I.M. Group (1991) Limited

Report and Financial Statements

Year Ended

31 December 2012

Company Number 2626921

FRIDAY

A2FUWCM9

A18 30/08/2013 #21

COMPANIES HOUSE

I.M. Group (1991) Limited

Report and financial statements
for the year ended 31 December 2012

Contents

Page

1	Report of the directors
3	Independent auditor's report
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

Lord Edmiston
A M Edmiston
G E Hutton

Registered office

I M House, South Drive, Coleshill, Warwickshire, B46 1DF

Company number

2626921

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

I.M. Group (1991) 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 5 and shows the loss for the year

An interim dividend of £4,000,00 was paid during the year (2011 - £Nil) The directors do not recommend a payment of a final dividend (2011 - £Nil)

Principal activity

The principal activity of the company continues to be that of property rental The company also continued to own businesses involved in the importation and franchised distribution of Japanese motor vehicles and parts in the United Kingdom, Ireland, Sweden, Denmark, Finland and the Baltic Republics

Directors

Lord Edmiston
A M Edmiston
G E Hutton

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 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditors

The 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 purpose 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 next annual general meeting, in accordance with section 485 of the Companies Act 2006

In preparing the directors' report advantage has been taken of the small companies' exemption

By order of the Board

A M Edmiston
Director

Date 12 August 2013

Independent auditor's report

TO THE SHAREHOLDER OF I.M. GROUP (1991) LIMITED

We have audited the financial statements of I M Group (1991) Limited for the year ended 31 December 2012 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 member, 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 member 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 member 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 (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/auditscopeukprivate

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 2012 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 matters 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

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 prepare the directors' report in accordance with the small companies' regime

BDO LLP

John Everingham (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date 19 August 2013

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

I.M. Group (1991) Limited

Profit and loss account
for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	**27,676**	193,083
Administrative expenses		**(112,089)**	(141,460)
Operating (loss)/profit	3	**(84,413)**	51,623
Interest payable and similar charges	4	**(24,000)**	(16,000)
Income from fixed asset investments	5	**4,000,000**	-
Profit on ordinary activities before taxation		**3,891,587**	35,623
Taxation on profit on ordinary activities	8	**32**	(5,974)
Profit for the year	14	**3,891,619**	29,649

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 7 to 12 form part of these financial statements

I.M. Group (1991) Limited

Balance sheet
at 31 December 2012

Company number 2626921	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	9		**1,823,585**		1,907,349
Investments	10		**269,187**		269,187
			2,092,772		2,176,536
Current assets					
Debtors	11	**32**		-	
Creditors: amounts falling due within one year	12	**(953,537)**		(928,888)	
Net current liabilities			**(953,505)**		(928,888)
Net assets			**1,139,267**		1,247,648
Capital and reserves					
Called up share capital	13		**11,002**		11,002
Profit and loss account	14		**1,128,265**		1,236,646
Shareholder's funds	15		**1,139,267**		1,247,648

The financial statements were approved by the Board and authorised for issue on 12 August 2013

A M Edmiston
Director

The notes on pages 7 to 12 form part of these financial statements

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 consistently applied

Turnover

Turnover comprises rental income and is recognised on an accruals basis Benefits to lessees in the form of rent-free periods are treated as a reduction in the overall return on the leases, and, in accordance with UITF 28, Operating Lease Incentives, are recognised on a straight line basis over the shorter of the lease term or the period from the lease inception to the initial rental review date

Investments

Fixed asset investments are stated at cost less any provision for impairment in value

Tangible fixed assets and depreciation

Tangible fixed assets, except investment properties, are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset, apart from freehold land, over its expected useful life as follows

Freehold buildings - 4% straight line

Investment properties

No depreciation is provided in respect of freehold properties held as investment properties, which are included in the balance sheet at open market value The Companies Act 2006 requires all properties to be depreciated However, this requirement conflicts with the generally accepted accounting principle set out in Statement of Standard Accounting Practice No 19, Accounting for Investment Properties (SSAP 19) The director considers that, as these properties are not held for consumption, but their investment potential, to depreciate them would not give a true and fair view and therefore it is necessary to adopt SSAP 19 in order to give a true and fair view

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation The directors consider that it would be neither practicable nor of real value to determine depreciation in arriving at open market value

Deferred taxation

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 company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Operating lease rental income

Rental income from an operating lease, excluding charges for services, insurance and maintenance are recognised on a straight line basis over the period of the lease

Dividends

Equity dividends are recognised when they become legally payable Interim equity dividends are recognised when paid Final equity dividends are recognised when they are approved by the shareholder at an annual general meeting

1 Accounting policies *(continued)*

Group financial statements

The financial statements present information about the company as an individual undertaking and not about its group The company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of I M Group Limited, a company incorporated in England and Wales, and is included in the consolidated financial statements of that company

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 1 "Cash Flow Statements (Revised 1996)" not to prepare a cash-flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by I M Group Limited and the company's results are included in those consolidated financial statements

2 Turnover

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

3 Operating (loss)/profit

	2012 £	2011 £
Operating (loss)/profit is stated after charging/(crediting)		
Depreciation of tangible assets	**83,764**	83,764
Auditors remuneration - fees for audit services	**3,000**	3,000

4 Interest payable and similar charges

	2012 £	2011 £
Interest payable to group undertakings	**24,000**	16,000

5 Income from fixed asset investments

	2012 £	2011 £
Dividend from subsidiary undertakings	**4,000,000**	-

6 Dividends

	2012 £	2011 £
Interim dividend of £363 57 (2011 - £nil) per share	**4,000,000**	-

7 Employees

There were no employees during the current or prior year apart from the directors
The emoluments of the directors are borne by another group company and are shown in the financial statements of that company

8 Taxation

	2012 £	2011 £
Current tax		
UK corporation tax at 24 5% (2011 - 26 5%)	**(32)**	5,974

The tax assessed for the current year is lower than (2011 - lower than) the standard rate of corporation tax in the UK The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before taxation	**3,891,587**	35,623
Corporation tax at the UK standard rate of 24 5% (2011 - 26 5%)	**953,439**	9,438
Effects of		
Expenses/(income) not deductible for tax purposes	**6,203**	35,101
Capital allowances in excess of/(less than) depreciation	**20,326**	(277)
Group dividends not taxable	**(980,000)**	-
Utilisation of tax losses	**-**	(38,288)
	(32)	5,974

9 Tangible fixed assets

	Investment property freehold £	Land and buildings freehold £	Total £
Cost			
At 1 January 2012 and 31 December 2012	**1,354,309**	**2,294,100**	**3,648,409**
Depreciation			
At 1 January 2012	-	1,741,060	1,741,060
Charge for the year	-	83,764	83,764
At 31 December 2012	**-**	**1,824,824**	**1,824,824**
Net book value			
At 31 December 2012	**1,354,309**	**469,276**	**1,823,585**
At 31 December 2011	1,354,309	553,040	1,907,349

In the opinion of the directors, at the year end, the market value of the investment and other freehold properties were not materially different from their cost In the current and the prior year the investment property was let under an operating lease Rent of £27,676 (2011 - £83,500) was received in the year in respect of this operating lease

10 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January and 31 December 2012	**269,187**

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class of shares held	%
Subsidiary undertakings			
I M Insurance Co Limited	Guernsey	Ordinary	100
International Motors Limited	England & Wales	All	100
I M Holdings Limited	England & Wales	Ordinary	100
I M Aviation Limited	England & Wales	Ordinary	100
I M Financial Services Limited*	England & Wales	Ordinary	100
Subaru (UK) Limited*	England & Wales	Ordinary	100
Isuzu (UK) Limited*	England & Wales	Ordinary	100
KVD Limited*	England & Wales	Ordinary	100
I M Parts and Service Limited*	England & Wales	Ordinary	100
I M Trade Assist Limited*	England & Wales	Ordinary	100
I M Finance Limited*	England & Wales	Ordinary	100
Beijing I M Trade Consultancy Co Ltd*	China	Ordinary	100
Beijing I M Trading Co Ltd*	China	Ordinary	100
I M Truck Limited*	Guernsey	Ordinary	100
International Motors Parts and Service Ltd*	England & Wales	Ordinary	100
I M Automotive Limited*	Ireland	Ordinary	100
Great Wall Motor Company Limited*	Ireland	Ordinary	100
Subaru Nordic AB*	Sweden	Ordinary	100
Great Wall Motors Nordic AB*	Sweden	Ordinary	100
International Motors Nordic AB*	Sweden	Ordinary	100
Daihatsu Vehicle Distributors Limited*	England & Wales	Ordinary	100
Great Wall Motor Distributors (UK) Limited*	England & Wales	Ordinary	100
Great Wall Motor Company Limited*	England & Wales	Ordinary	100
Associated undertakings			
International Motors Finance Limited*	England & Wales	Ordinary 'A' shares	-
		Ordinary 'B' shares	100

* Held by a subsidiary undertaking
** 76% held by a subsidiary undertaking

11 Debtors

	2012 £	2011 £
Amounts owed by group undertakings	**32**	-

All amounts shown under debtors fall due for payment within one year

12 Creditors: amounts falling due within one year

	2012 £	2011 £
Amounts owed to group undertakings	**953,537**	922,914
Corporation tax	-	5,974
	953,537	928,888

13 Share capital

	Authorised		Allocated, called up and fully paid	
	2012 £	2011 £	2012 £	2011 £
11,002 Ordinary shares of £1 each	**11,002**	11,002	**11,002**	11,002

14 Reserves

	Profit and loss account £
Balance at 1 January 2012	1,236,646
Retained profit for the year	3,891,619
Dividend paid	(4,000,000)
At 31 December 2012	**1,128,265**

15 Reconciliation of movements in shareholder's funds

	2012 £	2011 £
Profit for the financial year	**3,891,619**	29,649
Dividend paid	**(4,000,000)**	-
Opening shareholder's funds	**1,247,648**	1,217,999
Closing shareholder's funds	**1,139,267**	1,247,648

16 Contingent liabilities

The company has entered into unlimited cross-guarantees with group undertakings and companies under common control guaranteeing for each undertaking bank overdrafts and other bank facilities available which have group limits of £24 0m (2011 - £31 0m)

17 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by I M Group Limited on the grounds that it is a wholly owned subsidiary of I M Group Limited

18 Ultimate parent undertaking and controlling party

The ultimate and immediate parent company is I M Group Limited, a company incorporated in England and Wales I M Group Limited owns 100% of the issued share capital of I M Group (1991) Limited

Group financial statements for I M Group Limited are available to the public, on payment of the appropriate fee, from Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

The ultimate controlling party is Lord Edmiston who owns 100% of the issued share capital of I M Group Limited, the ultimate parent company