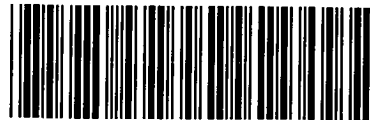


REGISTERED NUMBER: 03451394 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2013
for
Houndstone (Yeovil) Limited

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Houndstone (Yeovil) Limited (Registered number: 03451394)

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for the Year Ended 31 December 2013

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Houndstone (Yeovil) Limited

Company Information
for the Year Ended 31 December 2013

DIRECTORS:	D S Carr Mrs B V Carr A J Barrett J C Glanville FCA C M J Whales T Moore
SECRETARY:	P Mitchell
REGISTERED OFFICE:	85 Meneage Street Helston Cornwall TR13 8RD
REGISTERED NUMBER:	03451394 (England and Wales)
SENIOR STATUTORY AUDITOR:	Ian Pinder FCA
AUDITORS:	A C Mole & Sons Chartered Accountants & Statutory Auditor Stafford House Blackbrook Park Avenue Taunton Somerset TA1 2PX
BANKERS:	Lloyds Banking Group plc 1 Market Place Helston Cornwall TR13 8SU
SOLICITORS:	Foot Anstey Senate Court Southernhay Gardens Exeter EX1 1NT

Houndstone (Yeovil) Limited (Registered number: 03451394)

**Strategic Report
for the Year Ended 31 December 2013**

The directors present their strategic report for the year ended 31 December 2013.

The company trades as Yeovil Landrover whose principal activities throughout the year were selling and repairing motor vehicles and supplying motor accessories.

The company is a member of the Helston Garages Group which operates a number of similar dealerships in western England.

The performance of the company and franchise is dependent on the support of the manufacturer. The level of this support varies from year to year and even during the year.

The company operates in a competitive market but the directors consider that the quality of service that the company offers will give it a competitive edge.

The company's 2013 results met the directors' expectations. The directors believe that the company is positioned well to maximise any additional opportunities that may become available in the future.

The directors consider the following Key Performance Indicators to be of relevance:-

	2013	2012	2011	2010
	£'000	£'000	£'000	£'000
Turnover	24,312	19,058	17,021	16,153
Gross profit	1,580	1,046	928	904
Operating profit	1,016	745	572	579
Profit before tax	983	725	550	449
Shareholders funds	4,165	3,397	2,844	2,460

Vehicle bonuses were included within other operating income in previous accounting periods, but have been treated as vehicle discounts this year and deducted from cost of sales which is considered to reflect commercial reality more accurately.

Given the straight forward nature of the business, the directors are of the opinion that further analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

ON BEHALF OF THE BOARD:

..... *B. V. Carr*
Mrs B V Carr - Director

Date: *24 June 2014*

**Report of the Directors
for the Year Ended 31 December 2013**

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2013.

FUTURE DEVELOPMENTS

The directors aim to maintain the current management policies and hope to improve profitability.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

D S Carr
Mrs B V Carr
A J Barrett
J C Glanville FCA
C M J Whales
T Moore

FINANCIAL INSTRUMENTS

The group does not actively use financial instruments as part of its financial risk management. Due to the industry it operates within, the exposure to the usual credit and cashflow risk associated with selling on credit is minimal and it manages this through standard credit control procedures. The nature of its financial instruments means that the group's exposure to the price risk of financial instruments is therefore minimal. As the counterparty to all financial instruments is either its banker or its suppliers, it is also exposed to minimal credit and liquidity risks in respect of these instruments.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 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.

Houndstone (Yeovil) Limited (Registered number: 03451394)

Report of the Directors
for the Year Ended 31 December 2013

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

..... *B. V. Carr*
Mrs B V Carr - Director

Date: *24 June 2014*

**Report of the Independent Auditors to the Members of
Houndstone (Yeovil) Limited**

We have audited the financial statements of Houndstone (Yeovil) Limited for the year ended 31 December 2013 on pages seven to seventeen. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 Strategic Report and the Report of the Directors 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 December 2013 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Houndstone (Yeovil) Limited

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.



Ian Pinder FCA (Senior Statutory Auditor)
for and on behalf of A C Mole & Sons
Chartered Accountants & Statutory Auditor
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 24 June 2014

Houndstone (Yeovil) Limited (Registered number: 03451394)

Profit and Loss Account
for the Year Ended 31 December 2013

	Notes	2013 £'000	2012 £'000
TURNOVER		24,312	19,058
Cost of sales		<u>22,732</u>	<u>18,012</u>
GROSS PROFIT		1,580	1,046
Administrative expenses		<u>564</u>	<u>544</u>
		1,016	502
Other operating income		<u>-</u>	<u>243</u>
OPERATING PROFIT	3	1,016	745
Interest receivable and similar income		<u>1</u>	<u>2</u>
		1,017	747
Interest payable and similar charges	4	<u>34</u>	<u>22</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		983	725
Tax on profit on ordinary activities	5	<u>220</u>	<u>172</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>763</u></u>	<u><u>553</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

Houndstone (Yeovil) Limited (Registered number: 03451394)

Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2013

	2013 £'000	2012 £'000
PROFIT FOR THE FINANCIAL YEAR	763	553
Unrealised surplus on revaluation of properties	5	-
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>768</u>	<u>553</u>

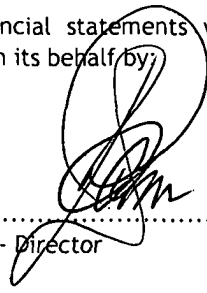
The notes form part of these financial statements

Houndstone (Yeovil) Limited (Registered number: 03451394)

Balance Sheet
31 December 2013

	Notes	2013 £'000	£'000	2012 £'000	£'000
FIXED ASSETS					
Tangible assets	6		2,502		2,500
CURRENT ASSETS					
Stocks	7	1,638		1,392	
Debtors	8	3,367		2,596	
Cash at bank and in hand		256		82	
		<u>5,261</u>		<u>4,070</u>	
CREDITORS					
Amounts falling due within one year	9	<u>3,524</u>		<u>3,098</u>	
NET CURRENT ASSETS			<u>1,737</u>		<u>972</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,239</u>		<u>3,472</u>
PROVISIONS FOR LIABILITIES	10		<u>74</u>		<u>75</u>
NET ASSETS			<u><u>4,165</u></u>		<u><u>3,397</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		300		300
Revaluation reserve	12		110		105
Profit and loss account	12		<u>3,755</u>		<u>2,992</u>
SHAREHOLDERS' FUNDS	17		<u><u>4,165</u></u>		<u><u>3,397</u></u>

The financial statements were approved by the Board of Directors on 24 June 2014 and were signed on its behalf by


.....
D S Carr - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain freehold land and buildings and in accordance with applicable accounting standards.

Turnover

Turnover, which is stated net of valued added tax, represents amounts invoiced to third parties.

The turnover and pre-tax profit is attributable to one continuing activity, the selling and repairing of motor vehicles and supplying motor accessories in the South West of England.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write down each asset to its residual value over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- see below
Plant, machinery, fixtures and fittings	- between 10% and 20% on cost
Garage vehicles	- at varying rates

Freehold land is not depreciated. Freehold buildings are maintained to a very high standard such that their residual value is not materially less than their current value, so no depreciation charge is provided in respect of freehold buildings.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

New vehicles are invoiced to the company by the manufacturer at the point of consignment. As such these vehicles are shown as new vehicles within stock and the liability is shown within trade creditors.

Deferred tax

Deferred tax is not provided in respect of gains arising from the revaluation of fixed assets or gains on disposal of fixed assets that have been rolled over into replacement assets. Deferred tax is recognised in respect of all other timing differences that have originated but not reversed at the balance sheet date. Deferred tax is charged at the tax rates expected to apply in the periods in which timing differences reverse.

Hire purchase and leasing commitments

Assets acquired under finance leases or hire purchase contracts are capitalised in the balance sheet. The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

1. ACCOUNTING POLICIES - continued

Revaluations

Freehold and long leasehold properties are stated in the balance sheet at their market value. For properties acquired more than three years before the balance sheet date, market value is determined on a cyclical basis by a professional valuation carried out by an independent qualified valuer. Properties acquired within three years of the balance sheet date are stated at cost which the directors consider to be the fairest measurement of market value. Revaluation surpluses are credited to the revaluation reserve. Revaluation deficits are charged to the revaluation reserve to the extent that they reverse previous surpluses and thereafter to the profit and loss account.

Cash flow statement

The company's ultimate holding company is Helston Garages Group Limited, and the cash flow movements of the company are included in the consolidated cash flow statement of the group. Consequently, this company is exempt under the terms of Financial Reporting Standard No.1 from publishing a cash flow statement.

Pension costs and other post-retirement benefits

The company contributes to the personal pensions of participating employees. Contributions payable are re-charged from Helston Garages Group (Management) Limited as detailed in note 2 and are charged to the profit and loss account in the period to which they relate.

2. STAFF COSTS

Payroll costs are paid by Helston Garages Group (Management) Limited, a group company, and re-charged at 100% of the cost to that company.

The recharge is made up as follows:

	2013	2012
	£'000	£'000
Wages and salaries	710	607
Social security costs	71	60
Other pension costs	12	11
	<u>793</u>	<u>678</u>

The monthly average number of employees during the year, including directors and employees recharged, was as follows:

	2013	2012
Management and administration	10	10
Selling	23	22
	<u>33</u>	<u>32</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2013 £'000	2012 £'000
Hire of plant and machinery	2	2
Depreciation - owned assets	69	76
Profit on disposal of fixed assets	(6)	(3)
Auditors' remuneration	6	7
	<u> </u>	<u> </u>

	2013 £	2012 £
Directors' remuneration	-	-
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £'000	2012 £'000
Other loans	34	22
	<u> </u>	<u> </u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2013 £'000	2012 £'000
Current tax:		
UK corporation tax	221	171
Underprovision in previous year	-	3
	<u> </u>	<u> </u>
Total current tax	221	174
Deferred tax	(1)	(2)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	220	172
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

5. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	<u>983</u>	<u>725</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.250% (2012 - 24.500%)	229	178
Effects of:		
Adjustments to tax charge in respect of previous periods	-	3
Capital allowances in excess of depreciation	<u>(8)</u>	<u>(7)</u>
Current tax charge	<u>221</u>	<u>174</u>

6. TANGIBLE FIXED ASSETS

	Freehold property £'000	Plant, machinery, fixtures and fittings £'000	Garage vehicles £'000	Totals £'000
COST OR VALUATION				
At 1 January 2013	1,515	292	870	2,677
Additions	-	28	2,152	2,180
Disposals	-	-	(2,151)	(2,151)
Revaluations	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
At 31 December 2013	<u>1,520</u>	<u>320</u>	<u>871</u>	<u>2,711</u>
DEPRECIATION				
At 1 January 2013	-	136	41	177
Charge for year	-	29	40	69
Eliminated on disposal	-	-	(37)	(37)
At 31 December 2013	<u>-</u>	<u>165</u>	<u>44</u>	<u>209</u>
NET BOOK VALUE				
At 31 December 2013	<u>1,520</u>	<u>155</u>	<u>827</u>	<u>2,502</u>
At 31 December 2012	<u>1,515</u>	<u>156</u>	<u>829</u>	<u>2,500</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

6. TANGIBLE FIXED ASSETS - continued

One of the company's freehold properties was valued at £985,000 on 31 December 2013 by an external valuer, William Meadows BSc MRICS of Alder King LLP. The valuation was in accordance with the requirements of the RICS Valuation - Professional Standards March 2012 and FRS15. The valuation of this property is on the basis that it was owner occupied and valued to Existing Use Value (EUV) assuming that the property would be sold as part of the continuing business. The valuer's opinion of EUV was primarily derived using comparable recent market transactions on arm's length terms.

The company's other freehold property was valued on 31 December 2012 by an external professional valuer on the basis of existing use value assuming that the property would be sold as part of the continuing business as detailed in the 2012 accounts. Having taken professional advice the directors consider that there has been no material change in value since that date.

No taxation liability would arise if the properties were disposed of at their revalued amounts.

Freehold property is stated net of impairment provisions of £102,000 (2012: £102,000).

The remaining fixed assets of the company have not been revalued in the financial statements but the directors have considered their value and are satisfied that their aggregate value at 31 December 2013 was not less than their net book value in the financial statements.

Garage vehicles include vehicles with net book value of £774,000 (2012: £730,000) which were subject to vehicle stocking loans at 31 December 2013.

Cost or valuation comprises:

	Freehold land and buildings £'000
Cost	1,512
Valuation up to 2009	71
Valuation 2010	(42)
Valuation 2011	(26)
Valuation 2012	-
Valuation 2013	5
	<hr/>
	1,520
	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

7. STOCKS

	2013	2012
	£'000	£'000
New vehicles	726	1,016
Used vehicles	724	207
Parts and accessories	136	126
Miscellaneous stock	45	42
Work-in-progress	7	1
	<u>1,638</u>	<u>1,392</u>

New vehicle stocks include vehicles to the value of £700,000 (2012: £887,000) which were not paid for at 31 December 2013 and where legal title had not passed.

Used vehicle stocks include vehicles to the value of £445,000 (2012: £152,000) which were subject to vehicle stocking loans at 31 December 2013.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£'000	£'000
Trade debtors	243	309
Amounts owed by group undertakings	3,097	2,261
Prepayments and accrued income	27	26
	<u>3,367</u>	<u>2,596</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£'000	£'000
Payments received in advance	93	45
Trade creditors	1,352	1,428
Corporation tax	221	171
Social security and other taxes	278	130
Vehicle stocking loans	1,304	1,078
Accruals and deferred income	276	246
	<u>3,524</u>	<u>3,098</u>

Unlimited cross guarantees have been given to Lloyds Banking Group plc by the company for the benefit of its holding company and fellow subsidiaries in respect of the group's overdraft facility. Lloyds Banking Group plc hold a mortgage debenture creating a legal charge over the company's property and a floating charge over the other assets.

The vehicle stocking loans are secured on individual vehicles.

The payments received in advance represent deposits against vehicles.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

10. PROVISIONS FOR LIABILITIES

	2013 £'000	2012 £'000
Deferred tax	<u>74</u>	<u>75</u>
		Deferred tax
		£'000
Balance at 1 January 2013		75
Deferred tax charge (note 5)		<u>(1)</u>
Balance at 31 December 2013		<u>74</u>

The balance is analysed as follows:

	2013 £'000	2012 £'000
Accelerated capital allowances	<u>74</u>	<u>75</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:
Number: Class:

300,000 Ordinary

Nominal value:	2013 £'000	2012 £'000
£1	<u>300</u>	<u>300</u>

12. RESERVES

	Profit and loss account £'000	Revaluation reserve £'000	Totals £'000
At 1 January 2013	2,992	105	3,097
Profit for the year	763		763
Revaluation during year	-	5	5
At 31 December 2013	<u>3,755</u>	<u>110</u>	<u>3,865</u>

13. ULTIMATE PARENT COMPANY

The company's immediate parent is Helston Garages Limited.

The ultimate holding company is Helston Garages Group Limited. Accounts for this company may be obtained from the Registrar of Companies, Cardiff.

14. CONTINGENT LIABILITIES

VAT

At 31 December 2013, the company was jointly and severally liable for the VAT liabilities of other group companies totalling £1,115,000 (2012: £2,110,000).

15. RELATED PARTY DISCLOSURES

The company is exempt from disclosing transactions with other group companies.

16. ULTIMATE CONTROLLING PARTY

The company is controlled by the directors D S Carr and Mrs B V Carr.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £'000	2012 £'000
Profit for the financial year	763	553
Other recognised gains and losses relating to the year (net)	5	-
Net addition to shareholders' funds	768	553
Opening shareholders' funds	3,397	2,844
Closing shareholders' funds	4,165	3,397