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ENGLISH

## Addison TPS Limited

### Report and Financial Statements

31 December 2012

F WEDNESDAY



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	25/09/2013	#104
	COMPANIES HOUSE	
SCT	*S2HANZ8O*	
	20/09/2013	#246
	COMPANIES HOUSE	

**Directors**

M Squires  
N J McMinn  
D R Collins  
J Squires  
G T Murray

**Secretary**

G T Murray

**Auditors**

Ernst & Young LLP  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JD

**Bankers**

Royal Bank of Scotland  
87 Grey Street  
Newcastle upon Tyne  
NE99 1PY

**Solicitors**

Ward Hadaway  
Sandgate House  
102 Quayside  
Newcastle upon Tyne  
NE1 3DX

**Registered Office**

Leopard House  
Asama Court  
Newcastle Business Centre  
Newcastle upon Tyne  
NE4 7YD

Registered No 6261220

## Directors' report

The Directors present their report and financial statements for the year ended 31 December 2012

### Principal activity and review of the business

The principal activity of the Company is the distribution of vehicle parts to the motor trade

The Company continues to operate in a competitive environment and the Directors expect current levels of performance to continue

### Directors

The Directors who served the Company during the year were as follows

M Squires

N J McMinn

D R Collins

J Squires (appointed 26 June 2012)

G T Murray was appointed as a Director on 2 January 2013

### Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

### Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the Board



J Squires

Director

12 August 2013

## Statement of Directors' responsibilities

The Directors are responsible for preparing the annual 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 judgments and estimates that are reasonable and prudent, 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 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.

# **Independent auditors' report**

## **to the members of Addison TPS Limited**

We have audited the financial statements of Addison TPS Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related Notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement 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**

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 report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 auditors' report**

**to the members of Addison TPS 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
- the Directors were not entitled to prepare the Directors' report in accordance with the small Companies exemption and the financial statements in accordance with the small Companies regime



Mark Hatton (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP (Statutory Auditor)  
Newcastle upon Tyne  
12 August 2013

## Profit and loss account

for the year ended 31 December 2012

	<i>Notes</i>	<i>2012</i> £	<i>2011</i> £
<b>Turnover</b>	2	1,275,560	1,439,726
Cost of sales		<u>(911,116)</u>	<u>(949,450)</u>
<b>Gross profit</b>		364,444	490,276
Administrative expenses		<u>(262,703)</u>	<u>(270,688)</u>
<b>Profit on ordinary activities before taxation</b>	3	101,741	219,588
Tax	6	<u>(22,130)</u>	<u>(66,343)</u>
<b>Profit for the financial year</b>	11	<u>79,611</u>	<u>153,245</u>

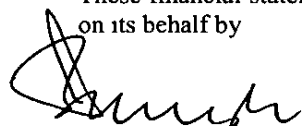
## Balance sheet

at 31 December 2012

	Notes	2012 £	2011 £
<b>Fixed assets</b>			
Tangible assets	7	160,266	177,943
<b>Current assets</b>			
Debtors	8	482,700	660,604
Cash at bank and in hand		720	630
		483,420	661,234
<b>Creditors</b> amounts falling due within one year	9	(115,875)	(386,977)
<b>Net current assets</b>		367,545	274,257
<b>Total assets less current liabilities</b>		527,812	452,200
<b>Provisions for liabilities</b>	6(c)	(11,000)	(15,000)
<b>Net assets</b>		516,811	437,200
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account	11	516,810	437,199
<b>Shareholders' funds</b>		516,811	437,200

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities

These financial statements have been approved by the Board of Directors on 12 August 2013 and signed on its behalf by



J Squires  
Director

## Notes to the financial statements

at 31 December 2012

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities

#### *Statement of cash flows*

The Company has not prepared a statement of cash flows as it is available for the exemption offered by Financial Reporting Standard 1 (revised 1996)

#### *Turnover*

Turnover is the aggregate value of goods and services supplied to third parties during the period net of value added tax and trade discounts

Turnover is recognised when goods and services are supplied

#### *Tangible fixed assets*

Tangible fixed assets are stated in the balance sheet at cost less depreciation. Depreciation is calculated to write off the cost, less estimated residual value, of each asset on the following basis,

Short leasehold buildings	–	straight line over the period of the lease
Plant and equipment	–	20%-33% straight line per annum

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

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception

- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### *Pensions*

Certain employees participate as deferred members in the defined benefit section of The Benfield Motors Retirement Benefits Scheme, which is administered by the Company's parent undertaking, Addison Motors Limited

All employees when eligible are offered the opportunity to join the Group's defined contribution pension scheme

Contributions to the defined contribution pension scheme are charged to the profit and loss account as they fall due

### 2. Turnover

Turnover is generated from sales within the United Kingdom

## Notes to the financial statements

at 31 December 2012

### 3. Profit on ordinary activities before taxation

This is stated after charging

	2012	2011
	£	£
Auditors' remuneration	5,892	5,493
Depreciation of tangible fixed assets	24,960	24,960

### 4. Directors' remuneration

The Directors received no remuneration during the current year (2011 - £nil) for their services to the Company. All of the Directors have benefits accruing under the Benfield Motors Retirement Benefit pension scheme.

The Directors are also directors of the ultimate parent undertaking Addison Motors Limited. The total remuneration received by directors of the ultimate parent is disclosed in that company's accounts. The directors of Addison Motors Limited do not believe it is practicable to apportion this amount between services as directors of the ultimate parent company and their services as directors of fellow subsidiary undertakings.

### 5. Staff costs

	2012	2011
	£	£
Wages and salaries	787,633	791,160
Social security costs	66,350	72,246
Pensions	14,666	12,321
	868,649	875,727

The average monthly number of employees during the year was made up as follows

	No	No
Directors	3	3
Clerical and administration	25	27
Sales	15	15
	43	45

## Notes to the financial statements

at 31 December 2012

### 6. Tax

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2012 £	2011 £
<b>Current tax:</b>		
UK corporation tax on the profit for the year	26,000	60,000
Adjustments in respect of prior years	130	(6,657)
Total current tax	26,130	53,343
<b>Deferred tax:</b>		
Deferred taxation (Note 6(c))	(4,000)	13,000
Tax on profit on ordinary activities	22,130	66,343

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	101,741	219,588
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%)	24,927	58,191
<b>Effects of</b>		
Expenses not deductible for tax purposes	1,103	75
Accelerated capital allowances and other timing differences	(30)	1,734
Adjustments to tax charge in respect of previous years	130	(6,657)
Current tax for the year (Note 6(a))	26,130	53,343

#### (c) Deferred tax

Reconciliation of movement in deferred taxation	2012 £
Opening provision	15,000
Credit to profit and loss account (Note 6(a))	(4,000)
Closing provision	11,000

Provisions for liabilities which represent deferred taxation only are made up as follows

	2012 £	2011 £
Accelerated capital allowances	11,000	15,000

## Notes to the financial statements

at 31 December 2012

### 6. Tax (continued)

(d) Factors that may affect future tax charges

The UK government has announced its intention to reduce the UK corporation tax rate to 20% by 1 April 2015. The reduction from 26% to 24% was substantively enacted on 26 March 2012 and came into effect on 1 April 2012. A hybrid rate of 24.5% therefore applies to current tax liabilities arising during the period. In the Budget Speech on 20 March 2013 the chancellor announced that the rate from 1 April 2013 would be reduced to 23% and the rate from 1 April 2014 would be reduced to 21%.

### 7. Tangible fixed assets

	<i>Leasehold land and building</i>	<i>Plant and equipment</i>	<i>Total</i>
	£	£	£
<b>Cost:</b>			
At 1 January 2012	122,397	121,044	243,441
Additions	4,350	2,933	7,283
At 31 December 2012	<u>126,747</u>	<u>123,977</u>	<u>250,724</u>
<b>Depreciation:</b>			
At 1 January 2012	4,805	60,693	65,498
Charge for the year	11,331	13,629	24,960
At 31 December 2012	<u>16,136</u>	<u>74,322</u>	<u>90,458</u>
<b>Net book amount:</b>			
At 31 December 2012	<u>110,611</u>	<u>49,655</u>	<u>160,266</u>
At 1 January 2012	<u>117,592</u>	<u>60,351</u>	<u>177,943</u>

### 8. Debtors

	<i>2012</i>	<i>2011</i>
	£	£
Trade debtors	53,473	528,388
Amounts owed by group undertakings	308,599	1
Prepayments and accrued income	<u>120,628</u>	<u>132,215</u>
	<u>482,700</u>	<u>660,604</u>

### 9. Creditors: amounts falling due within one year

	<i>2012</i>	<i>2011</i>
	£	£
Trade creditors	14,649	-
Amounts owed to subsidiary undertakings	4,145	168,702
Corporation tax payable	32,130	58,343
Other taxation and social security	52,975	83,587
Accruals and deferred income	<u>11,976</u>	<u>76,345</u>
	<u>115,875</u>	<u>386,977</u>

## Notes to the financial statements

at 31 December 2012

### 10. Issued share capital

	2012	2011
<i>Allotted, called up and fully paid</i>	£	£
1 Ordinary share of £1	1	1

### 11. Movements on reserves

	<i>Profit and loss account</i>
	£
At 1 January 2012	437,199
Profit for the financial year	79,611
At 31 December 2012	516,810

### 12. Related party transactions

The Company is a wholly owned subsidiary of Addison Motors Limited and is included in the group financial statements of Addison Motors Limited, which are publicly available. Consequently the Company is exempt under the term of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Addison Motors Limited Group.

### 13. Ultimate parent undertaking and controlling party

The Company's ultimate parent undertaking is Addison Motors Limited, a Company incorporated in England which is the parent undertaking of the largest and smallest group to consolidate these financial statements.

Copies of Addison Motors Limited group financial statements can be obtained from the Company Secretary at Leopard House, Asama Court, Newcastle Business Centre, Newcastle upon Tyne, NE4 7YD.

The controlling party of the Company is the Squires family by virtue of their combined controlling interest in the share capital of Addison Motors Limited.