REGISTERED NUMBER: 803821 (England and Wales)

GEO. COLLINS (ENGINEERS) LIMITED

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2011

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COMPANIES HOUSE

Baker Tilly UK Audit LLP
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

GEO. COLLINS (ENGINEERS) LIMITED (REGISTERED NUMBER: 803821)

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for the year ended 31 May 2011

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GEO. COLLINS (ENGINEERS) LIMITED

COMPANY INFORMATION
for the year ended 31 May 2011

DIRECTORS:	R D Collins G P Collins I D Collins P C Collins Mrs L J Nicholls
SECRETARY:	R D Collins
REGISTERED OFFICE:	Herstmonceux Service Station Herstmonceux Hailsham East Sussex BN27 4JU
REGISTERED NUMBER:	803821 (England and Wales)
AUDITORS:	Baker Tilly UK Audit LLP Chartered Accountants The Clock House 140 London Road Guildford Surrey GU1 1UW

REPORT OF THE DIRECTORS
for the year ended 31 May 2011

The directors present their report with the financial statements of the company for the year ended 31 May 2011

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of garage proprietors

REVIEW OF BUSINESS
The Board is satisfied with the results for the year given the current economic climate Turnover has decreased by 20 3% to £8 8 million This reflects the continuing difficulties seen across the industry since the removal of the Government scrappage scheme The gross profit margin decreased to 7 1%, from 7 7% in 2010, giving a gross profit of £617,144 Overheads decreased during the year by 8 9% which contributed to a profit for the year before taxation of £9,043 compared to £188,932 in 2010

The Directors maintain a close review of the company's business environment and ongoing performance with tight budgetary control of expenditure The Board are confident that the company's capital structure and sound balance sheet will provide a firm basis for future trading

The Company's review of the business has been drafted in accordance with The Companies Act Exemptions available to small companies

DIVIDENDS
No dividends will be recommended for the year ended 31 May 2011

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements

DIRECTORS
The directors shown below have held office during the whole of the period from 1 June 2010 to the date of this report

R D Collins
G P Collins
I D Collins
P C Collins
Mrs L J Nicholls

Other changes in directors holding office are as follows

D R Collins - resigned 30 June 2010

REPORT OF THE DIRECTORS
for the year ended 31 May 2011

GOING CONCERN
No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the board

Although the company has some susceptibility to the effects of the current downturn in the economic climate, the company is currently experiencing a satisfactory level of trading The company also has considerable financial resources which the board believe will allow the company to successfully manage any downturn in trading for the foreseeable future

On this basis, the board consider that the adoption of the going concern basis of accounting is appropriate in preparing the financial statements

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,
- 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

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

AUDITORS
The auditor, Baker Tilly UK Audit LLP has indicated its willingness to continue in office

REPORT OF THE DIRECTORS
for the year ended 31 May 2011

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD:



R D Collins - Secretary

Date 18/11/2011

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF GEO COLLINS (ENGINEERS) LIMITED

We have audited the financial statements of Geo Collins (Engineers) Limited for the year ended 31 May 2011 on pages seven to eighteen 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 (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 May 2011 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 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 SHAREHOLDERS OF GEO. COLLINS (ENGINEERS) 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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Report of the Directors

Baker Tilly UK Audit LLP

Christopher Hurren BA ACA (Senior Statutory Auditor)
For and on behalf of Baker Tilly UK Audit LLP
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

Date 2 December 2011

PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2011

	Notes	2011 £	2010 £
TURNOVER		8,753,608	10,978,995
Cost of sales		(8,136,464)	(10,133,206)
GROSS PROFIT		617,144	845,789
Administrative expenses		(618,826)	(674,416)
		(1,682)	171,373
Other operating income		4,331	14,636
OPERATING PROFIT	3	2,649	186,009
Interest receivable and similar income	4	10,101	7,217
		12,750	193,226
Interest payable and similar charges	5	(3,707)	(4,294)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,043	188,932
Tax on profit on ordinary activities	6	(2,554)	(43,299)
PROFIT FOR THE FINANCIAL YEAR		6,489	145,633

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

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

GEO. COLLINS (ENGINEERS) LIMITED (REGISTERED NUMBER: 803821)

BALANCE SHEET
31 May 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	7	172,052	178,413
CURRENT ASSETS			
Stocks	8	927,141	1,002,792
Debtors	9	187,240	217,119
Cash at bank and in hand		877,221	960,627
		1,991,602	2,180,538
CREDITORS			
Amounts falling due within one year	10	(753,924)	(956,570)
NET CURRENT ASSETS		1,237,678	1,223,968
TOTAL ASSETS LESS CURRENT LIABILITIES		1,409,730	1,402,381
PROVISIONS FOR LIABILITIES	13	(11,030)	(10,170)
NET ASSETS		1,398,700	1,392,211
CAPITAL AND RESERVES			
Called up share capital	14	1,800	1,800
Capital redemption reserve	15	3,200	3,200
Profit and loss account	15	1,393,700	1,387,211
SHAREHOLDERS' FUNDS	18	1,398,700	1,392,211

The financial statements were approved and authorised for issue by the Board of Directors on 15 November 2011 and were signed on its behalf by

G P Collins - Director

The notes form part of these financial statements

CASH FLOW STATEMENT
for the year ended 31 May 2011

	Notes	2011 £	2010 £
Net cash (outflow)/inflow from operating activities	1	(3,805)	416,604
Returns on investments and servicing of finance	2	6,394	2,923
Taxation		(34,950)	(19,985)
Capital expenditure	2	(21,030)	(39,462)
		(53,391)	360,080
Financing	2	(30,015)	(383,726)
Decrease in cash in the period		(83,406)	(23,646)
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		(83,406)	(23,646)
Cash outflow from decrease in debt		30,015	29,223
Change in net funds resulting from cash flows		(53,391)	5,577
Movement in net funds in the period		(53,391)	5,577
Net funds at 1 June		930,612	925,035
Net funds at 31 May		877,221	930,612

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 May 2011

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating profit	2,649	186,009
Depreciation charges	27,391	23,951
Loss on disposal of fixed assets	-	8
Decrease in stocks	75,651	240,008
Decrease/(Increase) in debtors	29,879	(8,329)
Decrease in creditors	(139,375)	(25,043)
Net cash (outflow)/inflow from operating activities	(3,805)	416,604

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011	2010
	£	£
Returns on investments and servicing of finance		
Interest received	10,101	7,217
Interest paid	(142)	(1,101)
Interest element of hire purchase or finance lease rentals payments	(3,565)	(3,193)
Net cash inflow for returns on investments and servicing of finance	6,394	2,923
Capital expenditure		
Purchase of tangible fixed assets	(21,030)	(39,462)
Net cash outflow for capital expenditure	(21,030)	(39,462)
Financing		
Loan repayments in year	(30,015)	-
Amount withdrawn by directors	-	(3,726)
Share buyback	-	(380,000)
Net cash outflow from financing	(30,015)	(383,726)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 May 2011

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 6 10 £	Cash flow £	At 31 5 11 £
Net cash			
Cash at bank and in hand	960,627	(83,406)	877,221
	960,627	(83,406)	877,221
Debt			
Debts falling due within one year	(30,015)	30,015	-
	(30,015)	30,015	-
Total	930,612	(53,391)	877,221

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

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

Sales of goods are recognised when goods are delivered and title has passed Delivery occurs when the risks and rewards of ownership have been transferred to the customer Turnover from services is recognised at the contractual rates as hours are delivered and materials expenses are incurred

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Long leasehold	- Over the period of the lease
Plant and machinery	- 15% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

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

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

Operating leases
Annual rentals under operating leases are charged to profit and loss on a straight line basis over the lease term

continued

2 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	560,164	660,553
Social security costs	58,858	73,348
	619,022	733,901

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

	2011	2010
Office and management	11	12
Production and sales	17	18
	28	30

3 OPERATING PROFIT

The operating profit is stated after charging

	2011	2010
	£	£
Depreciation - owned assets	27,391	23,951
Loss on disposal of fixed assets	-	8
Auditor's remuneration	4,450	4,300
Operating lease - Land & Buildings	70,000	70,000
Directors' remuneration	164,670	98,454

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011	2010
	£	£
Bank interest received	10,101	7,217

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	134	1,016
Directors loan interest	8	85
Honda finance charges	3,565	3,193
	3,707	4,294

continued

6 TAXATION

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

	2011 £	2010 £
Current tax		
UK corporation tax	3,500	36,750
Taxation prior year	(1,806)	(9)
Total current tax	1,694	36,741
Deferred tax	860	6,558
Tax on profit on ordinary activities	2,554	43,299

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

	2011 £	2010 £
Profit on ordinary activities before tax	9,043	188,932
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2010 - 21%)	1,809	39,676
Effects of		
Difference in Capital allowances and depreciation	426	(5,785)
Expenses not deductible for tax purposes	1,162	2,851
Change in corporation tax rate for part of year	99	-
Rounding	4	8
Over provision for prior year	(1,806)	(9)
Current tax charge	1,694	36,741

7 TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 June 2010	355,839	174,047	52,480
Additions	4,300	2,291	5,113
Disposals	-	(3,418)	-
At 31 May 2011	360,139	172,920	57,593
DEPRECIATION			
At 1 June 2010	241,579	151,530	44,335
Charge for year	9,268	7,664	2,201
Eliminated on disposal	-	(3,418)	-
At 31 May 2011	250,847	155,776	46,536
NET BOOK VALUE			
At 31 May 2011	109,292	17,144	11,057
At 31 May 2010	114,260	22,517	8,145

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 June 2010	23,124	112,464	717,954
Additions	-	9,326	21,030
Disposals	-	-	(3,418)
At 31 May 2011	23,124	121,790	735,566
DEPRECIATION			
At 1 June 2010	18,785	83,312	539,541
Charge for year	598	7,660	27,391
Eliminated on disposal	-	-	(3,418)
At 31 May 2011	19,383	90,972	563,514
NET BOOK VALUE			
At 31 May 2011	3,741	30,818	172,052
At 31 May 2010	4,339	29,152	178,413

continued

8 STOCKS

	2011	2010
	£	£
Stocks	927,141	1,002,792

Included within stock is £115,107 (2010 £247,716) in respect of consignment stock This is held for 120 days before payment is due No interest is charged in this period

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade debtors	77,433	94,863
Other debtors	40,855	41,390
Prepayments and accrued income	68,952	80,866
	187,240	217,119

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts (see note 11)	-	30,015
Trade creditors	532,122	688,660
Corporation tax	3,500	36,756
Social security and other taxes	126,910	64,961
Other creditors	-	934
Accruals & deferred income	91,392	135,244
	753,924	956,570

Within trade creditors, £413,319 (2010 £569,539) is secured on the vehicle stock

11 LOANS

An analysis of the maturity of loans is given below

	2011	2010
	£	£
Amounts falling due within one year or on demand		
Bank loans	-	30,015

12 OPERATING LEASE COMMITMENTS

At 31 May 2011 the company had annual commitments under non cancellable operating leases as follows

	Land and buildings	
	2011	2010
	£	£
Expiring		
In more than five years	70,000	70,000

13 PROVISIONS FOR LIABILITIES

	2011	2010
	£	£
Deferred tax	11,030	10,170

Accelerated capital allowances	Deferred tax £
1 June 2010	10,170
Charged to the profit and loss account	860
31 May 2011	11,030

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2011 £	2010 £
1,800	Ordinary	£1	1,800	1,800

continued

15 RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 June 2010	1,387,211	3,200	1,390,411
Profit for the year	6,489		6,489
At 31 May 2011	1,393,700	3,200	1,396,900

16 RELATED PARTY DISCLOSURES

The company occupies the property under a 20 year lease which commenced on 1 June 2002 at a current annual rental of £70,000 The property is owned by the company's directors/shareholders, on a freehold basis No balance was due to or from the directors/shareholders in respect of this lease at the start or end of the year

17 POST BALANCE SHEET EVENTS

On 22 July 2011 the company purchased the trade and assets of a Honda dealership in Bexhill for consideration of £481,295

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	6,489	145,633
Purchase of own shares	-	(380,000)
Net addition/(reduction) to shareholders' funds	6,489	(234,367)
Opening shareholders' funds	1,392,211	1,626,578
Closing shareholders' funds	1,398,700	1,392,211