

Addison TPS Limited

Report and Financial Statements

31 December 2014

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COMPANIES HOUSE

Directors

J Squires
M Squires
D R Collins
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
16 Northumberland Street
Newcastle upon Tyne
NE1 7EL

Solicitors

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

Muckle LLP
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Registered Office

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

Registered No. 6261220

Directors' report

The Directors present their report and financial statements for the year ended 31 December 2014.

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:

J Squires
M Squires
D R Collins
G T Murray

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

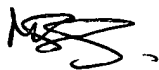
A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

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.

The Company has taken exemption from the preparation of a Strategic Report under Section 414 of the Companies Act 2006.

On behalf of the Board



M Squires
Director
27 April 2015

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 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related Notes 1 to 14. 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 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 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 2014 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 financial statements in accordance with the small companies exemption and take advantage of the small companies exemption from the requirement to prepare a Strategic Report and take advantage of the small companies exemption in preparing the Directors' Report.



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

28 April 2015

Profit and loss account

for the year ended 31 December 2014

		2014	2013
	Notes	£	£
Turnover	2	1,538,959	1,377,533
Cost of sales		<u>(1,070,873)</u>	<u>(986,809)</u>
Gross profit		468,086	390,724
Administrative expenses		<u>(286,095)</u>	<u>(249,083)</u>
Operating profit	3	181,991	141,641
Interest payable and similar charges		<u>(8,729)</u>	<u>(5,820)</u>
Profit on ordinary activities before taxation		173,262	135,821
Tax	6	<u>(38,450)</u>	<u>(32,807)</u>
Profit for the financial year	11	<u>134,812</u>	<u>103,014</u>

All amounts relate to continuing activities.

Balance sheet

at 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	7	157,090	164,248
Current assets			
Debtors	8	607,552	592,471
Cash at bank and in hand		197,164	720
		804,716	593,191
Creditors: amounts falling due within one year	9	(200,415)	(127,614)
Net current assets		604,301	465,577
Total assets less current liabilities		761,391	629,825
Provisions for liabilities	6(c)	(6,754)	(10,000)
Net assets		754,637	619,825
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	754,636	619,824
Shareholders' funds		754,637	619,825

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 27 April 2015 and signed on its behalf by:



M Squires
Director

Notes to the financial statements

at 31 December 2014

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 Motor Group Pension Plan, which is administered by the Company's parent undertaking, Addison Motors Limited.

All employees when eligible are offered the opportunity to join the defined contribution section of the Benfield Motor Group Pension Plan.

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 2014

3. Operating profit

This is stated after charging:

	2014	2013
	£	£
Auditors' remuneration	4,051	5,892
Depreciation of tangible fixed assets	38,223	23,555
Operating lease rental payments – property	97,130	73,616

4. Directors' remuneration

The Directors received no remuneration during the year (2013 - £nil) for their services to the Company. Certain Directors have benefits accruing under the Benfield Motor Group Pension Plan.

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

	2014	2013
	£	£
Wages and salaries	950,365	846,580
Social security costs	76,879	67,614
Pensions	15,846	15,622
	1,043,090	929,816

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

	No.	No.
Directors	4	4
Clerical and administration	27	28
Sales	16	15
	47	47

Notes to the financial statements

at 31 December 2014

6. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2014 £	2013 £
Current tax:		
UK corporation tax on the profit for the year	42,176	33,000
Adjustments in respect of prior years	(480)	807
Total current tax	41,696	33,807
Deferred tax:		
Deferred taxation (Note 6(c))	(3,246)	(1,000)
Tax on profit on ordinary activities	38,450	32,807

(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 21.5% (2013 – 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	173,262	135,821
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%)	37,251	31,578
Effects of:		
Expenses not deductible for tax purposes	2,341	2,014
Accelerated capital allowances and other timing differences	2,979	392
Adjustments to tax charge in respect of previous years	(480)	807
Others	(395)	(984)
Current tax for the year (Note 6(a))	41,696	33,807

(c) Deferred tax

Reconciliation of movement in deferred taxation	2014 £
Opening provision	10,000
Credit to profit and loss account (Note 6(a))	(3,246)
Closing provision	6,754

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

	2014 £	2013 £
Accelerated capital allowances	6,754	10,000

Notes to the financial statements

at 31 December 2014

6. Tax (continued)

(d) Factors that may affect future tax charges

The standard rate of UK corporation tax reduced from 23% to 21% from 1 April 2014. A hybrid rate of 21.5% therefore applies to the current tax charge arising during the year. A reduction in the UK corporation tax rate to 20% effective from 1 April 2015 was substantively enacted on 2 July 2013. A rate of 20% has therefore been applied to the deferred tax liability at the balance sheet date.

7. Tangible fixed assets

	<i>Leasehold land & building</i>	<i>Plant & equipment</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 January 2014	126,747	151,514	278,261
Additions	–	42,320	42,320
Transfers out	–	(35,076)	(35,076)
At 31 December 2014	<u>126,747</u>	<u>158,758</u>	<u>285,505</u>
Depreciation:			
At 1 January 2014	28,451	85,562	114,013
Charge for the year	25,417	12,806	38,223
Transfers out	–	(23,821)	(23,821)
At 31 December 2014	<u>53,868</u>	<u>74,547</u>	<u>128,415</u>
Net book value:			
At 31 December 2014	<u>72,879</u>	<u>84,211</u>	<u>157,090</u>
At 1 January 2014	<u>98,296</u>	<u>65,952</u>	<u>164,248</u>

8. Debtors

	<i>2014</i>	<i>2013</i>
	£	£
Trade debtors	146,254	130,279
Amounts owed by group undertakings	424,960	300,183
Prepayments and accrued income	36,338	162,009
	<u>607,552</u>	<u>592,471</u>

Notes to the financial statements

at 31 December 2014

9. Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	18,621	13,286
Amounts owed to group undertakings	1,391	–
Corporation tax payable	41,696	33,807
Other taxation and social security	68,902	20,536
Accruals and deferred income	49,937	24,527
Other creditors	19,868	35,458
	<u>200,415</u>	<u>127,614</u>

10. Issued share capital

	2014	2013
	£	£
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

11. Movements on reserves

	<i>Profit & loss account</i>	<i>Profit & loss account</i>
	2014	2013
	£	£
At 1 January	619,824	516,810
Profit for the financial year	134,812	103,014
At 31 December	<u>754,636</u>	<u>619,824</u>

12. Other financial commitments

At 31 December 2014 the Company had annual commitments under non-cancellable operating leases as set out below:

	2014		2013
	<i>Land and buildings</i>	<i>Land and buildings</i>	<i>Other</i>
	£000	£000	£000
Operating leases which expire:			
Over five years	<u>100,304</u>	<u>–</u>	<u>50,104</u>

Notes to the financial statements

at 31 December 2014

13. Related party transactions

The Company is a wholly owned subsidiary of Addison Motors Limited and is consolidated in the group financial statements of that company, 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.

14. Ultimate parent undertaking and controlling party

The Directors regard Addison Motors Limited, incorporated in England and Wales, as being the Company's ultimate parent undertaking. A copy of the Directors' report and financial statements of Addison Motors Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements, can be obtained from Addison Motors Limited, Leopard House, Asama Court, Newcastle Business Park, 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.