

Standset Limited

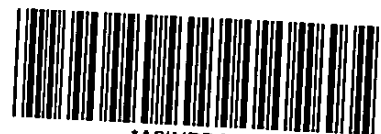
Report and Financial Statements

Year Ended

31 December 2012

Company Number 2546521

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Standset Limited

Report and financial statements for the year ended 31 December 2012

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Directors

A K Jones
A R Meader
T D Willoughby

Secretary and registered office

T D Willoughby, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL

Company number

2546521

Auditors

BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL

Standset Limited

Report of the directors for the year ended 31 December 2012

The directors present their report together with the audited financial statements for the year ended 31 December 2012

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the year

The directors do not propose a payment of a dividend for the year under review

Principal activities, review of business and future developments

The principal activities of the group comprises of franchised motor dealerships, manufacturer and retailer of motor homes and a motor vehicle converter. The principal activity of the company is that of a holding company

The results reflect a continued difficult trading period for the car and motorhome industry as a whole. This is reflected in motorhome sales nationally falling by 20% together with continued pressures on after-sales departments

The directors continue to monitor all aspects of the business and costs within the group. As a result of this review in September 2013 the directors have sub-contracted the manufacture of Motorhomes which was carried on by one its subsidiaries to a third party. This will enhance the overall group profitability in the future

The directors are pleased to report group profitability for the 9 month period to September 2013 is significantly ahead of the same period for 2012

There are no expected changes to the business in the foreseeable future

Key performance indicators

The profit and loss account is set out on page 6 and shows turnover of £34,781,833 (2011 £34,976,715) and a loss before tax of £442,378 (2011 287,922)

Gross margin is 15.5% (2011 15.5%)

Average headcount is 148 (2011 149)

Principal risks and uncertainties

The directors constantly monitor the risks and uncertainties facing the group with particular reference to the exposure to price, credit and liquidity risk. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered

We have good relationships with our bankers and our franchisors, the vehicle manufacturers. We have met all our commitments to them on time. We require and expect their continued support for ongoing operations

The group's credit risk is primarily attributable to its trade 'aftersales' debtors. Vehicles are not supplied unless paid for. Credit risk is managed by running credit checks on new customers, enforcing direct debit arrangements wherever possible, and implementing disciplined credit stopping whenever necessary. Our collection record, measured by debtor days, is very good

The group monitors cashflow as part of its everyday procedures, working closely with its bankers to manage 'peak' requirement periods, normally following new vehicle registration months. We work well together to ensure we maximise opportunities with planning and caution

Research and development

The group continues to invest in research and development. This has resulted in new products being developed in the vehicle converter side of the business. This is expected to make further contributions to the growth of the business

Standset Limited

Report of the directors for the year ended 31 December 2012 (continued)

Market value of land and buildings

The Directors have indicated that the interests in the freehold land and buildings across the Group currently more than exceeds the book value by £1 0 million

Liquidity risk

The Directors seek to manage liquidity risk by ensuring that stock levels are controlled, and by ensuring that sufficient liquidity is available to meet foreseeable needs

Directors

The directors of the company during the year were

A K Jones
A R Meader
T D Willoughby
D R Chatterley (Resigned 8 June 2012)

Directors' responsibilities

The directors are responsible for preparing the directors' 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 group and company 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 group and company and of the profit or loss of the group 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.

Standset Limited

Report of the directors for the year ended 31 December 2012 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



T D Willoughby

Director

4 October 2013

Standset Limited

Independent auditor's report

To the members of Standset Limited

We have audited the financial statements of Standset Limited for the year ended 31 December 2012 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2012 and of the group's 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Standset Limited

Independent auditor's report (*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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

BDO LLP

*Stephen Le Bas (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton
United Kingdom*

4/10/2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Standset Limited

Consolidated profit and loss account for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	34,781,833	34,976,715
Cost of sales		29,383,066	29,543,475
Gross profit		5,398,767	5,433,240
Administrative expenses		5,712,029	5,590,307
Group operating loss	3	(313,262)	(157,067)
Other interest receivable and similar income		2,503	1,058
Interest payable and similar charges	6	(160,191)	(131,913)
Loss on ordinary activities before taxation		(470,950)	(287,922)
Taxation on loss on ordinary activities	7	28,761	(3,098)
Loss on ordinary activities after taxation		(442,189)	(291,020)

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 12 to 30 form part of these financial statements

Standset Limited

Consolidated balance sheet at 31 December 2012

Company number 2546521	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Intangible assets	9		139,077		139,679
Tangible assets	10		1,847,166		1,870,727
			<u>1,986,243</u>		<u>2,010,406</u>
Current assets					
Stocks	12	5,185,313		6,287,225	
Debtors	13	1,371,957		1,283,290	
Cash at bank and in hand		267,764		4,296	
		<u>6,825,034</u>		<u>7,574,811</u>	
Creditors: amounts falling due within one year	14	<u>6,734,820</u>		<u>7,031,574</u>	
Net current assets			<u>90,214</u>		<u>543,237</u>
Total assets less current liabilities			<u>2,076,457</u>		<u>2,553,643</u>
Creditors: amounts falling due after more than one year	15	213,874		222,750	
Provisions for liabilities	16	-		26,121	
		<u>213,874</u>		<u>248,871</u>	
			<u>1,862,583</u>		<u>2,304,772</u>

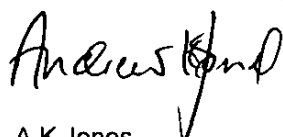
The notes on pages 12 to 30 form part of these financial statements

Standset Limited

Consolidated balance sheet at 31 December 2012 (continued)

	Note	2012 £	2012 £	2011 £	2011 £
Capital and reserves					
Called up share capital	18		1,029		1,029
Share premium account	19		123,771		123,771
Capital redemption reserve	19		118		118
Profit and loss account	19		1,737,665		2,179,854
Shareholders' funds	20		1,862,583		2,304,772

The financial statements were approved by the board of directors and authorised for issue on 4 October 2013



A K Jones
Director

The notes on pages 12 to 30 form part of these financial statements

Standset Limited

Company balance sheet at 31 December 2012

Company number 2546521	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Intangible assets	9		139,077		9,000
Tangible assets	10		1,333,825		1,337,890
Fixed asset investments	11		1,150,387		1,468,387
			<u>2,623,289</u>		<u>2,815,277</u>
Current assets					
Stocks	12	295,270		-	
Debtors	13	252,641		1,127,951	
Cash at bank and in hand		8		8	
		<u>547,919</u>		<u>1,127,959</u>	
Creditors: amounts falling due within one year	14	1,607,756		1,787,370	
Net current liabilities			<u>(1,059,837)</u>		<u>(659,411)</u>
Total assets less current liabilities			<u>1,563,452</u>		<u>2,155,866</u>
Creditors: amounts falling due after more than one year	15	195,750		222,750	
Provisions for liabilities	16	-		15,031	
		<u>195,750</u>		<u>237,781</u>	
			<u>1,367,702</u>		<u>1,918,085</u>

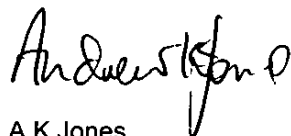
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Standset Limited

Company balance sheet at 31 December 2012 (continued)

	Note	2012 £	2012 £	2011 £	2011 £
Capital and reserves					
Called up share capital	18		1,029		1,029
Share premium account	19		123,771		123,771
Capital redemption reserve	19		118		118
Profit and loss account	19		1,242,784		1,793,167
Shareholders' funds	20		1,367,702		1,918,085

The financial statements were approved by the board of directors and authorised for issue on 04 October 2013



A K Jones
Director

The notes on pages 12 to 30 form part of these financial statements

Standset Limited

Consolidated cashflow statement for the year ended 31 December 2012

	Note	2012 £	2012 £	2011 £	2011 £
Net cash outflow from operating activities	24		(6,221)		(20,170)
Returns on investments and servicing of finance					
Interest received		2,503		1,058	
Interest paid bank loans		(36,763)		(38,150)	
Interest paid other loans		(121,202)		(92,727)	
Interest paid hire purchase		(858)		-	
Net cash outflow from returns on investments and servicing of finance			(156,320)		(129,819)
Taxation					
Corporation tax repaid/(paid)			2,640		(492)
Capital expenditure and financial investment					
Payments to acquire intangible fixed assets		(39,087)		(47,707)	
Payments to acquire tangible fixed assets		(38,554)		(332,889)	
Net cash outflow from capital expenditure and financial investment			(77,641)		(380,596)
Cash outflow before use of financing			(237,542)		(531,077)
Financing					
New loans		150,000		370,000	
Loans repaid		(166,879)		(146,701)	
Capital element of finance leases repaid		(5,831)		-	
Net cash (outflow)/inflow from financing			(22,710)		223,299
Decrease in cash	25		(260,252)		(307,778)

The notes on pages 12 to 30 form part of these financial statements

Standset Limited

Notes forming part of the financial statements for the year ended 31 December 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Basis of consolidation

The consolidated financial statements incorporate the results of Standset Limited and all of its subsidiary undertakings as at 31 December 2012 using the acquisition method of accounting. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

Goodwill

Acquired positive goodwill is written off in equal annual instalments over its estimated useful economic life. The directors consider this to be 20 years.

Negative goodwill will be recognised in the profit and loss account in the periods in which the non-monetary assets acquired are depreciated or sold.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Sales of motor vehicles, parts, and accessories are recognised on the earlier of full payment or delivery to the customer. Service and bodyshop work are recognised on the completion of the agreed work.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold property	- 2%
Leasehold property	- Straight line over lease term (25 and 71 years)
Plant and machinery	- 10%
Motor vehicles	- 10%
Fixtures and fittings	- 10% - 33%

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value.

Where the nature of the agreement with the manufacturer confers the benefit and associated risk of ownership to the company on consignment, such stocks and corresponding creditor are included on the balance sheet although legal title remains with the supplier until sold. Provision is made for obsolete, slow moving or defective items where appropriate.

Standset Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

1 Accounting policies (*continued*)

Research and development

Development costs are also charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria

- the project is clearly defined and related expenditure is separately identifiable,
- the project is technically feasible and commercially viable,
- current and future costs are expected to be exceeded by future sales, and
- adequate resources exist for the project to be completed

In such circumstances the costs are carried forward and amortised over a period not exceeding five years commencing in the year the group starts to benefit from the expenditure

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Leased assets

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable

Standset Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

2 Turnover

Turnover is wholly attributable to the principal activity of the group and arises solely within the United Kingdom

3 Operating loss

	2012 £	2011 £
This is arrived at after charging		
Research and development - amortisation of capitalised expenditure	38,689	86,206
Depreciation of tangible fixed assets	98,365	100,250
Amortisation of positive goodwill	1,000	-
Hire of plant and machinery - operating leases	94,368	93,184
Hire of other assets - operating leases	366,870	325,878
Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts	4,450	4,450
Fees payable to the company's auditor or an associate of the company's auditor for the audit of the company's subsidiaries	24,000	24,350
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of

	Group 2012 £	Group 2011 £
Wages and salaries	3,277,525	3,462,629
Social security costs	309,819	324,037
Other pension costs	15,361	17,484
	<u> </u>	<u> </u>
	3,602,705	3,804,150
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was as follows

	Group 2012 Number	Group 2011 Number
Selling and distribution	133	134
Administration	15	15
	<u> </u>	<u> </u>
	148	149
	<u> </u>	<u> </u>

Standset Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

5 Directors' remuneration

	2012 £	2011 £
Directors' emoluments	186,794	166,144
Company contributions to money purchase pension schemes	9,296	12,539
Amounts paid to third parties in respect of directors' services	55,000	135,000
	<u> </u>	<u> </u>

There were 2 directors in the group's defined contribution pension scheme during the year (2011 - 2)

6 Interest payable and similar charges

	2012 £	2011 £
Bank loans and overdrafts	36,763	38,054
Finance leases and hire purchase contracts	858	-
Other interest	122,570	93,859
	<u> </u>	<u> </u>
	160,191	131,913
	<u> </u>	<u> </u>

Standset Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

7 Taxation on loss on ordinary activities

	2012 £	2011 £
<i>UK Corporation tax</i>		
Adjustment in respect of previous periods	(2,640)	143
<i>Deferred tax</i>		
Origination and reversal of timing differences	(26,121)	18,376
Adjustment in respect of previous periods	-	(15,421)
Movement in deferred tax provision	(26,121)	2,955
Taxation on loss on ordinary activities	<u>(28,761)</u>	<u>3,098</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	<u>(470,950)</u>	<u>(287,922)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	(115,383)	(76,299)
Effect of		
Expenses not deductible for tax purposes	13,914	17,808
Depreciation for period in excess/(deficit) of capital allowances	6,543	(8,792)
Adjustment to tax charge in respect of previous periods	(2,640)	143
Other tax adjustments	-	(20,232)
Movement on unutilised tax losses	<u>94,926</u>	<u>87,515</u>
Current tax (credit)/charge for the year	<u>(2,640)</u>	<u>143</u>

The group has estimated losses of £740,000 (2011 £350,000) available for carry forward against future trading profits

8 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group loss for the year includes a loss after tax of £550,383 (2011 - £243,020) which is dealt with in the financial statements of the parent company

Standset Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

9 Intangible fixed assets

Group

	Development costs £	Goodwill £	Negative goodwill £	Total £
<i>Cost</i>				
At 1 January 2012	390,826	10,000	(44,531)	356,295
Additions	39,087	-	-	39,087
At 31 December 2012	429,913	10,000	(44,531)	395,382
<i>Amortisation</i>				
At 1 January 2012	260,147	1,000	(44,531)	216,616
Provided for the year	38,689	1,000	-	39,689
At 31 December 2012	298,836	2,000	(44,531)	256,305
<i>Net book value</i>				
At 31 December 2012	131,077	8,000	-	139,077
At 31 December 2011	130,679	9,000	-	139,679

Standset Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 *(continued)*

9 Intangible fixed assets *(continued)*

Company

	Development costs £	Goodwill £	Negative goodwill £	Total £
<i>Cost</i>				
At 1 January 2012	-	10,000	(44,531)	(34,531)
Transfers	429,913	-	-	429,913
At 31 December 2012	429,913	10,000	(44,531)	395,382
<i>Amortisation</i>				
At 1 January 2012	-	1,000	(44,531)	(43,531)
Provided for the year	8,052	1,000	-	9,052
Transfers	290,784	-	-	290,784
At 31 December 2012	298,836	2,000	(44,531)	256,305
<i>Net book value</i>				
At 31 December 2012	131,077	8,000	-	139,077
At 31 December 2011	-	9,000	-	9,000

Standset Limited

Note forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

10 Tangible fixed assets

Group

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>						
At 1 January 2012	896,273	1,391,031	756,089	-	280,156	3,323,549
Additions	-	1,369	6,344	36,250	30,841	74,804
At 31 December 2012	896,273	1,392,400	762,433	36,250	310,997	3,398,353
<i>Depreciation</i>						
At 1 January 2012	30,003	517,501	700,287	-	205,031	1,452,822
Provided for the year	600	45,884	23,821	2,500	25,560	98,365
At 31 December 2012	30,603	563,385	724,108	2,500	230,591	1,551,187
<i>Net book value</i>						
At 31 December 2012	865,670	829,015	38,325	33,750	80,406	1,847,166
At 31 December 2011	866,270	873,530	55,802	-	75,125	1,870,727

Standset Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

10 Tangible fixed assets (*continued*)

Company

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost</i>					
At 1 January 2012	896,273	697,422	86,836	-	1,680,531
Transfers	-	27,764	18,464	15,098	61,326
	<u>896,273</u>	<u>725,186</u>	<u>105,300</u>	<u>15,098</u>	<u>1,741,857</u>
At 31 December 2012	<u>896,273</u>	<u>725,186</u>	<u>105,300</u>	<u>15,098</u>	<u>1,741,857</u>
<i>Depreciation</i>					
At 1 January 2012	30,003	230,224	82,414	-	342,641
Provided for the year	600	10,310	1,134	-	12,044
Transfers	-	25,887	15,527	11,933	53,347
	<u>30,603</u>	<u>266,421</u>	<u>99,075</u>	<u>11,933</u>	<u>408,032</u>
At 31 December 2012	<u>30,603</u>	<u>266,421</u>	<u>99,075</u>	<u>11,933</u>	<u>408,032</u>
<i>Net book value</i>					
At 31 December 2012	<u>865,670</u>	<u>458,765</u>	<u>6,225</u>	<u>3,165</u>	<u>1,333,825</u>
At 31 December 2011	<u>866,270</u>	<u>467,198</u>	<u>4,422</u>	<u>-</u>	<u>1,337,890</u>

The net book value of, and depreciation charge for the year on, tangible fixed assets includes assets held under finance leases and hire purchase contracts as follows

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
<i>Net book value</i>				
Motor vehicles	<u>33,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Depreciation charged</i>				
Motor vehicles	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>

Standset Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

11 Fixed asset investments

Company

	Group undertakings £
<i>Cost or valuation</i>	
At 1 January 2012 and 31 December 2012	1,572,387
<i>Provisions</i>	
At 1 January 2012	104,000
Provided for the year	318,000
At 31 December 2012	422,000
<i>Net book value</i>	
At 31 December 2012	1,150,387
At 31 December 2011	1,468,387

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
<i>Subsidiary undertakings</i>				
Freeborn Garages Limited	England & Wales	Ordinary	100%	Franchised motor dealership
S E Thomas Limited	England & Wales	Ordinary	100%	Dormant
S E Thomas Limited	England & Wales	Preference	100%	Dormant
Freeborn Hyundai Limited	England & Wales	Ordinary	100%	Dormant
Romahome Limited	England & Wales	Ordinary	95%	Manufacture of motorhomes
Special Vehicle Projects Limited	England & Wales	Ordinary	95%	Dormant
Freeborn Motorhomes Limited	England & Wales	Ordinary	100%	Sale of motorhomes

Standset Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

12 Stocks

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Raw materials and consumables	239,088	235,492	239,088	-
Work in progress	43,911	157,472	40,905	-
Finished goods and goods for resale	4,902,314	5,894,261	15,277	-
	<u>5,185,313</u>	<u>6,287,225</u>	<u>295,270</u>	<u>-</u>

Consignment stock

The group operates a consignment stock arrangement with PSA Wholesale Limited. The stock is held on sale or return until such time as the group adopts the stock which is when the vehicle is sold or has been on consignment for a predetermined period. Only those vehicles which have been adopted are included in stock. The value of sale or return stock at the year end is £1,260,641 (2011 £1,856,243) this stock is not included in the financial statements.

There is no material difference between the replacement cost of stocks and the amounts stated above.

13 Debtors

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Amounts receivable within one year				
Trade debtors	864,903	940,710	-	-
Amounts owed by group undertakings	-	-	179,103	968,018
Corporation tax recoverable	1,168	1,168	1,168	1,168
Other debtors	63,704	43,882	62,902	43,882
Prepayments and accrued income	442,182	203,405	9,468	20,758
	<u>1,371,957</u>	<u>1,189,165</u>	<u>252,641</u>	<u>1,033,826</u>
Amounts receivable after more than one year				
Other debtors	-	94,125	-	94,125
	<u>-</u>	<u>94,125</u>	<u>-</u>	<u>94,125</u>
Total debtors	<u>1,371,957</u>	<u>1,283,290</u>	<u>252,641</u>	<u>1,127,951</u>

Standset Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

14 Creditors: amounts falling due within one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Bank loans and overdrafts (secured)	1,846,094	1,330,967	849,670	609,884
Other loans	170,522	150,440	44,808	50,440
Trade creditors	3,812,677	3,994,838	-	-
Amounts owed to group undertakings	-	-	421,800	841,351
Other taxation and social security	305,742	196,621	265,070	258,135
Obligations under finance lease and hire purchase contracts	12,295	-	-	-
Finance for deposits on consignment stock	318,253	1,008,795	-	-
Other creditors	57,732	55,705	26,028	27,128
Accruals and deferred income	211,505	294,208	380	432
	<u>6,734,820</u>	<u>7,031,574</u>	<u>1,607,756</u>	<u>1,787,370</u>

Of the sale or return stock referred to in Note 12, vehicles with a value of £318,253 (2011 £1,008,795) are incurring interest charges and as such the group considers it has a commitment to purchase and has therefore recognised them within stock and creditors

The bank loans and overdrafts are secured on the leasehold and the freehold property of the group, together with a cross guarantee between all group companies

The finance for deposits on consignment stock are secured on each asset concerned

15 Creditors: amounts falling due after more than one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Bank loans (secured)	195,750	222,750	195,750	222,750
Obligations under finance lease and hire purchase contracts	18,124	-	-	-
	<u>213,874</u>	<u>222,750</u>	<u>195,750</u>	<u>222,750</u>

Standset Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 *(continued)*

15 Creditors. amounts falling due after more than one year *(continued)*

Maturity of debt

Group

	Loans and overdrafts 2012 £	Loans and overdrafts 2011 £	Finance leases 2012 £	Finance leases 2011 £
In one year or less, or on demand	2,016,616	1,218,319	12,295	-
In more than one year but not more than two years	27,000	27,000	12,084	-
In more than two years but not more than five years	168,750	195,750	6,040	-
	195,750	222,750	18,124	-

Company

	Loans and overdrafts 2012 £	Loans and overdrafts 2011 £	Finance leases 2012 £	Finance leases 2011 £
In one year or less, or on demand	894,478	468,088	-	-
In more than one year but not more than two years	27,000	27,000	-	-
In more than two years but not more than five years	168,750	195,750	-	-
	195,750	222,750	-	-

Standset Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

16 Provisions for liabilities

Group

	Deferred taxation £
At 1 January 2012	26,121
Credited to profit and loss account	(26,121)
At 31 December 2012	-

Company

	Deferred taxation £
At 1 January 2012	15,031
Credited to profit and loss account	(15,031)
At 31 December 2012	-

Deferred taxation

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Accelerated capital allowances	-	34,655	-	15,031
Unutilised tax losses	-	(8,534)	-	-
	-	26,121	-	15,031

At the year end the group has an unprovided deferred tax asset totalling £140,000 (2011 £79,000) consisting of a liability of £24,000 in relation to accelerated capital allowances (2011 £Nil) and an asset of £164,000 in relation to unrecognised tax losses (2011 £79,000)

Standset Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

17 Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £15,361 (2011 - £17,484).

18 Share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
10,290 Ordinary shares of 10 pence each	1,029	1,029

19 Reserves

Group

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 January 2012	123,771	118	2,179,854
Loss for the year	-	-	(442,189)
	<u>123,771</u>	<u>118</u>	<u>1,737,665</u>
At 31 December 2012	<u>123,771</u>	<u>118</u>	<u>1,737,665</u>

Company

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 January 2012	123,771	118	1,793,167
Loss for the year	-	-	(550,383)
	<u>123,771</u>	<u>118</u>	<u>1,242,784</u>
At 31 December 2012	<u>123,771</u>	<u>118</u>	<u>1,242,784</u>

Standset Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

20 Reconciliation of movements in shareholders' funds

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Loss for the year	(442,189)	(291,020)	(550,383)	(243,020)
Opening shareholders' funds	2,304,772	2,595,792	1,918,085	2,161,105
Closing shareholders' funds	1,862,583	2,304,772	1,367,702	1,918,085

21 Contingent liabilities

Group

There is a cross guarantee on certain trading subsidiaries held by PSA Wholesale Limited. There is also a cross guarantee between the holding company and trading subsidiaries held by Barclays Bank Plc.

22 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2012 £	Other 2012 £	Land and buildings 2011 £	Other 2011 £
Operating leases which expire				
Within one year	-	44,146	-	82,681
In two to five years	60,000	14,687	39,000	-
After five years	156,000	-	155,553	-
	216,000	58,833	194,553	82,681

Standset Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

23 Related party disclosures

Controlling parties

The directors consider A K Jones has ultimate control over the group and the company by virtue of his majority shareholding

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with its wholly owned subsidiaries

Related party transactions and balances

The group rents two properties owned by the AKJ Fund, a pension scheme for the benefit of A K Jones which is independent from the group at an open market rent of £76,889 (2011 £55,500)

At the year end £42,455 (2011 £22,220) is owed to the AKJ Fund

The group rents a further property from Freeborn Garages Limited (Self Administered Scheme) Pension Fund, a pension scheme for the benefit of certain directors which is independent from the group at an open market rent of £25,000 (2011 £25,000)

At the year end a balance totalling £30,454 (2011 £42,598) was owed to Freeborn Garage Limited (Self Administered Scheme) Pension Fund

At the year end the group is owed a net £1,259,460 (2011 £1,259,460) from Romahome Limited During the year the group made sales totalling £46,476 (2011 £128,397) and purchases totalling £265,698 (2011 £262,873) to Romahome Limited

Romahome Limited is related through the group's 95% ownership in its share capital

At the year end a loan totalling £Nil (2011 £94,125) was due from the Stags Head Northampton Limited Interest totalling £2,503 (2011 £1,058) was received in the year in relation to this loan This company is related by virtue of T D Willoughby's common directorship

Loans and transactions concerning directors and officers of the company

At the year end £10,000 is owed from Mr and Mrs AR Meader and £7,895 is owed from Mr and Mrs TD Willoughby

AK Jones has provided a guarantee to Black Horse Limited for all amounts owing to Black Horse Limited by a subsidiary company, Freeborn Motorhomes Limited At year end this totalled £395,708

Standset Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

24 Reconciliation of operating loss to net cash outflow from operating activities

	2012 £	2011 £
Operating loss	(313,262)	(157,067)
Amortisation of intangible fixed assets	39,689	86,206
Depreciation of tangible fixed assets	98,365	100,250
Loss on sale of tangible fixed assets	-	542
Decrease/(increase) in stocks	1,101,912	(661,098)
(Increase)/decrease in debtors	(88,667)	159,332
(Decrease)/increase in creditors	(844,258)	451,665
Net cash outflow from operating activities	(6,221)	(20,170)

25 Reconciliation of net cash flow to movement in net debt

	2012 £	2011 £
Decrease in cash	(260,252)	(307,778)
Cash inflow/(outflow) from changes in debt	22,710	(223,299)
Movement in net debt resulting from cash flows	(237,542)	(531,077)
Inception of finance leases	(36,250)	-
Interest accrued on loan	(1,368)	(2,682)
Movement in net debt	(275,160)	(533,759)
Opening net debt	(1,699,861)	(1,166,102)
Closing net debt	(1,975,021)	(1,699,861)

Standset Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 *(continued)*

26 Analysis of net debt

	At 1 January 2012 £	Cash flow £	Other non- cash items £	At 31 December 2012 £
Cash at bank and in hand	4,296	263,468	-	267,764
Bank overdrafts	(1,295,374)	(523,720)	-	(1,819,094)
		(260,252)		
Debt due within one year	(186,033)	16,879	(28,368)	(197,522)
Debt due after one year	(222,750)	-	27,000	(195,750)
Finance leases	-	5,831	(36,250)	(30,419)
		22,710		
Total	(1,699,861)	(237,542)	(37,618)	(1,975,021)