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Company Registration No. 03012199 (England and Wales)

BECKS (EASTBOURNE) LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2009

Carpenter Box LLP
Chartered Accountants
Grafton Lodge
15 Grafton Road
Worthing
West Sussex
BN11 1QR

THURSDAY



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12/08/2010
COMPANIES HOUSE

BECKS (EASTBOURNE) LIMITED

COMPANY INFORMATION

Directors	Mr R G Maxwell Mr E G Zoratti
Secretary	Mr E G Zoratti
Company number	03012199
Registered office	200 London Road Burgess Hill West Sussex RH15 9RT
Auditors	Carpenter Box LLP Grafton Lodge 15 Grafton Road Worthing West Sussex BN11 1QR
Bankers	Natwest Bank Plc Brighton Business Centre 153 Preston Road Brighton East Sussex BN1 6BE
Solicitors	DMH Stallard 100 Queens Road Brighton East Sussex BN1 3YB

BECKS (EASTBOURNE) LIMITED

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BECKS (EASTBOURNE) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and financial statements of the company for the year ended 31 December 2009

Principal activities and review of the business

The company trades as "Becks Eastbourne", "Becks Brighton" and "Becks Burgess Hill" 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 2009

Mr R G Maxwell

Mr E G Zoratti

Results and dividends

The results for the year are set out on page 5

The profit for the year amounted to £80,405 (2008 - loss £170,075) 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 & Hove

Financial performance

Financial performance for the year has been analysed as follows

	Year to 31 December 2009 £000	Year to 31 December 2008 £000	Change £000	Change %
Turnover	13,487	15,005	(1,518)	(10)
Gross profit	2,106	2,162	(56)	(3)
Profit/(loss) before tax	102	(234)	336	

Turnover

As shown by the financial summary above, the year ended with a reduction in turnover of 10% This was largely due to tougher trading conditions in new and used vehicles

Gross profit

Gross profit increased to 15.6% (2008 - 14.4%) with an improvement in used vehicle gross profit margins

Operating costs

The directors placed a strong focus on reducing costs and embarked on a cost reduction programme Year on year operating costs were reduced by £298,000

BECKS (EASTBOURNE) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

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

Carpenter Box LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

BECKS (EASTBOURNE) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

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
4/8/10

BECKS (EASTBOURNE) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BECKS (EASTBOURNE) LIMITED

We have audited the financial statements of Becks (Eastbourne) Limited for the year ended 31 December 2009 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 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/UKNP.

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 2009 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.

Other matter

The financial statements of Becks (Eastbourne) Limited for the year ended 31 December 2008 were audited by another auditor who expressed an unmodified opinion on those statements on 28 October 2009.

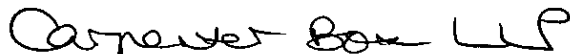
Opinion on other matter prescribed by the Companies Act 2006

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.



H J Julian FCA (Senior Statutory Auditor)

for and on behalf of Carpenter Box LLP

Chartered Accountants

Statutory Auditor

Worthing

10/8/10

BECKS (EASTBOURNE) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Turnover	2	13,487,112	15,004,657
Cost of sales		(11,381,515)	(12,842,437)
Gross profit		2,105,597	2,162,220
Distribution costs		(1,002,784)	(1,263,134)
Administrative expenses		(965,938)	(1,003,645)
Operating profit/(loss)	3	136,875	(104,559)
Other interest receivable and similar income	4	235	-
Interest payable and similar charges	5	(34,665)	(129,126)
Profit/(loss) on ordinary activities before taxation		102,445	(233,685)
Tax on profit/(loss) on ordinary activities	6	(22,040)	63,610
Profit/(loss) for the year	16	80,405	(170,075)

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 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	9		408,384		437,903
Current assets					
Stocks	10	1,703,944		2,025,453	
Debtors	11	887,967		1,110,654	
Cash at bank and in hand		243,142		85,798	
		2,835,053		3,221,905	
Creditors: amounts falling due within one year	12	(1,990,484)		(2,388,300)	
Net current assets			844,569		833,605
Total assets less current liabilities			1,252,953		1,271,508
Provisions for liabilities	13		(55,110)		(54,070)
			1,197,843		1,217,438
Capital and reserves					
Called up share capital	15	775,000		775,000	
Profit and loss account	16	422,843		442,438	
Shareholders' funds	17	1,197,843		1,217,438	

Approved by the Board and authorised for issue on

4th AUGUST 2010


Mr R G Maxwell
Director


Mr E G Zoratti
Director

Company Registration No 03012199 (England and Wales)

BECKS (EASTBOURNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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

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

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

BECKS (EASTBOURNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

2 Turnover

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

3	Operating profit/(loss)	2009 £	2008 £
	Operating profit/(loss) is stated after charging		
	Depreciation of tangible assets	45,683	44,003
	Operating lease rentals		
	- Plant and machinery	15,285	34,813
	- Other assets	192,000	192,050

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

7,500

8,000

Non-audit services

9,804

9,349

17,304

17,349

4 Investment income

2009

2008

£

£

Other interest

235

-

5 Interest payable

2009

2008

£

£

On bank loans and overdrafts

899

1,728

Other similar charges payable

33,766

127,398

34,665

129,126

BECKS (EASTBOURNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

6	Taxation	2009	2008
		£	£
	Domestic current year tax		
	U K corporation tax	21,000	-
	Receipt in respect of group relief	-	(66,733)
		<hr/>	<hr/>
	Current tax charge	21,000	(66,733)
	Deferred tax		
	Origination and reversal of timing differences	1,040	3,123
		<hr/>	<hr/>
		22,040	(63,610)
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	102,445	(233,685)
		<hr/>	<hr/>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 28.00%)	28,685	(65,432)
		<hr/>	<hr/>
	Effects of		
	Non deductible expenses	1,326	374
	Capital allowances for period in excess of depreciation	(1,387)	(511)
	Marginal relief	(7,000)	(1,164)
	Group relief	(624)	-
		<hr/>	<hr/>
		(7,685)	(1,301)
		<hr/>	<hr/>
	Current tax charge	21,000	(66,733)
		<hr/>	<hr/>
7	Dividends	2009	2008
		£	£
	Ordinary interim paid	100,000	-
		<hr/>	<hr/>

BECKS (EASTBOURNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2009 & at 31 December 2009	40,000
Amortisation	
At 1 January 2009 & at 31 December 2009	40,000
Net book value	
At 31 December 2009	-
At 31 December 2008	-

9 Tangible fixed assets

	Short leasehold property £	Plant and machinery £	Total £
Cost			
At 1 January 2009	10,333	934,959	945,292
Additions	599	15,565	16,164
At 31 December 2009	10,932	950,524	961,456
Depreciation			
At 1 January 2009	1,799	505,590	507,389
Charge for the year	1,043	44,640	45,683
At 31 December 2009	2,842	550,230	553,072
Net book value			
At 31 December 2009	8,090	400,294	408,384
At 31 December 2008	8,534	429,369	437,903

BECKS (EASTBOURNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

10 Stocks	2009 £	2008 £
Parts	265,200	258,313
Vehicles	1,002,135	1,151,181
Vehicles on consignment	436,609	615,959
	<u>1,703,944</u>	<u>2,025,453</u>
11 Debtors	2009 £	2008 £
Trade debtors	358,861	258,617
Amounts owed by parent and fellow subsidiary undertakings	294,400	620,146
Corporation tax	45,733	10
Other debtors	3,680	4,902
Prepayments and accrued income	185,293	226,979
	<u>887,967</u>	<u>1,110,654</u>
12 Creditors: amounts falling due within one year	2009 £	2008 £
Payments received on account	11,470	8,904
Trade creditors	1,478,228	1,617,157
Taxes and social security costs	16,118	112,011
Other creditors	(5,966)	-
Obligations relating to consignment stock	436,609	615,959
Accruals and deferred income	54,025	34,269
	<u>1,990,484</u>	<u>2,388,300</u>

Included in trade creditors is an amount of £1,325,430 (2008 - £1,415,548) 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

BECKS (EASTBOURNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

13 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2009	54,070
Profit and loss account	1,040
	<hr/>
Balance at 31 December 2009	55,110
	<hr/>

The deferred tax liability is made up as follows:

	2009 £	2008 £
Accelerated capital allowances	55,110	54,070
	<hr/>	<hr/>

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.

	2009 £	2008 £
Contributions payable by the company for the year	32,325	37,888
	<hr/>	<hr/>

15 Share capital

	2009 £	2008 £
Authorised		
1,000,000 Ordinary shares of £1 each of £1 each	1,000,000	1,000,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
775,000 Ordinary shares of £1 each of £1 each	775,000	775,000
	<hr/>	<hr/>

BECKS (EASTBOURNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2009	442,438
Profit for the year	80,405
Dividends paid	(100,000)
Balance at 31 December 2009	<u>422,843</u>

17 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit/(Loss) for the financial year	80,405	(170,075)
Dividends	(100,000)	-
Net depletion in shareholders' funds	(19,595)	(170,075)
Opening shareholders' funds	1,217,438	1,137,513
Capital contribution	-	250,000
Closing shareholders' funds	<u>1,197,843</u>	<u>1,217,438</u>

18 Contingent liabilities

The company has an inter-company cross guarantee with fellow group members, RBG Group Limited and REL Limited. RBG Group Limited had outstanding bank loans totalling £2,682,333 at 31 December 2009 which are secured by a first legal charge over that company's freehold property. REL Limited had no outstanding finance at 31 December 2009.

BECKS (EASTBOURNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

19 Financial commitments

At 31 December 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2010

	Land and buildings		Other	
	2009	2008	2009	2008
	£	£	£	£
Operating leases which expire				
Within one year	228,000	192,000	-	7,000
Between two and five years	-	-	15,036	-
	<u>228,000</u>	<u>192,000</u>	<u>15,036</u>	<u>7,000</u>

20 Capital commitments

2009
£

2008
£

At 31 December 2009 the company had capital commitments as follows

Contracted for but not provided in the financial statements	-	2,886
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21 Employees

Number of employees

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

	2009 Number	2008 Number
Administrative	8	8
Sales	12	12
Servicing, parts and bodyshop	53	60
	<u>73</u>	<u>80</u>

Employment costs

2009
£

2008
£

Wages and salaries	1,601,631	1,904,082
Social security costs	156,234	205,987
Other pension costs	32,325	37,888
	<u>1,790,190</u>	<u>2,147,957</u>

• **BECKS (EASTBOURNE) LIMITED**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

22 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.

23 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures' from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.