

# Financial Statements

## Moneybarn Group Limited

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**For the year ended 31 December 2013**

**Registered number: 4525773**

## Company Information

<b>Registered number</b>	4525773
<b>Registered office</b>	Wenham Manor Barn Petersfield Road Rogate West Sussex GU31 5AY
<b>Directors</b>	J R Crosby E J A fforde O D Harris D A Hoare S D K Law P Minter
<b>Company secretary</b>	S D K Law
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor No 1 Dorset Street Southampton Hampshire SO15 2DP

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# Directors' Report

## For the year ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

### Results and dividends

The profit for the year, after taxation, amounted to £4,462,431 (2012 - £562,733).

A dividend of £400,420 in respect of the year ended 31 December 2012 was paid during 2013.

### Directors

The directors who served during the year were:

J R Crosby  
E J A fforde  
O D Harris  
D A Hoare  
S D K Law  
P Minter

### Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, 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 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 judgments 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.

# Directors' Report

For the year ended 31 December 2013

## Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report which also includes the group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit and liquidity risk.

The group has considerable financial resources and the forecasts and projections to 31 December 2016 which take into account reasonably possible changes in trading performance show that the group will be able to operate within its current facilities. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## Disclosure of information to auditor


Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

## Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 9 May 2014 and signed on its behalf.



**P Minter**  
Director

# Group Strategic Report

For the year ended 31 December 2013

## Principal activities

The principal activity of the company during the year is that of a holding company. The principal activity of the company's subsidiaries is the financing and hiring of motor vehicles to individuals and companies.

## Business review

During the year the group wrote 9,213 new contracts (2012: 6,581) and increased the portfolio of loan contracts from 11,000 to 17,069. This growth was achieved through:

- the continued development of our intermediary relationships;
- enhanced computer systems leading to more streamlined quoting and new business processes; and
- the continuing ready availability of funding to the group.

The group has continued to invest in upgrading its computer systems both to win new business and to improve operational efficiency. This has involved some considerable research and development in order to develop a system tailored to our needs and capable of managing materially greater volumes.

The group has seen further growth and increased profitability during 2013. Of particular note during 2013:

- Improved processes and strengthened management have resulted in tighter control over impaired debtors
- The current underwriting model developed in 2010 continues to perform consistently and select risk well
- Default rates continue to run at historical low rates
- Customer early settlements are an increasing feature of the business

The 2013 accounts have for the first time been presented on a basis most suited to the nature of the finance contracts which now dominate the portfolio. This means that for the substantial majority of contracts, revenue shown is interest earned rather than capital and interest received, with a consequential adjustment to cost of sales. The 2012 comparative figures have been restated on this basis. There is no effect on the profit and loss account below gross profit.

## Principal risks and uncertainties

The main risk faced by the business is the possibility that customers will fail to honour their contracts and the market value of the underlying vehicle will be insufficient security to cover the customer's outstanding liabilities. To mitigate this risk, the group has developed strong underwriting, loan to value and credit control policies, as well as efficient disposal processes.

The group is financed primarily by third party loans, but is not considered to be exposed to material finance risk as the loans are each at fixed rates.

## Financial key performance indicators

Key performance indicators for the group include the value of new business written and the value of business lost through premature termination of contracts, whether instigated by the customer or by the group for non-compliance by a customer with his contractual obligations. The collection of amounts due from debtors is also a key performance indicator, and a core competence of the business. The directors closely monitor all key performance indicators and where relevant factor these into the determination of bad and doubtful debt provisioning levels.

## Group Strategic Report (continued)

### **Financial risk management objectives and policies**

The company has various financial instruments, such as loans and cash, and various assets and liabilities of a contractually defined monetary amount, such as debtors and creditors arising from its operations that expose the company to financial risks. These risks, together with the management policies used to manage them, are described below.

#### ***Interest rate risk***

The company's funding is mainly provided by a mixture of retained earnings and bank borrowings and other borrowings. The risk that the cost of funding customer contracts could differ during their term from the cost of funding assumed in pricing the contracts is minimised by the company having negotiated fixed interest rates over the terms of its loans

#### ***Price risk***

The company only enters into contracts with customers on the basis of pre-agreed purchase prices for the vehicles that will be the subject of the contracts so the company has no exposure in that regard. The expected residual value of the vehicle at the termination of the contract, which can be a significant element in pricing the customer contract, is assessed conservatively against independent forecasts, although there can be significant short term volatility in used vehicle pricing. The risks of contracts being terminated early, which could result in insufficient income being earned to cover fixed overheads, is also taken into account in contract pricing based on past experience

#### ***Credit risk***

The company operates a number of policies and procedures designed to mitigate credit risk, although the acceptance of moderate credit risk is central to the company's business. In particular, before entering into a transaction with a customer a rigorous set of customer identification and credit checks is performed to determine whether or not the customer has the ability to meet its debts as they fall due. In the event of customer default, the company's credit control policies ensure swift action is taken and, where appropriate, will seek security in the form of charging orders over a customer's property.

#### ***Liquidity and cash flow risk***

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Regular cash flow forecasts are undertaken to monitor the cash position and to determine the liquidity of the company. The directors then ensure that there are sufficient liquid funds available to ensure that there is no risk of the company being unable to pay its debts as they fall due.

### **Matters of strategic importance**

#### ***Change of industry regulator***

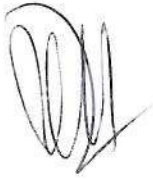
In April 2014, the FCA take over the role of regulator from the OFT. The FCA has introduced a new Interim Permission that will replace the OFT CCA Licence from 1st April 2014. All Moneybarn trading companies have obtained Interim Permission and the FCA has set a date for Moneybarn's application for full approval in December 2015. The Duncton Group, incorporating the Moneybarn business, is well positioned for full compliance with the FCA regime.

#### ***New business premises***

At the end of April 2014 the company will be moving to bigger premises in Petersfield. Considerable benefits are expected to flow from this including improved efficiency and more reliable systems. The financial statements as at 31 December 2013 reflect an onerous lease provision as a result of the move from our existing premises.

## Group Strategic Report (continued)

This report was approved by the board on 9 May 2014 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'P Minter', written over a faint, illegible stamp or background.

**P Minter**  
**Director**



## Independent Auditor's Report to the Members of Moneybarn Group Limited

We have audited the financial statements of Moneybarn Group Limited for the year ended 31 December 2013, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Cash flow statement and reconciliation of net cash flow to movement in net funds/debt 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 auditor**

As explained more fully in the Directors' responsibilities statement, 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 Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 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.

## Independent Auditor's Report to the Members of Moneybarn Group Limited

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Group strategic report and 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 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.



Norman Armstrong (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
Southampton

13 May 2014

## Consolidated Profit and Loss Account

For the year ended 31 December 2013

	Note	2013 £	Restated 2012 £
<b>Turnover</b>	1,2	<b>29,457,989</b>	19,424,347
Cost of sales		<b>(6,660,015)</b>	(8,770,841)
<b>Gross profit</b>		<b>22,797,974</b>	10,653,506
Administrative expenses		<b>(5,458,769)</b>	(2,331,273)
<b>Operating profit</b>	3	<b>17,339,205</b>	8,322,233
Interest receivable and similar income		<b>68,120</b>	892
Interest payable and similar charges	6	<b>(11,516,893)</b>	(7,538,956)
<b>Profit on ordinary activities before taxation</b>		<b>5,890,432</b>	784,169
Tax on profit on ordinary activities	7	<b>(1,428,001)</b>	(221,436)
<b>Profit for the financial year</b>	19	<b>4,462,431</b>	562,733

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 12 to 27 form part of these financial statements.

## Consolidated Balance Sheet

As at 31 December 2013

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Intangible assets	8		257,645		276,842
Tangible assets	9		884,451		3,937,356
			<u>1,142,096</u>		<u>4,214,198</u>
<b>Current assets</b>					
Stocks	12	88,547		60,112	
Debtors: amounts falling due after more than one year	13	77,840,528		49,746,593	
Debtors: amounts falling due within one year	13	58,241,306		40,663,424	
Cash at bank		9,138,711		3,630,046	
			<u>145,309,092</u>	<u>94,100,175</u>	
<b>Creditors: amounts falling due within one year</b>	14	<b>(60,281,611)</b>		<b>(40,071,796)</b>	
			<u>85,027,481</u>		<u>54,028,379</u>
<b>Net current assets</b>					
			<u>86,169,577</u>		<u>58,242,577</u>
<b>Total assets less current liabilities</b>					
<b>Creditors: amounts falling due after more than one year</b>	15	<b>(81,173,744)</b>		<b>(57,610,521)</b>	
<b>Provisions for liabilities</b>					
Deferred tax	16	(95,766)		-	
Other provisions	17	(245,250)		(39,250)	
			<u>(341,016)</u>	<u>(39,250)</u>	
<b>Net assets</b>			<u>4,654,817</u>		<u>592,806</u>
<b>Capital and reserves</b>					
Called up share capital	18		1,227		1,227
Share premium account	19		1,159,211		1,159,211
Profit and loss account	19		3,494,379		(567,632)
			<u>4,654,817</u>		<u>592,806</u>
<b>Shareholders' funds</b>	20		<u>4,654,817</u>		<u>592,806</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 May 2014.



**P Minter**  
Director

The notes on pages 12 to 27 form part of these financial statements.

## Company Balance Sheet

As at 31 December 2013

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Investments	10		9		9
<b>Current assets</b>					
Debtors	13	3,855,563		3,836,232	
Cash at bank		110,224		-	
		<u>3,965,787</u>		<u>3,836,232</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,900,523)</u>		<u>(1,908,463)</u>	
<b>Net current assets</b>			<u>2,065,264</u>		<u>1,927,769</u>
<b>Total assets less current liabilities</b>			<u>2,065,273</u>		<u>1,927,778</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(900,000)</u>		<u>(900,000)</u>
<b>Net assets</b>			<u><u>1,165,273</u></u>		<u><u>1,027,778</u></u>
<b>Capital and Reserves</b>					
Called up share capital	18		1,227		1,227
Share premium account	19		1,159,211		1,159,211
Profit and loss account	19		4,835		(132,660)
<b>Shareholders' funds</b>	20		<u><u>1,165,273</u></u>		<u><u>1,027,778</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 May 2014.



**P Minter**  
Director

The notes on pages 12 to 27 form part of these financial statements.

## Consolidated Cash Flow Statement

For the year ended 31 December 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	22	(27,571,224)	(26,688,223)
Returns on investments and servicing of finance	23	(11,088,688)	(7,329,015)
Taxation		(11,575)	(6,491)
Capital expenditure and financial investment	23	2,033,324	2,278,666
Equity dividends paid		(400,420)	-
<b>Cash outflow before financing</b>		<b>(37,038,583)</b>	<b>(31,745,063)</b>
Financing	23	42,547,248	30,573,058
<b>Increase/(Decrease) in cash in the year</b>		<b>5,508,665</b>	<b>(1,172,005)</b>

## Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the year ended 31 December 2013

	2013 £	2012 £
Increase/(Decrease) in cash in the year	5,508,665	(1,172,005)
Cash inflow from increase in debt and lease financing	(42,547,248)	(30,573,058)
<b>Movement in net debt in the year</b>	<b>(37,038,583)</b>	<b>(31,745,063)</b>
Net debt at 1 January 2013	(91,108,709)	(59,363,646)
<b>Net debt at 31 December 2013</b>	<b>(128,147,292)</b>	<b>(91,108,709)</b>

The notes on pages 12 to 27 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 December 2013

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

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

### 1.2 Basis of consolidation

The financial statements consolidate the accounts of Moneybarn Group Limited and all of its subsidiary undertakings ('subsidiaries'). These are adjusted where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

### 1.3 Related parties transactions

The company is a wholly owned subsidiary of Duncton Group Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Duncton Group.

### 1.4 Turnover

#### Hire purchase agreements to customers (contract purchase)

For contracts written up to 31 December 2009, where there had been a significant administration cost in setting up a contract and performing the necessary credit, guarantor and identification checks, the group recognised as income a portion of the initial deposit placed by the customer at the inception of a contract followed by monthly rentals recognised on a straight line basis.

For contracts written since 1 January 2010, in line with changed customer covenants and new systems for establishing credit ratings, hire purchase rentals are apportioned between repayments of capital and interest so that revenue is recognised over the lease term to provide a constant periodic rate of return on the net investment in the hire purchase agreements.

#### Operating lease - to customers (contract hire)

Rental income under contract hire is recognised on a straight line basis over the period of the contract.

#### Excess mileage

At the end of each year the directors review the accumulated excess mileage incurred on the fleet and include an element of the estimated accrued contractual receivable as a debtor.

#### Interest and penalties

Interest and penalties charged to customers arising on settlement or default are recognised when receipt of payment is considered certain.

Turnover is recognised exclusive of VAT.

# Notes to the Financial Statements

For the year ended 31 December 2013

## 1. Accounting Policies (continued)

### 1.5 Turnover, cost of sales and administration expenses

The proportion of contracts originated since 1 January 2010 are now significantly greater than those originated prior to 31 December 2009 and therefore the directors consider it is now more appropriate to recognise only the interest received as turnover in the year compared to the recognition of total repayments as revenue and the capital element of those repayments as cost of sales. In addition, the company has re-categorised certain costs from administrative expenses to cost of sales as the directors considered these costs are more attributable to the costs of leasing rather than overheads of the business.

The comparative figures have been similarly revised. This has had no effect on the operating result for either the current year or the prior year.

### 1.6 Debtors

Debtors are stated in the balance sheet at estimated net realisable value. Net realisable value is the invoiced amount less provisions for bad and doubtful debts. Provisions are made specifically against debts where there is evidence of dispute or an inability to pay.

#### Origination fees

Fees and direct costs relating to the origination of agreements are amortised over the life of the contract.

### 1.7 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	over the term of the lease
Fixtures & fittings	-	33% reducing balance
Contract hire vehicles	-	over the term of the contract cost
Computer equipment	-	33% straight line
Contract purchase vehicles	-	over the term of the contract cost



# Notes to the Financial Statements

For the year ended 31 December 2013

## 1. Accounting Policies (continued)

The term of contract purchase and contract hire contracts can vary depending on the period requested by each customer.

Fixed assets include all vehicles which are the subject of contract hire agreements, vehicles which are the subject of contract purchase agreements signed prior to 31 December 2009 and vehicles held for sale or re-contracting.

Contract purchase vehicles also includes incidental costs of ensuring that vehicles are available for rental to customers, including preparation costs and external commissions payable.

To 31 December 2009 the group's experience had been a high incidence of early terminations and customers infrequently completed all the payments due under their agreements and therefore the group bore the risks and rewards of ownership for vehicles under these agreements. To enable the accounts to give a true and fair view, vehicles under contract purchase agreements written up to 31 December 2009 are included in fixed assets to reflect the commercial reality of the agreements entered into. From 1 January 2010, in line with changed customer covenants and new systems for establishing credit ratings, the directors consider the risks and rewards of ownership are now substantially borne by the customer and therefore account for vehicles under contract purchase agreements written since 1 January 2010 by including the net cash investment in debtors, in accordance with SSAP 21.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

### 1.8 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

### 1.9 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

### 1.10 Stocks

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

### 1.11 Provisions

Provisions are recognised when a present obligation exists as a result of a past event and it is probable that this will result in an outflow of economic benefit, the size of which can be reliably estimated.

### 1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

# Notes to the Financial Statements

For the year ended 31 December 2013

## 1. Accounting Policies (continued)

### 1.13 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

## 2. Turnover

The whole of the turnover is attributable to the one principal activity of the group.

All turnover arose within the United Kingdom.

## 3. Operating profit

The operating profit is stated after charging:

	2013	2012
	£	£
Amortisation - intangible fixed assets	19,197	19,203
Depreciation of tangible fixed assets:		
- owned by the group	975,402	2,611,575
Auditor's remuneration	45,000	43,750
Auditor's remuneration - taxation services	5,250	5,000
Operating lease rentals:		
- land and buildings	92,503	92,500
Loss on disposal of fixed assets	44,179	3,488
	<u>          </u>	<u>          </u>

## Notes to the Financial Statements

For the year ended 31 December 2013

### 4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2013	2012
	£	£
Wages and salaries	2,777,042	2,208,562
Social security costs	295,966	233,029
Other pension costs	63,292	59,736
	<u>3,136,300</u>	<u>2,501,327</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013	2012
	No.	No.
	<u>82</u>	<u>60</u>

### 5. Directors' remuneration

	2013	2012
	£	£
Remuneration	<u>533,387</u>	<u>553,760</u>
Company pension contributions to defined contribution pension schemes	<u>17,698</u>	<u>19,421</u>

During the year retirement benefits were accruing to 3 directors (2012 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £220,544 (2012 - £171,182).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,975 (2012 - £7,800).

### 6. Interest payable

	2013	2012
	£	£
Loan interest	<u>11,516,893</u>	<u>7,538,956</u>

# Notes to the Financial Statements

For the year ended 31 December 2013

## 7. Taxation

	2013 £	2012 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	1,222,416	12,770
Adjustments in respect of prior periods	(1,192)	(6,541)
<b>Total current tax</b>	<u>1,221,224</u>	<u>6,229</u>
<b>Deferred tax</b> (see note 16)		
Origination and reversal of timing differences	206,777	215,207
<b>Tax on profit on ordinary activities</b>	<u>1,428,001</u>	<u>221,436</u>

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>5,890,432</u>	<u>784,169</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	1,369,525	192,121
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(96,639)	16,125
Depreciation for year in excess of capital allowances	1,127	47,442
Utilisation of tax losses	(249,721)	(362,974)
Adjustments to tax charge in respect of prior periods	(1,192)	(6,541)
Timing differences on contract purchase income	97,104	127,127
Short term timing difference leading to an increase in taxation	2,407	-
Adjustment in research and development tax credit leading to a decrease in the tax charge	(29,058)	-
Tax assessed at a lower tax rate	127,671	(7,071)
<b>Current tax charge for the year</b> (see note above)	<u>1,221,224</u>	<u>6,229</u>

### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

# Notes to the Financial Statements

For the year ended 31 December 2013

## 8. Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 January 2013 and 31 December 2013	384,059
<b>Amortisation</b>	
At 1 January 2013	107,217
Charge for the year	19,197
At 31 December 2013	126,414
<b>Net book value</b>	
At 31 December 2013	257,645
At 31 December 2012	276,842

## 9. Tangible fixed assets

Group	Contract purchase vehicles £	Fixtures & fittings £	Contract hire vehicles £	Computer equipment £	Leasehold improve- ments £	Total £
<b>Cost</b>						
At 1 January 2013	8,860,155	383,524	2,515,394	-	43,264	11,802,337
Additions	-	181,435	78,701	30,000	-	290,136
Disposals	(7,016,946)	(215,529)	(1,465,316)	-	-	(8,697,791)
At 31 December 2013	1,843,209	349,430	1,128,779	30,000	43,264	3,394,682
<b>Depreciation</b>						
At 1 January 2013	6,326,960	196,938	1,306,409	-	34,674	7,864,981
Charge for the year	574,750	87,297	305,688	-	7,667	975,402
On disposals	(5,223,140)	(171,350)	(935,662)	-	-	(6,330,152)
At 31 December 2013	1,678,570	112,885	676,435	-	42,341	2,510,231
<b>Net book value</b>						
At 31 December 2013	164,639	236,545	452,344	30,000	923	884,451
At 31 December 2012	2,533,195	186,586	1,208,985	-	8,590	3,937,356

The cost of tangible fixed assets includes an amount of £1,128,799 (2012: £2,515,394) for assets held in respect of operating leases and short hire income. The accumulated depreciation on these assets for the year was £305,688 (2012: £535,956).

# Notes to the Financial Statements

For the year ended 31 December 2013

## 10. Fixed asset investments

Company	Trade investments £
<b>Cost or valuation</b>	
At 1 January 2013 and 31 December 2013	9
<b>Net book value</b>	
At 31 December 2013	9
At 31 December 2012	9

Details of the principal subsidiaries can be found under note number 11.

## 11. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Moneybarn No.1 Limited	England and Wales	100	Vehicle leasing
Moneybarn plc	England and Wales	100	Vehicle leasing
Moneybarn Vehicle Finance Limited	England and Wales	100	Dormant

## 12. Stocks

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
Vehicles for resale	88,547	60,112	-	-

## Notes to the Financial Statements

For the year ended 31 December 2013

## 13. Debtors

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
<b>Due after more than one year</b>				
Prepayments and accrued income	2,990,401	1,867,843	-	-
Amounts recoverable on long term contracts	74,850,127	47,878,750	-	-
	<u>77,840,528</u>	<u>49,746,593</u>	<u>-</u>	<u>-</u>
	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
<b>Due within one year</b>				
Trade debtors	12,180,341	11,280,208	-	-
Amounts owed by group undertakings	-	-	3,855,558	3,836,232
Amounts owed by related parties	3,979	4,499	-	-
VAT recoverable	9,845	98,729	5	-
Other debtors	58,387	80,372	-	-
Prepayments and accrued income	4,560,900	2,822,169	-	-
Amounts recoverable on long term contracts	41,427,854	26,266,436	-	-
Deferred tax asset (see note 16)	-	111,011	-	-
	<u>58,241,306</u>	<u>40,663,424</u>	<u>3,855,563</u>	<u>3,836,232</u>

## 14. Creditors:

## Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
Loans	56,112,259	37,128,234	-	-
Payments received on account	-	415,964	-	-
Trade creditors	189,489	111,448	-	-
Amounts owed to group undertakings	834,276	834,291	1,900,519	1,907,419
Corporation tax	1,215,928	6,279	-	1,040
Other taxation and social security	101,021	216,935	-	-
Other creditors	57,879	57,614	-	2
Accruals and deferred income	1,770,759	1,301,031	4	2
	<u>60,281,611</u>	<u>40,071,796</u>	<u>1,900,523</u>	<u>1,908,463</u>

# Notes to the Financial Statements

For the year ended 31 December 2013

## 15. Creditors:

### Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Loans	<u>81,173,744</u>	<u>57,610,521</u>	<u>900,000</u>	<u>900,000</u>

Included within the above are amounts falling due as follows:

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
<b>Between two and five years</b>				
Loans	<u>81,173,744</u>	<u>57,610,521</u>	<u>900,000</u>	<u>900,000</u>

On 12 November 2010 new loan facilities were negotiated with the Octopus Group. The loan is secured by fixed and floating charged over the assets of Moneybarn Group Limited and its subsidiary undertakings.

Of the facilities in place pre refinancing, £4,326,147 (2012: £5,900,000) remains outstanding. This is secured on those debtors that existed prior to the new facilities.

The loans will be repaid in a specified order. The directors have calculated an estimate of the timing of those repayments based upon cashflow forecasts and this has determined the ageing analysis of the borrowings as at 31 December 2013 and 31 December 2012.

## 16. Deferred taxation

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
At beginning of year	111,011	326,218	-	-
(Charge for)/released during the year (P&L)	(206,777)	(215,207)	-	-
At end of year	<u>(95,766)</u>	<u>111,011</u>	<u>-</u>	<u>-</u>



## Notes to the Financial Statements

For the year ended 31 December 2013

### 16. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
Accelerated capital allowances	(68,343)	63,629	-	-
Tax losses available	-	213,562	-	-
Other timing differences	164,109	(166,180)	-	-
	<u>95,766</u>	<u>111,011</u>	<u>-</u>	<u>-</u>

### 17. Provisions

<u>Group</u>	<u>Dilapidation provision £</u>	<u>Onerous lease provision £</u>	<u>Total £</u>
At 1 January 2013	39,250	-	39,250
Additions	6,000	200,000	206,000
At 31 December 2013	<u>45,250</u>	<u>200,000</u>	<u>245,250</u>

#### Dilapidation provision

The dilapidation provision comprises the estimated cost of returning the leased premises to their original condition at the end of the lease term.

#### Onerous lease provision

The onerous lease provision is the estimated rental cost remaining on leased premises to the end of the lease term.

The Company has no provisions

### 18. Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
122,737 Ordinary 'A' shares shares of £0.01 each	<u>1,227</u>	<u>1,227</u>

# Notes to the Financial Statements

For the year ended 31 December 2013

## 19. Reserves

<b>Group</b>	Share premium account £	Profit and loss account £
At 1 January 2013	1,159,211	(567,632)
Profit for the year		4,462,431
Dividends: Equity capital		(400,420)
	<u>1,159,211</u>	<u>3,494,379</u>
At 31 December 2013	<u>1,159,211</u>	<u>3,494,379</u>

<b>Company</b>	Share premium account £	Profit and loss account £
At 1 January 2013	1,159,211	(132,660)
Profit for the year		537,915
Dividends: Equity capital		(400,420)
	<u>1,159,211</u>	<u>4,835</u>
At 31 December 2013	<u>1,159,211</u>	<u>4,835</u>

## 20. Reconciliation of movement in shareholders' funds

<b>Group</b>	2013 £	2012 £
Opening shareholders' funds	592,806	30,073
Profit for the financial year	4,462,431	562,733
Dividends (Note 21)	(400,420)	-
	<u>4,654,817</u>	<u>592,806</u>
Closing shareholders' funds	<u>4,654,817</u>	<u>592,806</u>

<b>Company</b>	2013 £	2012 £
Opening shareholders' funds	1,027,778	1,024,243
Profit for the financial year	537,915	3,535
Dividends (Note 21)	(400,420)	-
	<u>1,165,273</u>	<u>1,027,778</u>
Closing shareholders' funds	<u>1,165,273</u>	<u>1,027,778</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the company was £537,915 (2012 - £3,535).

## Notes to the Financial Statements

For the year ended 31 December 2013

### 21. Dividends

	2013 £	2012 £
Dividends paid on equity capital	<u>400,420</u>	<u>-</u>

### 22. Net cash flow from operating activities

	2013 £	2012 £
Operating profit	17,339,205	8,322,233
Amortisation of intangible fixed assets	19,197	19,203
Depreciation of tangible fixed assets	975,402	2,611,575
Loss on disposal of tangible fixed assets	44,179	3,488
Increase in stocks	(28,435)	(13,825)
Increase in debtors	(45,783,348)	(38,039,933)
Decrease in amounts owed by related parties	520	3,502
(Decrease)/increase in creditors	(343,929)	399,534
Decrease in amounts owed to group undertakings	(15)	-
Increase in provisions	206,000	6,000
<b>Net cash outflow from operating activities</b>	<u><u>(27,571,224)</u></u>	<u><u>(26,688,223)</u></u>

### 23. Analysis of cash flows for headings netted in cash flow statement

	2013 £	2012 £
<b>Returns on investments and servicing of finance</b>		
Interest received	68,120	892
Interest paid	(11,156,808)	(7,329,907)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u><u>(11,088,688)</u></u>	<u><u>(7,329,015)</u></u>
	2013 £	2012 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(290,136)	(326,111)
Sale of tangible fixed assets	2,323,460	2,604,777
<b>Net cash inflow from capital expenditure</b>	<u><u>2,033,324</u></u>	<u><u>2,278,666</u></u>

## Notes to the Financial Statements

For the year ended 31 December 2013

### 23. Analysis of cash flows for headings netted in cash flow statement (continued)

	2013 £	2012 £
<b>Financing</b>		
	-	-
New secured loans	53,889,814	30,573,058
Repayment of loans	(11,342,566)	-
<b>Net cash inflow from financing</b>	<u>42,547,248</u>	<u>30,573,058</u>

### 24. Analysis of changes in net debt

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank and in hand	3,630,046	5,508,665	-	9,138,711
<b>Debt:</b>				
Debts due within one year	(37,128,234)	(42,547,248)	23,563,223	(56,112,259)
Debts falling due after more than one year	(57,610,521)	-	(23,563,223)	(81,173,744)
<b>Net debt</b>	<u>(91,108,709)</u>	<u>(37,038,583)</u>	<u>-</u>	<u>(128,147,292)</u>

### 25. Contingent liabilities

At 31 December 2013 Moneybarn Group Limited, Moneybarn No. 1 Limited, Moneybarn Vehicle Finance Limited and Moneybarn plc were parties to an all sums debenture cross guarantee for all liabilities arising under the new finance agreements.

### 26. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the scheme and amounted to £63,292 (2012: £59,736).

## Notes to the Financial Statements

For the year ended 31 December 2013

### 27. Operating lease commitments

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2013	Other 2012
	2013	2012		
Group	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	-	-	-	3,163
Between 2 and 5 years	-	-	10,718	9,032
After more than 5 years	247,500	92,500	-	-
	<u>247,500</u>	<u>92,500</u>	<u>-</u>	<u>-</u>

# Notes to the Financial Statements

For the year ended 31 December 2013

## 28. Related party transactions

During the year the company incurred the following net expenditure:

Payments totalling £7,974 (2012: £2,208) were made to Lowell Limited, a business of which E J A fford was the proprietor, for services provided to the company by Mr fford. No balance was outstanding at the balance sheet date.

Sales of £1,930 (2012: £Nil) and purchases of £33,198 (2012: £44,797) were made to/from Dunsfold Securities Limited, a company of which O D Harris was the sole director. No balance was outstanding at the balance sheet date.

Payments totalling £52,500 (2012: £52,500) were made to Pterodactyl Properties, a company under the control of P Minter, D A Hoare and E J A fford, for rental of Wenham Manor Barn. No balance was outstanding at the balance sheet date.

Payments totalling £33,988 (2012: £34,372) were made to Talisman, a business of which D A Hoare was the proprietor, for services provided to the company by Mr Hoare. No balance was outstanding at the balance sheet date.

At the balance sheet date a sum of £3,979 (2012: £4,499) was due from Fludds of Petworth Limited. O D Harris, D A Hoare and E J A fford are directors of Fludds of Petworth Limited. The balance has been fully provided.

The directors consider that all the transactions outlined above have been completed on an arms length basis.

## 29. Ultimate parent undertaking and controlling party

The company's ultimate parent undertaking is Duncton Group Limited. There is no controlling related party of Duncton Group Limited.