

REGISTERED NUMBER: 00803821 (England and Wales)

GEO. COLLINS (ENGINEERS) LIMITED

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2012

Baker Tilly UK Audit LLP
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

WEDNESDAY



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COMPANIES HOUSE

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 May 2012

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	11
Trading and Profit and Loss Account	19

GEO. COLLINS (ENGINEERS) LIMITED

COMPANY INFORMATION
for the year ended 31 May 2012

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:

00803821 (England and Wales)

AUDITORS:

Baker Tilly UK Audit LLP
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

REPORT OF THE DIRECTORS
for the year ended 31 May 2012

The directors present their report with the financial statements of the company for the year ended 31 May 2012

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. This year has continued to be difficult for the car industry generally and this is reflected in the overall results of the business.

Turnover has increased by 30.4% to £11.4 million. This includes the acquired trade of Bexhill from the 22 July 2011. Continuing trade has decreased and this reflects the continuing difficulties seen across the industry.

The gross profit margin decreased to 6.6% from 7.1% in 2011, giving a gross profit of £752,882. Overheads increased during the year by 35.2% which contributed to a loss for the year before taxation of £77,684 compared to a profit for the year of £9,043 in 2011. The increased costs are due to the acquisition of Bexhill during the year. The Directors are currently working on reducing the combined cost base and restructuring the sites in order to make the necessary savings, to return the business to profit and increase trading activity.

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 2012.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2011 to the date of this report.

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

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.

REPORT OF THE DIRECTORS
for the year ended 31 May 2012

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

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

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

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 22/11/2012

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

We have audited the financial statements on pages six 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 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 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 2012 and of its loss 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 MEMBERS 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 FCA (Senior Statutory Auditor)
For and on behalf of Baker Tilly UK Audit LLP
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

Date **29 November 2012**

PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2012

	Notes	2012 £	2011 £
TURNOVER		<u>11,414,608</u>	<u>8,753,608</u>
Continuing operations		8,159,575	8,753,608
Acquisitions		<u>3,255,033</u>	<u>-</u>
		<u>11,414,608</u>	<u>8,753,608</u>
Cost of sales	2	<u>(10,661,726)</u>	<u>(8,136,464)</u>
GROSS PROFIT	2	752,882	617,144
Net operating expenses	2	<u>(830,935)</u>	<u>(614,495)</u>
OPERATING (LOSS)/PROFIT	4	<u>(78,053)</u>	<u>2,649</u>
Continuing operations		(7,423)	2,649
Acquisitions		<u>(70,630)</u>	<u>-</u>
		<u>(78,053)</u>	<u>2,649</u>
Interest receivable and similar income	5	<u>6,819</u>	<u>10,101</u>
		(71,234)	12,750
Interest payable and similar charges	6	<u>(6,450)</u>	<u>(3,707)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(77,684)	9,043
Tax on (loss)/profit on ordinary activities	7	<u>4,581</u>	<u>(2,554)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(73,103)</u>	<u>6,489</u>

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

BALANCE SHEET

31 May 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	198,230	172,052
CURRENT ASSETS			
Stocks	9	1,345,287	927,141
Debtors	10	316,041	187,240
Cash at bank and in hand		696,422	877,221
		<u>2,357,750</u>	<u>1,991,602</u>
CREDITORS			
Amounts falling due within one year	11	(1,220,434)	(753,924)
NET CURRENT ASSETS		<u>1,137,316</u>	<u>1,237,678</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,335,546	1,409,730
PROVISIONS FOR LIABILITIES	13	(9,949)	(11,030)
NET ASSETS		<u>1,325,597</u>	<u>1,398,700</u>
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	1,320,597	1,393,700
SHAREHOLDERS' FUNDS	17	<u>1,325,597</u>	<u>1,398,700</u>

The financial statements were approved and authorised for issue by the Board of Directors on
 22 November 2012 and were signed on its behalf by



G P Collins - Director

CASH FLOW STATEMENT
for the year ended 31 May 2012

	Notes	2012 £	2011 £
Net cash inflow/(outflow) from operating activities	1	314,302	(3,805)
Returns on investments and servicing of finance	2	369	6,394
Taxation		(8,417)	(34,950)
Capital expenditure	2	(26,282)	(21,030)
Acquisitions and disposals	2	(460,771)	-
		(180,799)	(53,391)
Financing	2	-	(30,015)
Decrease in cash in the period		(180,799)	(83,406)
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		(180,799)	(83,406)
Cash outflow from decrease in debt		-	30,015
Change in net funds resulting from cash flows		(180,799)	(53,391)
Movement in net funds in the period		(180,799)	(53,391)
Net funds at 1 June		877,221	930,612
Net funds at 31 May		696,422	877,221

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 May 2012

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

	2012	2011
	£	£
Operating (loss)/profit	(78,053)	2,649
Depreciation charges	40,104	27,391
Amortisation of goodwill	1	-
(Increase)/decrease in stocks	(5,377)	75,651
(Increase)/decrease in debtors	(112,383)	29,879
Increase/(decrease) in creditors	470,010	(139,375)
Net cash inflow/(outflow) from operating activities	314,302	(3,805)

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

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	6,819	10,101
Interest paid	(6,450)	(3,707)
Net cash inflow for returns on investments and servicing of finance	369	6,394
Capital expenditure		
Purchase of tangible fixed assets	(26,282)	(21,030)
Net cash outflow for capital expenditure	(26,282)	(21,030)
Acquisitions and disposals		
Purchase of business	(460,771)	-
Net cash outflow for acquisitions and disposals	(460,771)	-
Financing		
Loan repayments in year	-	(30,015)
Net cash outflow from financing	-	(30,015)

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 May 2012

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 6 11 £	Cash flow £	At 31 5 12 £
Net cash			
Cash at bank and in hand	877,221	(180,799)	696,422
	<u>877,221</u>	<u>(180,799)</u>	<u>696,422</u>
 Total	 <u>877,221</u>	 <u>(180,799)</u>	 <u>696,422</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2012

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 May 2012

2 ANALYSIS OF OPERATIONS

	Continuing £	2012 Acquisitions £	Total £
Cost of sales	<u>7,622,117</u>	<u>3,039,609</u>	<u>10,661,726</u>
Gross profit	<u>537,458</u>	<u>215,424</u>	<u>752,882</u>
Net operating expenses			
Administrative expenses	556,576	288,130	844,706
Other operating income	(11,695)	(2,076)	(13,771)
	<u>544,881</u>	<u>286,054</u>	<u>830,935</u>
	Continuing £	2011 Acquisitions £	Total £
Cost of sales	<u>8,136,464</u>	<u>-</u>	<u>8,136,464</u>
Gross profit	<u>617,144</u>	<u>-</u>	<u>617,144</u>
Net operating expenses			
Administrative expenses	618,826	-	618,826
Other operating income	(4,331)	-	(4,331)
	<u>614,495</u>	<u>-</u>	<u>614,495</u>

3 STAFF COSTS

	2012 £	2011 £
Wages and salaries	810,204	560,164
Social security costs	83,435	58,858
	<u>893,639</u>	<u>619,022</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 May 2012

3 STAFF COSTS - continued

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

	2012	2011
Office and management	15	11
Production and sales	28	17
	<u>43</u>	<u>28</u>

4 OPERATING (LOSS)/PROFIT

The operating loss (2011 - operating profit) is stated after charging

	2012	2011
	£	£
Depreciation - owned assets	40,104	27,391
Auditor's remuneration	7,450	4,450
Operating lease - Land & Buildings	135,362	70,000
	<u>156,986</u>	<u>164,670</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	2011
	£	£
Bank interest received	<u>6,819</u>	<u>10,101</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank interest	25	134
Other interest charged	417	8
Honda finance charges	6,008	3,565
	<u>6,450</u>	<u>3,707</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 May 2012

7 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

	2012 £	2011 £
Current tax		
UK corporation tax	(8,417)	3,500
Taxation prior year	4,917	(1,806)
Total current tax	(3,500)	1,694
Deferred tax	(1,081)	860
Tax on (loss)/profit on ordinary activities	(4,581)	2,554

Factors affecting the tax (credit)/charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	(77,684)	9,043
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 - 20%)	(15,537)	1,809
Effects of		
Expenses not deductible for tax purposes	907	1,162
Capital allowances in excess of depreciation	(5,687)	-
Depreciation in excess of capital allowances	-	426
Adjustments to tax charge in respect of previous periods	4,917	(1,806)
Change in corporation tax rate for part of year	-	99
Losses carried forward	12,238	-
Rounding	(338)	4
Current tax (credit)/charge	(3,500)	1,694

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 May 2012

8 TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 June 2011	360,139	172,920	57,593
Additions	1,423	28,493	12,028
Disposals	-	(2,131)	-
At 31 May 2012	361,562	199,282	69,621
DEPRECIATION			
At 1 June 2011	250,847	155,776	46,536
Charge for year	9,983	10,134	4,514
Eliminated on disposal	-	(2,131)	-
At 31 May 2012	260,830	163,779	51,050
NET BOOK VALUE			
At 31 May 2012	100,732	35,503	18,571
At 31 May 2011	109,292	17,144	11,057
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 June 2011	23,124	121,790	735,566
Additions	1,000	23,338	66,282
Disposals	-	-	(2,131)
At 31 May 2012	24,124	145,128	799,717
DEPRECIATION			
At 1 June 2011	19,383	90,972	563,514
Charge for year	1,042	14,431	40,104
Eliminated on disposal	-	-	(2,131)
At 31 May 2012	20,425	105,403	601,487
NET BOOK VALUE			
At 31 May 2012	3,699	39,725	198,230
At 31 May 2011	3,741	30,818	172,052

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 May 2012

9 STOCKS

	2012	2011
	£	£
Stocks	<u>1,345,287</u>	<u>927,141</u>

Included within stock is £386,469 (2011 £115,107) in respect of consignment stock. This is held for 120 days before payment is due. No interest is charged in this period.

10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade debtors	144,829	77,433
Other debtors	62,326	40,855
Prepayments and accrued income	108,886	68,952
	<u>316,041</u>	<u>187,240</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	1,061,256	532,122
Corporation tax	-	3,500
Social security and other taxes	76,642	126,910
Other creditors	2,977	-
Accruals & deferred income	79,559	91,392
	<u>1,220,434</u>	<u>753,924</u>

Within trade creditors, £876,153 (2011 £413,319) is secured on the vehicle stock. This creditor, Honda Finance Europe plc, also holds a fixed and floating charge over all property assets present and future.

12 OPERATING LEASE COMMITMENTS

At 31 May 2012 the company had annual commitments under non cancellable operating leases as follows

	Land and buildings	
	2012	2011
	£	£
Expiring		
Between one and five years	76,625	-
In more than five years	70,000	70,000
	<u>146,625</u>	<u>70,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 May 2012

13 PROVISIONS FOR LIABILITIES

	2012 £	2011 £
Deferred tax	<u>9,949</u>	<u>11,030</u>
		Deferred tax £
Balance at 1 June 2011		11,030
Accelerated capital allowances		7,215
Tax losses carried forward		<u>(8,296)</u>
Balance at 31 May 2012		<u>9,949</u>

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2012 £	2011 £
1,800	Ordinary		<u>1,800</u>	<u>1,800</u>

15 RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 June 2011	1,393,700	3,200	1,396,900
Deficit for the year	<u>(73,103)</u>		<u>(73,103)</u>
At 31 May 2012	<u>1,320,597</u>	<u>3,200</u>	<u>1,323,797</u>

16 RELATED PARTY DISCLOSURES

The company occupies the property at Herstmonceux 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 May 2012

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
(Loss)/profit for the financial year	(73,103)	6,489
Net (reduction)/addition to shareholders' funds	(73,103)	6,489
Opening shareholders' funds	1,398,700	1,392,211
Closing shareholders' funds	1,325,597	1,398,700

18 PURCHASE OF BUSINESS

On 22 July 2011 the company purchased the trade and assets of a Honda dealership in Bexhill for consideration of £460,771

	2012
	£
Net assets acquired	
Tangible fixed assets	40,000
Stocks	412,769
Other debtors	8,001
	<u>460,770</u>
Goodwill	<u>1</u>
	<u>460,771</u>
Discharged by	
Cash paid	<u>460,771</u>