

Cambria Automobiles (Swindon) Limited

**Directors' report and financial
statements**

Registered number 05135183
for the year ended 31 August 2011

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Directors' report

The directors present their directors' report and financial statements for the year ended 31 August 2011

Principal activities

The company's principal activity continued to be the sale and servicing of motor cars and the provision of ancillary services

Business review

The profit on ordinary activities before taxation for the year ended 31 August 2011 was £444,000 (2010 £395,000) as set out on page 6

New car sales totalled 453 units in 2011 compared with 672 in 2010 Used car sales totalled 1,990 units in 2011 compared with 2,099 in 2010 Service labour hours sold totalled 18,485 compared with 16,530 in 2010

Proposed dividend

The directors do not recommend the payment of a dividend for 2011 (2010 £nil)

Directors and directors' interests

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

M J J Lavery
J A Mullins

All directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report

Employees

The company recognised the benefit of keeping employees informed of group affairs and the views of employees are given full consideration at regular meetings with their representatives

Full and fair consideration is given to the employment of disabled persons, who are treated no differently from other employees as regards recruiting, training, career development and promotion opportunities For people who may become disabled in the course of employment, the group will make every effort to accommodate them in suitable alternative employment

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has 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 auditors are aware of that information

Political and charitable contributions

The Company made no political contributions during the year (2010 £nil) Donations to UK charities amounted to £nil (2010 £nil)

Directors' report (*continued*)

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit plc will therefore continue in office

By order of the board



J A Mullins
Director

Dorcan Way, Swindon, SN3 3RA

15 November 2011

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG Audit plc

Arlington Business Park
Reading
Berkshire
RG7 4SD

Independent auditor's report to the members of Cambria Automobiles (Swindon) Limited

We have audited the financial statements of Cambria Automobiles (Swindon) Limited for the year ended 31 August 2011 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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 August 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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

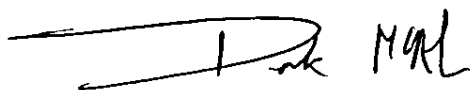
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of Cambria Automobiles
(Swindon) 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



Derek McAllan (Senior Statutory Auditor)
for and on behalf of KPMG Audit plc, Statutory Auditor
Chartered Accountants

16/12 . 2011

Profit and loss account
for the year ended 31 August 2011

	<i>Note</i>	2011 £000	2010 £000
Turnover	<i>1</i>	23,140	27,755
Cost of sales		(20,069)	(24,453)
		<hr/>	<hr/>
Gross profit		3,071	3,302
Administrative expenses		(2,533)	(2,810)
		<hr/>	<hr/>
Operating profit		538	492
Interest payable and similar charges	<i>5</i>	(94)	(97)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	<i>2</i>	444	395
Tax on profit on ordinary activities	<i>6</i>	(122)	(111)
		<hr/>	<hr/>
Profit for the financial year		322	284
		<hr/>	<hr/>

There were no recognised gains or losses for the years ended in 2011 and 2010 other than the profits shown above
 All results arose from continuing operations

Balance sheet
at 31 August 2011

	<i>Note</i>	2011		2010
		£000	£000	£000
Fixed assets				
Tangible assets	7		61	96
Current assets				
Stocks	8	2,486		2,444
Debtors	9	894		597
Cash at bank and in hand		216		423
		<u>3,596</u>		<u>3,464</u>
Creditors, amounts falling due within one year	10	<u>(2,889)</u>		<u>(3,114)</u>
Net current assets			<u>707</u>	<u>350</u>
Net assets			<u>768</u>	<u>446</u>
Capital and reserves				
Called up share capital	12	150		150
Profit and loss account	13	618		296
Shareholders' funds			<u>768</u>	<u>446</u>

These financial statements were approved by the board of directors on
signed on its behalf by

15/12/2011 and were



M J J Lavery
Director
Company Number 05135183

Reconciliation of movements in shareholders' funds
for the year ended 31 August 2011

	2011 £000	2010 £000
Profit for the financial year	322	284
Net addition to shareholders' funds	322	284
Opening shareholders' funds	446	162
Closing shareholders' funds	768	446

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Going Concern

The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements

Further information regarding the company's business activities together with the factors likely to affect its future development, performance and position is set out in the Directors Report on page 1

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of Cambria Automobiles plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Cambria Automobiles plc, within which this Company is included, can be obtained from Dorcan Way, Swindon, Wiltshire, SN3 3RA

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and VAT

Sales of motor vehicles, parts and accessories are recognised when the significant risks and rewards of ownership have been transferred to the buyer. In general this occurs when vehicles or parts are delivered to the customer and title has passed. Manufacturer incentives are recognised as turnover when earned. Servicing and bodyshop sales, including warranty work, are recognised on completion of the agreed work. Finance commission turnover is recognised as the related vehicles are sold

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Plant and machinery	-	5 to 10 years
Fixtures and fittings	-	5 to 10 years
Computers	-	3 to 5 years

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Notes (continued)

1 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of motor vehicles, the actual amount paid and payable to date for each vehicle is used. For spare parts and service items, stocks are valued at invoiced cost on a first-in, first-out basis. Appropriate provision is made for obsolete or slow-moving items.

New vehicles on consignment from manufacturers are included in the balance sheet from the day that they are consigned by the manufacturer as this is considered to be when the company bears the risks and rewards of ownership.

Consignment stock is held for a maximum of 180 days before becoming due for payment, with the first 60 days being interest free and the remaining 120 days interest bearing.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Pension Costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. The difference between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Notes (continued)

2 Notes to the profit and loss account

	2011 £000	2010 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
<i>Depreciation and other amounts written off tangible fixed assets</i>		
Owned	42	44
Operating lease rentals – land and buildings (intra-group)	252	252
	<hr/>	<hr/>
<i>Auditors' remuneration</i>		
	2011 £000	2010 £000
Audit	6	6
Services relating to taxation	2	2
	<hr/>	<hr/>

3 Remuneration of directors

The directors of the Company are remunerated through the parent company, Cambria Automobiles plc. The following directors benefited from qualifying third party indemnity provisions during the financial period:

- M J J Lavery
- J A Mullins

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2011	2010
Sales	21	19
Services	20	22
Parts	4	4
Administrative	6	7
	<hr/>	<hr/>
	51	52
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2011 £000	2010 £000
Wages and salaries	1,380	1,434
Social security costs	131	146
Other pension costs	3	3
	<hr/>	<hr/>
	1,514	1,583
	<hr/>	<hr/>

Notes (continued)

5 Interest payable and similar charges

	2011 £000	2010 £000
Consignment and used vehicle stocking interest	86	82
Intercompany interest	8	15
	<u>94</u>	<u>97</u>

6 Taxation

Analysis of charge in period

	2011 £000	2010 £000
<i>UK corporation tax</i>		
Current tax on income for the period	<u>122</u>	<u>111</u>
Total current tax	<u>122</u>	<u>111</u>
<i>Deferred tax (see note 11)</i>		
Origination/reversal of timing differences	-	-
Adjustment in respect of previous years	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>122</u>	<u>111</u>

Factors affecting the tax charge for the year

The current tax charge for the year is higher than (2010 the same as) the standard rate of corporation tax in the UK 27.16% (2010 28%). The differences are explained below

	2011 £000	2010 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	<u>444</u>	<u>395</u>
Current tax at 27.16% (2010 28%)	<u>121</u>	<u>111</u>
<i>Effects of</i>		
Difference between depreciation and capital allowances	2	1
Current year losses for which no deferred tax asset was recognised	-	(2)
Expenses not deductible for tax purposes	-	1
Other short term timing differences	<u>(1)</u>	<u>-</u>
Total current tax charge (see above)	<u>122</u>	<u>111</u>

The applicable tax rate for the current year is 27.16% following the reduction in the main rate of UK corporation tax from 28% to 26% with effect from 1 April 2011

Notes (continued)

7 Tangible fixed assets

	Plant and machinery £000	Fixtures, fittings & computers £000	Total £000
<i>Cost</i>			
At 1 September 2010	204	463	667
Additions	4	3	7
	<hr/>	<hr/>	<hr/>
At 31 August 2011	208	466	674
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 September 2010	152	419	571
Charge for year	18	24	42
	<hr/>	<hr/>	<hr/>
At 31 August 2011	170	443	613
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 August 2011	38	22	61
	<hr/>	<hr/>	<hr/>
At 31 August 2010	52	44	96
	<hr/>	<hr/>	<hr/>

8 Stocks

	2011 £000	2010 £000
Consignment vehicles	1,018	925
Other new & used vehicles	1,401	1,457
Other stocks	67	62
	<hr/>	<hr/>
	2,486	2,444
	<hr/>	<hr/>

9 Debtors

	2011 £000	2010 £000
Trade debtors	266	251
Amounts owed by group undertakings	582	339
Other debtors	46	7
	<hr/>	<hr/>
	894	597
	<hr/>	<hr/>

Notes (continued)

10 Creditors: amounts falling due within one year

	2011 £000	2010 £000
Vehicle consignment creditors	1,018	925
Vehicle funding	767	909
Trade creditors	625	583
Other creditors	74	29
Accruals	180	154
Taxation and social security	103	403
Corporation tax	122	111
	<u>2,889</u>	<u>3,114</u>

Vehicle funding is secured on the stock to which it relates

11 Deferred taxation

The elements of the deferred taxation asset are as follows

	2011 £000	2010 £000
Timing differences resulting from depreciation in excess of capital allowances	20	21
Other short term timing differences	2	3
	<u>22</u>	<u>24</u>
Total deferred tax asset	22	24
Unrecognised deferred tax asset	(22)	(24)
	<u>-</u>	<u>-</u>
Recognised deferred tax asset	-	-

The deferred tax asset not recognised, which consists primarily of capital timing differences, has not been recognised as the directors' consider it not to be material

Notes (continued)

12 Called up share capital

	2011 £000	2010 £000
<i>Allotted, called up and fully paid</i>		
75,000 Ordinary shares of £1 each	75	75
75,000 Preference shares of £1 each	75	75
	<hr/>	<hr/>
	150	150
	<hr/>	<hr/>

The redeemable preference shares shall be redeemed at the company's option at par within a 5 year period from the date of issue, 18 October 2006, and have the right to a fixed cumulative preferential cash dividend of 7% per annum of the nominal value. The redeemable preference shares have no voting rights and on winding up with surplus assets, the redeemable preference shares are paid up to the original subscription price. The right to dividend and redemption has been permanently and irrevocably waived and as a result the shares are classed as equity.

13 Reserves

	Profit and loss Account £000
At beginning of the year	296
Profit for year	322
	<hr/>
At end of the year	618
	<hr/>

14 Contingent liabilities

The company benefits from participation in the Cambria Automobiles plc amalgamated group overdraft facility with Bank of Scotland.

In recognition of the Cambria Automobiles plc Group Bank and used vehicle funding facilities, the following companies have entered into a joint agreement to guarantee liabilities with banks and finance houses of the motor manufacturers that provide new and used vehicles to the Group.

Cambria Automobiles plc, Cambria Automobiles Properties Limited, Cambria Automobiles Group Limited, Cambria Automobiles Acquisitions Limited, Cambria Automobiles (Swindon) Limited, Grange Motors (Swindon) Limited, Thoranmart Limited, Cambria Automobiles (South East) Limited, Grange Motors (Brentwood) Limited, Invicta Motors (Maidstone) Limited, Cambria Vehicle Services Limited and Invicta Motors Limited.

The company accounts for intra group guarantees as insurance contracts per FRS 12.

Notes (continued)

15 Commitments

Annual commitments under non-cancellable operating leases are as follows

	2011 Land and buildings £000	2010 Land and Buildings £000
<i>Operating leases which expire</i>		
Over five years (intra-group)	252	252
	<u>252</u>	<u>252</u>

16 Ultimate parent company and parent undertaking of larger group of which the company is a member

The immediate parent company is Cambria Automobiles Acquisitions Limited, a company registered in England and Wales

The ultimate holding company is Cambria Automobiles plc, a company registered in England and Wales

The ultimate parent company and parent of the largest and smallest group in which the company's results are included is Cambria Automobiles plc, a company registered in England and Wales. The address from which group accounts can be obtained from is Dorcan Way, Swindon, SN3 3RA.

In the opinion of the directors, the distribution of the ordinary shares in Cambria Automobiles plc and the rights attributing to them means there is no overall controlling party of the company.