

Company Registration No. 01223712 (England and Wales)

GRAYSON AUTOMOTIVE SERVICES LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2014



GRAYSON AUTOMOTIVE SERVICES LIMITED

DIRECTORS AND ADVISERS

Directors	Mr G J Hateley Mrs Joyce Hateley Mr I J Hateley Mr S D Hateley Mr J G Hateley Mr B Szypulski
Secretary	Mr B Szypulski
Company number	01223712
Registered office	1 Wharf Road Tyseley Birmingham West Midlands B11 2DX
Registered auditors	Jerroms The Exchange Haslucks Green Road Shirley Solihull West Midlands B90 2EL

GRAYSON AUTOMOTIVE SERVICES LIMITED

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GRAYSON AUTOMOTIVE SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2014

Review of the business

The principal activity of the group continued to be that of the design and manufacture of vehicle cooling systems, radiators, cab and internal heating systems, air conditioning systems for vehicles and the manufacture of vehicle fuel tanks. The group also has a machining in Matco Engineering Ltd, a USA subsidiary and a Polish branch.

Turnover for the year was 0.6% down on 2012/13 at £20.8 million with operating profit down by 2.7%. The timing of expected orders for new product was the cause of the flat performance. A considerable improvement in financial performance is expected in 2014/15. The group continued to spend on research and development projects. This will increase revenue over the next few years as demand for Euro 6 compliant products and electric fan drive products continues to grow.

The group HQ building was purchased for £2.488 million in December 2013. This will significantly improve net worth over the next few years given the structure of the loan repayment.

The principal risks to the business going forward have not changed. Commodity and energy costs are long term risks to the cost base as both are mitigated for the next financial year by forward purchasing. Government austerity policies throughout Europe are seeing spend on transport being cut. As a result the company has and is developing new product to maintain growth.



Mr B Szypulski

Director

23 December 2014

GRAYSON AUTOMOTIVE SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and financial statements for the year ended 31 March 2014.

Principal activities

The principal activity of the group continued to be that of the design and manufacture of vehicle cooling systems, radiators, cab and internal heating systems, air conditioning systems for vehicles and the manufacture of vehicle fuel tanks. The group also has a machining company in Matco Engineering Limited and a USA subsidiary.

Results and dividends

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

Future developments

Sales growth of over 20% is forecast in the next financial year with considerable profit growth expected. The group has continued its strategic growth program as this is seen as mitigating factor to the risks outlined above. Expenditure on plant and machinery and facilities improvement will bring an increase in capacity as well as considerable savings in future years to keep the group competitive in a tough market environment.

Directors

The following directors have held office since 1 April 2013:

Mr G J Hateley
Mrs Joyce Hateley
Mr I J Hateley
Mr S D Hateley
Mr J G Hateley
Mr B Szypulski

Auditors

The auditors, Jerroms, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GRAYSON AUTOMOTIVE SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



Mr B Szypulski

Director

23 December 2014

GRAYSON AUTOMOTIVE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GRAYSON AUTOMOTIVE SERVICES LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Grayson Automotive Services Limited for the year ended 31 March 2014 set out on pages 6 to 25. 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 Directors' Responsibilities Statement set out on pages 2 - 3, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2014 and of the group's 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GRAYSON AUTOMOTIVE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF GRAYSON AUTOMOTIVE SERVICES 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 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.



Mr Neill Currie F.C.A. (Senior Statutory Auditor)
for and on behalf of Jerroms

23 December 2014

Chartered Certified Accountants
Statutory Auditor

The Exchange
Haslucks Green Road
Shirley
Solihull
West Midlands
B90 2EL

GRAYSON AUTOMOTIVE SERVICES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Turnover	2	20,799,863	20,936,083
Cost of sales		(14,032,562)	(14,356,146)
Gross profit		<u>6,767,301</u>	<u>6,579,937</u>
Distribution costs		(974,557)	(887,860)
Administrative expenses		(5,187,077)	(5,073,390)
Other operating income		30,000	30,000
Operating profit	3	<u>635,667</u>	<u>648,687</u>
Interest payable and similar charges	4	(174,112)	(161,110)
Profit on ordinary activities before taxation		<u>461,555</u>	<u>487,577</u>
Tax on profit on ordinary activities	5	66,935	62,194
Profit on ordinary activities after taxation		<u>528,490</u>	<u>549,771</u>
Minority interests		(24,497)	(14,270)
Profit for the financial year	6	<u><u>503,993</u></u>	<u><u>535,501</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

GRAYSON AUTOMOTIVE SERVICES LIMITED

BALANCE SHEETS

AS AT 31 MARCH 2014

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
Fixed assets					
Intangible assets	7	345,570	34,533	332,164	17,776
Tangible assets	8	4,434,429	2,235,300	4,299,274	2,071,165
Investments		-	-	163,386	167,137
		<u>4,779,999</u>	<u>2,269,833</u>	<u>4,794,824</u>	<u>2,256,078</u>
Current assets					
Stocks	9	6,406,558	5,764,683	6,327,982	5,735,493
Debtors	10	4,815,166	4,166,778	5,375,463	4,438,633
Cash at bank and in hand		172,237	163,193	1,536	3,453
		<u>11,393,961</u>	<u>10,094,654</u>	<u>11,704,981</u>	<u>10,177,579</u>
Creditors: amounts falling due within one year	11	<u>(9,694,022)</u>	<u>(8,753,918)</u>	<u>(9,749,576)</u>	<u>(8,760,612)</u>
Net current assets		<u>1,699,939</u>	<u>1,340,736</u>	<u>1,955,405</u>	<u>1,416,967</u>
Total assets less current liabilities		<u>6,479,938</u>	<u>3,610,569</u>	<u>6,750,229</u>	<u>3,673,045</u>
Creditors: amounts falling due after more than one year	12	<u>(3,074,368)</u>	<u>(661,894)</u>	<u>(3,074,368)</u>	<u>(641,913)</u>
Provisions for liabilities	13	<u>(86,232)</u>	<u>(152,828)</u>	<u>(77,138)</u>	<u>(140,782)</u>
		<u>3,319,338</u>	<u>2,795,847</u>	<u>3,598,723</u>	<u>2,890,350</u>
Capital and reserves					
Called up share capital	15	4,629	4,629	4,629	4,629
Profit and loss account	16	3,233,702	2,729,709	3,594,094	2,885,721
Shareholders' funds	18	<u>3,238,331</u>	<u>2,734,338</u>	<u>3,598,723</u>	<u>2,890,350</u>
Minority interests	17	<u>81,007</u>	<u>61,509</u>	<u>-</u>	<u>-</u>
		<u>3,319,338</u>	<u>2,795,847</u>	<u>3,598,723</u>	<u>2,890,350</u>

Approved by the Board and authorised for issue on 23 December 2014



Mr B Szypulski
Director

Company Registration No. 01223712

GRAYSON AUTOMOTIVE SERVICES LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

		2014		2013
	£	£	£	£
Net cash inflow from operating activities		62,595		835,989
Returns on investments and servicing of finance				
Interest paid	(174,112)		(161,110)	
Dividends paid to minorities	(4,999)		(5,000)	
	<u> </u>		<u> </u>	
Net cash outflow for returns on investments and servicing of finance		(179,111)		(166,110)
Taxation		(21,814)		(3,150)
Capital expenditure				
Payments to acquire intangible assets	(316,610)		-	
Payments to acquire tangible assets	(2,654,272)		(197,671)	
Receipts from sales of tangible assets	25,212		12,258	
	<u> </u>		<u> </u>	
Net cash outflow for capital expenditure		(2,945,670)		(185,413)
		<u> </u>		<u> </u>
Net cash (outflow)/inflow before management of liquid resources and financing		(3,084,000)		481,316
New long term bank loan	2,820,000		-	
Other new long term loans	450,000		14,362	
Repayment of long term bank loan	(35,642)		-	
Repayment of other long term loans	(86,559)		-	
Capital element of hire purchase contracts	(367,569)		(439,652)	
	<u> </u>		<u> </u>	
Net cash inflow/(outflow) from financing		2,780,230		(425,290)
Increase/(decrease) in cash in the year		<u> </u>		<u> </u>
		(303,770)		56,026
		<u> </u>		<u> </u>

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

1	Reconciliation of operating profit to net cash inflow from operating activities		2014	2013	
			£	£	
	Operating profit		635,667	648,687	
	Depreciation of tangible assets		662,065	545,826	
	Amortisation of intangible assets		5,573	5,574	
	Profit on disposal of tangible assets		(25,212)	(12,258)	
	Increase in stocks		(641,875)	(800,318)	
	Increase in debtors		(648,388)	(195,687)	
	Increase in creditors within one year		74,730	644,272	
	Net effect of foreign exchange differences		35	(107)	
	Net cash inflow from operating activities		62,595	835,989	
2	Analysis of net debt	1 April 2013	Cash flow	Other non-cash changes	31 March 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	163,193	9,044	-	172,237
	Bank overdrafts	-	(312,814)	-	(312,814)
		<u>163,193</u>	<u>(303,770)</u>	<u>-</u>	<u>(140,577)</u>
	Finance leases	(679,747)	160,612	-	(519,135)
	Debts falling due within one year	-	(615,056)	-	(615,056)
	Debts falling due after one year	(320,881)	(2,532,743)	-	(2,853,624)
		<u>(1,000,628)</u>	<u>(2,987,187)</u>	<u>-</u>	<u>(3,987,815)</u>
	Net debt	(837,435)	(3,290,957)	-	(4,128,392)
3	Reconciliation of net cash flow to movement in net debt		2014	2013	
			£	£	
	(Decrease)/increase in cash in the year		(303,770)	56,026	
	Cash (inflow)/outflow from (increase)/decrease in debt		(2,987,187)	46,561	
	Movement in net debt in the year		(3,290,957)	102,587	
	Opening net debt		(837,435)	(940,022)	
	Closing net debt		(4,128,392)	(837,435)	

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2014. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.6 Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.7 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	No depreciation
Land and buildings Leasehold	Over the term of the lease
Plant and machinery	5 to 10 years
Fixtures, fittings & equipment	10, 15 and 20% straight line
Motor vehicles	33% straight line

1.9 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

(Continued)

1.10 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.11 Stock and work in progress

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

1.12 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.14 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2014	2013
	£	£
Geographical segment		
UK	18,617,362	18,889,250
Europe	1,746,882	1,899,317
Rest of World	435,619	147,516
	<u>20,799,863</u>	<u>20,936,083</u>

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

3	Operating profit	2014	2013
		£	£
	Operating profit is stated after charging:		
	Amortisation of intangible assets	5,573	5,574
	Depreciation of tangible assets	662,065	545,826
	Loss on foreign exchange transactions	-	16,684
	Research and development	-	82,138
	Operating lease rentals		
	- Plant and machinery	46,865	49,129
	- Other assets	215,300	259,400
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £18000; 2013: £18000)	18,000	18,000
	and after crediting:		
	Government grants	30,000	30,000
	Profit on disposal of tangible assets	(25,212)	(12,258)
	Profit on foreign exchange transactions	(172,359)	(127,984)
		<u> </u>	<u> </u>
4	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	135,929	115,425
	Hire purchase interest	22,583	27,769
	On overdue tax	-	(1,810)
	Other interest	15,600	19,726
		<u> </u>	<u> </u>
		<u>174,112</u>	<u>161,110</u>

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

5	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	-	22,153
	Adjustment for prior years	(339)	-
	Total current tax	<u>(339)</u>	<u>22,153</u>
	Deferred tax		
	Deferred tax charge current year	(66,596)	(84,347)
		<u>(66,596)</u>	<u>(84,347)</u>
		<u>(66,935)</u>	<u>(62,194)</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>461,555</u>	<u>487,577</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23% (2013 - 20%)	<u>106,158</u>	<u>97,515</u>
	Effects of:		
	Depreciation/profit on disposal add back	140,718	106,157
	Capital allowances	(153,848)	(77,449)
	Tax losses	128,867	19,783
	Research & development claim	(144,853)	(119,926)
	Prior year adjustment	(73,159)	-
	Amortisation	773	670
	Grant income	(6,900)	(6,000)
	Foreign exchange on consolidation	51	871
	Marginal relief	1,854	532
		<u>(106,497)</u>	<u>(75,362)</u>
	Current tax charge for the year	<u>(339)</u>	<u>22,153</u>

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2014 £	2013 £
Holding company's profit for the financial year	<u>708,373</u>	<u>601,286</u>

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

7 Intangible fixed assets Group	Patents	Goodwill	Development Costs	Total
	£	£	£	£
Cost				
At 1 April 2013	22,220	33,515	-	55,735
Additions	-	-	316,610	316,610
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2014	22,220	33,515	316,610	372,345
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation				
At 1 April 2013	4,444	16,758	-	21,202
Charge for the year	2,222	3,351	-	5,573
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2014	6,666	20,109	-	26,775
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2014	15,554	13,406	316,610	345,570
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2013	17,776	16,757	-	34,533
	<hr/>	<hr/>	<hr/>	<hr/>

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

7 Intangible fixed assets

(Continued)

Intangible fixed assets (continued)

Company

	Patents	Development Costs	Total
	£	£	£
Cost			
At 1 April 2013	22,220	-	22,220
Additions	-	316,610	316,610
At 31 March 2014	22,220	316,610	338,830
Amortisation			
At 1 April 2013	4,444	-	4,444
Charge for the year	2,222	-	2,222
At 31 March 2014	6,666	-	6,666
Net book value			
At 31 March 2014	15,554	316,610	332,164
At 31 March 2013	17,776	-	17,776

Acquired patent is written off in equal annual instalments over its estimated useful economic life of 10 years.

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

8 Tangible fixed assets

Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2013	-	106,456	3,770,254	1,180,148	1,029,219	6,086,077
Additions	2,487,793	-	278,200	95,235	-	2,861,228
Disposals	-	-	-	-	(96,644)	(96,644)
At 31 March 2014	2,487,793	106,456	4,048,454	1,275,383	932,575	8,850,661
Depreciation						
At 1 April 2013	-	95,176	2,336,835	809,259	609,506	3,850,776
Revaluation	-	-	35	-	-	35
On disposals	-	-	-	-	(96,644)	(96,644)
Charge for the year	-	5,014	313,685	146,565	196,801	662,065
At 31 March 2014	-	100,190	2,650,555	955,824	709,663	4,416,232
Net book value						
At 31 March 2014	2,487,793	6,266	1,397,899	319,559	222,912	4,434,429
At 31 March 2013	-	11,280	1,433,417	370,889	419,714	2,235,300

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Net book values				
At 31 March 2014	259,181	140,291	219,996	619,468
At 31 March 2013	383,839	176,815	415,130	975,784
Depreciation charge for the year				
31 March 2014	38,647	36,523	195,134	270,304
31 March 2013	53,681	14,276	126,457	194,414

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

(Continued)

Tangible fixed assets

Company

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2013	-	106,456	3,462,884	1,180,148	1,029,219	5,778,707
Additions	2,487,793	-	268,300	95,235	-	2,851,328
Disposals	-	-	-	-	(96,644)	(96,644)
At 31 March 2014	2,487,793	106,456	3,731,184	1,275,383	932,575	8,533,391
Depreciation						
At 1 April 2013	-	95,176	2,193,602	809,259	609,506	3,707,543
On disposals	-	-	-	-	(96,644)	(96,644)
Charge for the year	-	5,014	274,838	146,565	196,801	623,218
At 31 March 2014	-	100,190	2,468,440	955,824	709,663	4,234,117
Net book value						
At 31 March 2014	2,487,793	6,266	1,262,744	319,559	222,912	4,299,274
At 31 March 2013	-	11,280	1,269,282	370,889	419,714	2,071,165

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Net book values				
At 31 March 2014	223,088	140,291	219,996	583,375
At 31 March 2013	324,476	176,815	415,130	916,421
Depreciation charge for the year				
31 March 2014	29,501	36,523	195,134	261,158
31 March 2013	38,678	14,276	126,457	179,411

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

9 Stocks and work in progress

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Raw materials and consumables	1,692,675	1,418,098	1,692,675	1,418,098
Work in progress	3,105,705	2,207,364	3,099,548	2,200,503
Finished goods and goods for resale	1,608,178	2,139,221	1,535,759	2,116,892
	<u>6,406,558</u>	<u>5,764,683</u>	<u>6,327,982</u>	<u>5,735,493</u>

10 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	4,679,313	3,999,986	4,599,868	3,937,529
Amounts owed by group undertakings	-	-	642,967	339,932
Prepayments and accrued income	135,853	166,792	132,628	161,172
	<u>4,815,166</u>	<u>4,166,778</u>	<u>5,375,463</u>	<u>4,438,633</u>

Amounts falling due after more than one year and included in the debtors above are:

	2014	2013	2014	2013
	£	£	£	£
Amounts owed by group undertakings	<u>642,967</u>	<u>339,932</u>	<u>642,967</u>	<u>339,932</u>

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

11 Creditors : amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	927,870	-	927,870	-
Net obligations under finance lease and hire purchase contracts	298,391	338,734	292,534	338,734
Trade creditors	2,760,295	3,100,522	2,902,980	3,141,443
Invoice Discounting Finance	3,988,780	3,886,275	3,988,780	3,886,275
Amounts owed to group undertakings	-	-	8	8
Corporation tax	-	22,153	-	-
Taxes and social security costs	633,725	554,812	626,066	550,283
Directors current accounts	215,000	215,000	215,000	215,000
Other creditors	114,793	47,927	51,051	47,927
Accruals and deferred income	755,168	588,495	745,287	580,942
	<u>9,694,022</u>	<u>8,753,918</u>	<u>9,749,576</u>	<u>8,760,612</u>

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

12 Creditors : amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	2,169,302	-	2,169,302	-
Other loans	684,322	320,881	684,322	320,881
Net obligations under finance leases and hire purchase agreements	220,744	341,013	220,744	321,032
	<u>3,074,368</u>	<u>661,894</u>	<u>3,074,368</u>	<u>641,913</u>
Analysis of loans				
Not wholly repayable within five years by instalments:				
Bank loans	1,547,278	-	1,547,278	-
Wholly repayable within five years	1,921,402	320,881	1,921,402	320,881
	<u>3,468,680</u>	<u>320,881</u>	<u>3,468,680</u>	<u>320,881</u>
Included in current liabilities	(615,056)	-	(615,056)	-
	<u>2,853,624</u>	<u>320,881</u>	<u>2,853,624</u>	<u>320,881</u>
Instalments not due within five years	<u>1,547,278</u>	<u>-</u>	<u>1,547,278</u>	<u>-</u>
Loan maturity analysis				
In more than two years but not more than five years	1,821,402	320,881	1,821,402	320,881
In more than five years	1,547,278	-	1,547,278	-
	<u>3,368,680</u>	<u>320,881</u>	<u>3,368,680</u>	<u>320,881</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	298,391	338,734	292,534	338,734
Repayable between one and five years	220,744	321,032	220,744	321,032
	<u>519,135</u>	<u>659,766</u>	<u>513,278</u>	<u>659,766</u>
Included in liabilities falling due within one year	(298,391)	(338,734)	(292,534)	(338,734)
	<u>220,744</u>	<u>321,032</u>	<u>220,744</u>	<u>321,032</u>

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

13 Provisions for liabilities Group

Deferred
taxation
£

Balance at 1 April 2013	152,828
Profit and loss account	(66,596)
Balance at 31 March 2014	<u>86,232</u>

Company

Balance at 1 April 2013	140,782
Profit and loss account	(63,644)
Balance at 31 March 2014	<u>77,138</u>

The deferred tax liability is made up as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Accelerated capital allowances	<u>86,232</u>	<u>152,828</u>	<u>77,138</u>	<u>140,782</u>

14 Pension and other post-retirement benefit commitments

Defined contribution

	2014	2013
	£	£
Contributions payable by the group for the year	<u>7,446</u>	<u>157,441</u>

15 Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
4,629 Ordinary shares of £1 each	<u>4,629</u>	<u>4,629</u>

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

**16 Statement of movements on profit and loss account
Group**

	Profit and loss account £
Balance at 1 April 2013	2,729,709
Profit for the year	503,993
Balance at 31 March 2014	<u>3,233,702</u>

Company

	Profit and loss account £
Balance at 1 April 2013	2,885,721
Profit for the year	708,373
Balance at 31 March 2014	<u>3,594,094</u>

17 Minority interests

	2014 £	2013 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	<u>81,007</u>	<u>61,509</u>

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

18 Reconciliation of movements in shareholders' funds	2014	2013
Group	£	£
Profit for the financial year	503,993	535,501
Opening shareholders' funds	2,734,338	2,184,567
Closing shareholders' funds	<u>3,238,331</u>	<u>2,734,338</u>
	2014	2013
	£	£
Company		
Profit for the financial year	708,373	601,286
Opening shareholders' funds	2,890,350	2,289,064
Closing shareholders' funds	<u>3,598,723</u>	<u>2,890,350</u>

19 Financial commitments

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Between two and five years	140,509	92,467
In over five years	-	235,725
	<u>140,509</u>	<u>328,192</u>

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Between two and five years	140,509	92,467
In over five years	-	227,442
	<u>140,509</u>	<u>319,909</u>

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

20 Directors' remuneration	2014 £	2013 £
Remuneration for qualifying services	257,265	242,465
Company pension contributions to defined contribution schemes	7,446	157,441
	<u>264,711</u>	<u>399,906</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2013 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	82,500	82,500
Company pension contributions to defined contribution schemes	1,200	51,200
	<u>83,700</u>	<u>133,700</u>

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Parts	8	8
Administration	73	58
Manufacturing	112	114
Servicing	35	38
	<u>228</u>	<u>218</u>

Employment costs

	2014 £	2013 £
Wages and salaries	5,722,941	5,503,231
Social security costs	344,221	322,339
Other pension costs	7,446	157,441
	<u>6,074,608</u>	<u>5,983,011</u>

GRAYSON AUTOMOTIVE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

22 Control

The ultimate controlling party is Mr and Mrs G Hateley who between them own 83.8% of the issued share capital.