a subsidiary of RBG Group Limited, which is the ultimate parent company. RBG Group Limited is under the control of the two directors, Mr R G Maxwell and Mr E G Zoratti.

The largest and smallest group in which the results of the company are consolidated is that headed by RBG Group Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of this company.

### 22 Post balance sheet events

Since the balance sheet date the company has sold its dealerships at Brighton and Eastbourne and is therefore no longer a Peugeot new vehicle dealer. Becks Burgess Hill retains the used vehicle trade along with the Peugeot after sales franchise and has become the company's principal activity.

### 23 Related party relationships and transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures' where by it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.