Grant Thornton

Financial statements Colliers of Sutton Coldfield Limited

For the year ended 31 December 2010

Company No. 2018205

Company information

Company registration number	2018205
Registered office	1-41 Sutton Road Erdington Birmingham B23 6QH
Directors	D C Clark N J T Power M J Smith
Secretary	N J T Power
Bankers	Barclays Bank plc One Snowhill Birmingham B3 2WE
Auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Enterprise House 115 Edmund Street Birmingham B3 2HJ

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2010

Principal activities and business review

The principal activities of the company in the year under review were those of the sale and service of motor vehicles and accessories No changes are foreseen in the immediate future

The trading results for the year are set out in detail on page 10

Strategy
The strategy is to continue to control operating charges and to improve both on sales and margins

Turnover
Turnover showed an increase of 17 1% on the previous year

Operating costs
Operating costs increased by 12 0% in the year

Summary of Key Performance Indicators

The directors have monitored the progress of the overall Group strategy and individual strategic elements by reference to certain financial and non-financial key performance indicators, details of which are included in the consolidated financial statements of Collier Motor Group Limited

Future business developments

Given the current economic climate, the company's immediate focus is to contain costs whilst exploiting any opportunities which arise to achieve optimum performance from its existing sites and franchises

Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks

The directors are of the opinion that a thorough risk management process is adopted which involves the review of all the risks identified Where possible, processes are in place to monitor and mitigate such risks

Dividends

The directors have not recommended a dividend (2009 £nil)

Report of the directors (continued)

Financial risk management objectives and policies

The company's principal financial instruments comprise overdrafts, group borrowings, cash and short-term deposits The main purpose of these financial instruments is to raise finance for the company's operations The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations The company does not enter into derivative transactions

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, and credit risk The board reviews and agrees policies for managing each of these risks and they are summarised below

Interest rate risk

The company's exposure to changes in interest rate fluctuating on its bank overdraft is minimised by utilising cash and intercompany borrowings where available

Credit risk

The company trades with only recognised, creditworthy third parties It is the company policy that all customers who wish to trade on credit terms are subject to credit vetting procedures In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably Short term flexibility is achieved by overdraft facilities

Directors

The directors who served the company during the year were as follows

D C Clark
N J T Power
M J Smith
A C Clark (ceased to be a director on 9 December 2010)

Report of the directors (continued)

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 laws) 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 489 of the Companies Act 2006

BY ORDER OF THE BOARD

N J T Power
Secretary
Date 27 September 2011

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Independent auditor's report to the members of Colliers of Sutton Coldfield Limited

We have audited the financial statements of Colliers of Sutton Coldfield Limited for the year ended 31 December 2010 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 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 5, 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 website 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 December 2010 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Grant Thornton

Independent auditor's report to the members of Colliers of Sutton Coldfield 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

Grant Thornton UK LLP

Kathryn Godfree
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
BIRMINGHAM

Date 27 September 2011

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from producing a cash flow statement in the financial statements

Turnover

Turnover is the total amount receivable by the company in the ordinary course of business from outside customers for goods supplied and services provided, excluding VAT and trade discounts Vehicle sales are recognised on full payment or delivery of the vehicle For service and parts sales, income is recognised when the work is completed and invoiced to the customer

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Plant & Machinery and Fixtures and Fittings	-	10% - 33% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Under supply agreements with various manufacturers, the company has access to 'consignment stock' during a consignment period Where the nature of these supply agreements transfer risks and rewards to the company, which in substance gives the company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with an equivalent liability

Where supply agreements do not provide risks and rewards to the company until such time as legal title actually passes at the end of the consignment period, these stocks are not included in the balance sheet Both the terms under which stocks are held and the financial commitment in respect of these stocks are disclosed in the notes to the financial statements

Principal accounting policies (continued)

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

Defined contribution scheme
The group operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the group The annual contributions payable are charged to the profit and loss account

Defined benefit scheme
The scheme was closed for regular contributions on 31 December 2000 and the pensions payable by the scheme were capped based on salary levels at that date The company continues to make annual contributions to the scheme and meets the administrative expenses of the scheme Contributions charged against operating profits are the contributions paid to the defined benefit pension scheme in respect of the accounting period

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date Deferred tax assets are recognised when it is more likely than not that they will be recovered Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Profit and loss account

	Note	2010 £	2009 £
Turnover	1	**41,860,073**	35,741,863
Cost of sales		**36,956,447**	31,379,661
Gross profit		**4,903,626**	4,362,202
Other operating charges	2	**4,645,396**	4,146,402
Other operating income	3	**(206,985)**	(205,582)
Operating profit	4	**465,215**	421,382
Interest payable and similar charges	6	**39,689**	24,984
Profit on ordinary activities before taxation		**425,526**	396,398
Tax on profit on ordinary activities	7	**(8,230)**	7,891
Profit for the financial year	16	**433,756**	388,507

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the profit for the year as set out above

Balance sheet

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	8	**89,771**	86,740
Current assets			
Stocks	9	**6,181,577**	5,528,829
Debtors	10	**1,556,867**	865,547
Cash in hand		**600**	600
		7,739,044	6,394,976
Creditors: amounts falling due within one year	12	**6,971,463**	6,058,120
Net current assets		**767,581**	336,856
Total assets less current liabilities		**857,352**	423,596
Capital and reserves			
Called-up equity share capital	15	**1,000**	1,000
Profit and loss account	16	**856,352**	422,596
Shareholders' funds	17	**857,352**	423,596

These financial statements were approved by the directors on 27 September 2011, and are signed on their behalf by

D C Clark
Director

Company Registration Number 2018205

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	2010	2009
	£	£
United Kingdom	**41,860,073**	35,741,863

2 Other operating charges

	2010	2009
	£	£
Distribution costs	**2,070,179**	1,810,498
Administrative expenses	**2,575,217**	2,335,904
	4,645,396	4,146,402

3 Other operating income

	2010	2009
	£	£
Commission receivable	**206,950**	204,646
Other operating income	**35**	936
	206,985	205,582

4 Operating profit

Operating profit is stated after charging

	2010	2009
	£	£
Depreciation of owned fixed assets	**32,659**	44,190
Auditor's remuneration		
Audit fees	**8,000**	8,000
Non audit fees	**1,500**	1,500
Operating lease costs		
- Plant and equipment	**25,805**	22,694
- Other	**131,823**	125,905

Notes to the financial statements

5 Directors and employees

The average number of staff employed by the company during the financial year amounted to

	2010	2009
	No	No
Total staff	**93**	91

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	**2,505,871**	2,240,037
Social security costs	**234,847**	218,819
Other pension costs	**50,087**	54,720
	2,790,805	2,513,576

No directors were remunerated through Colliers of Sutton Coldfield Limited Details of directors' remuneration of those directors who are also directors of Collier Motor Group Limited have been disclosed in that company's consolidated financial statements

6 Interest payable and similar charges

	2010	2009
	£	£
Stock finance	**39,689**	24,984

7 Taxation on profit on ordinary activities

Analysis of charge in the year

	2010	2009
	£	£
Deferred tax		
Origination and reversal of timing differences (note 11)	**(11,657)**	7,891
Adjustment in respect of prior periods	**1,975**	-
Effect of changed tax rate on opening balance	**1,452**	-
	8,230	7,891

Notes to the financial statements

7 Taxation on profit on ordinary activities (continued)

Factors affecting current tax charge/(credit)

	2010	2009
	£	£
Profit on ordinary activities before taxation	**425,526**	396,398
Profit on ordinary activities multiplied by the standard rate of tax	**119,147**	110,991
Excess of depreciation over capital allowances	**4,218**	(5,405)
Expenditure not allowable for tax purposes	**1,947**	1,647
Utilisation of tax losses	**-**	(96,080)
Group relief	**(133,159)**	(11,153)
Other short term timing differences	**7,871**	-
Income not taxable	**(24)**	-
Total current tax	**-**	-

Unrelieved tax losses of £Nil (2009 £250,000) remain available to offset against future taxable trading income

8 Tangible fixed assets

	Plant & Machinery	Fixtures & Fittings	Total
	£	£	£
Cost			
At 1 January 2010	435,150	365,978	801,128
Additions	35,035	655	35,690
At 31 December 2010	470,185	366,633	836,818
Depreciation			
At 1 January 2010	385,149	329,239	714,388
Charge for the year	23,732	8,927	32,659
At 31 December 2010	408,881	338,166	747,047
Net book value			
At 31 December 2010	**61,304**	**28,467**	**89,771**
At 31 December 2009	50,001	36,739	86,740

Notes to the financial statements

9 Stocks

	2010	2009
	£	£
Vehicles	**6,017,714**	5,374,110
Parts and accessories	**163,863**	154,719
	6,181,577	5,528,829

10 Debtors

	2010	2009
	£	£
Trade debtors	**477,601**	690,027
Amounts owed by group undertakings	**947,106**	–
Other debtors	**7,018**	2,417
Prepayments and accrued income	**74,277**	130,468
Deferred taxation (note 11)	**50,865**	42,635
	1,556,867	865,547

11 Deferred taxation

The deferred tax included in the balance sheet is as follows

	2010	2009
	£	£
Included in debtors (note 10)	**50,865**	42,635

The movement in the deferred taxation account during the year was

	2010	2009
	£	£
Balance brought forward	**42,635**	50,526
Profit and loss account movement arising during the year	**8,230**	(7,891)
Balance carried forward	**50,865**	42,635

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2010	2009
	£	£
Excess of depreciation over taxation allowances	**43,276**	42,635
Short term timing differences	**7,589**	-
	50,865	

Notes to the financial statements

12 Creditors: amounts falling due within one year

	2010	2009
	£	£
Payments received on account	–	35,900
Trade creditors	6,793,964	5,751,581
Amounts owed to group undertakings	–	1,312
PAYE and social security	–	37,876
Other creditors	1,408	–
Accruals and deferred income	176,091	231,451
	6,971,463	6,058,120

13 Leasing commitments

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below

	2010		2009	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire				
Within 1 year	4,056	966	4,055	-
After more than 5 years	124,750	-	121,850	-
	131,813	966	125,905	-

14 Related party transactions

As a wholly-owned subsidiary, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Collier Motor Group Limited, on the grounds that accounts are publicly available from 1-41 Sutton Road, Erdington, Birmingham, B23 6QH

Notes to the financial statements

15 Share capital

Authorised share capital

	2010 £	2009 £
1,000 Ordinary shares of £1 each	**1,000**	1,000

Allotted, called up and fully paid

	2010 No	2010 £	2009 No	2009 £
1,000 Ordinary shares of £1 each	**1,000**	**1,000**	1,000	1,000

16 Profit and loss account

	2010 £	2009 £
Balance brought forward	**422,596**	34,089
Profit for the financial year	**433,756**	388,507
Balance carried forward	**856,352**	422,596

17 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	**433,756**	388,507
Opening shareholders' funds	**423,596**	35,089
Closing shareholders' funds	**857,352**	423,596

Notes to the financial statements

18 Pension commitments

Defined contribution scheme

The group operates a group personal pension plan for the benefit of certain directors and employees, who contribute a minimum of 5% salary The assets of the scheme are administered by Norwich Union as trustees in a fund independent of the company

Defined benefit scheme

The group operates a defined benefit pension scheme, the Collier Group (1978) Retirement Benefits Scheme, for the benefit of certain directors and employees The assets of the scheme are administered by trustees in a fund independent from those of the company The scheme was closed to contributions from 31 December 2000 at which point the pensions payable by the scheme were capped based on salary levels at that date

Details of the group pension schemes are contained in the consolidated financial statements of Collier Motor Group Limited

19 Ultimate parent company

The directors regard Collier Motor Group Limited, a company registered in England and Wales, as the ultimate parent company and the controlling party There is no ultimate controlling party

20 Capital commitments

The company had no capital commitments at 31 December 2010 and 31 December 2009

21 Contingent liabilities

There were no contingent liabilities at 31 December 2010 or 31 December 2009