Registered number
01067821

Regal Motors (Bilston) Limited

Report and Financial Statements

31 December 2016

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Regal Motors (Bilston) Limited
Report and accounts
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Regal Motors (Bilston) Limited
Company Information

Directors
Mrs J M Taylor
P Jackson

Secretary
Mrs V M Jackson

Auditors
Attwood & Co
Unit 3 Crescent Ind Park
Peartree Lane
Dudley
West Midlands

Bankers
HSBC plc
3 Walsall Road
Darlaston
West Midlands

Registered office
Oxford Street
Bilston
West Midlands
WV14 7DG

Registered number
01067821

Regal Motors (Bilston) Limited
Registered number: 01067821
Directors' Report

The directors present their report and financial statements for the year ended 31 December 2016.

Principal activities
The company's principal activity during the year continued to be the operation and management of a motor dealership.

Future developments
A review of future developments is included in the strategic report.

Dividends
During the year the company paid an interim dividend amounting to £12,000 (2015 £Nil). The directors do not recommend the payment of a final dividend.

Directors
The following persons served as directors during the year:

Mrs J M Taylor
P Jackson

Directors' responsibilities
The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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.

Disclosure of information to auditors
Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and

- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 14 September 2017 and signed on its behalf.

Mrs J M Taylor
Director

Regal Motors (Bilston) Limited
Strategic Report

Review of the business

The directors are pleased to report that the company has had a much improved year and one of its best for over 10 years.Turnover has increased by 3.8% to £14,568,244 over the 2015 results. Gross margin has increased from 11.5% in 2015 to 12.1% in the year under review. This has resulted in an increase in trading net profit from £89,403 to £137,580 , an increase of £48,177.

The increase in pre-tax profits has resulted from an increase in new retail car sales together with an improvement in used car sales and margins The company has ensured careful and close control of its costs and expenditure to aid the net result.

New vehicle sales

Peugeot UK have a new Managing Director in the form of David Peel, an ex-dealer who has introduced sweeping changes and improvements to the way the network operates, and has lifted morale amongst dealers as reported in NFDA surveys.

We have continued to receive great support from our Zone managers and Peugeot seniors.

In June Peugeot re-calculated all Dealers Areas of Influence and concluded that our 'area' was too big. The effect of this for us was that our Targets have become more realistic and therefore more attainable and we are now running at a better level of retail penetration.

Retail sales are now the sole focus for earning bonus by the Manufacturer. So although overall new numbers were almost the same, our increase in Retail numbers have made a big difference to our earning potential, and have raised our total GP per unit. This has also had a beneficial effect on New Car operating profit levels.

Finance sales too benefitted from this increase as some 80 % of New car customers now purchase on PCP (Personal Contract Plans). This also aided the Company's achievement of raised Finance Bonus earnings.

Disappointingly Motability numbers are down on last year. We manage our Fleet well and retain a high level of renewals which earned us a Motability Award at the end of the year. However there has been a national reduction in non-renewers due to major government welfare policy changes, and the effect of Personal Independent Payment Assessments (or PIP). This may settle down in the future as more people come into the scheme to replace those that are no longer eligible.

Technology is moving apace in all fields and Peugeot in the New Year will be the first manufacturer in the UK to launch its own "online" website buying facility - where customers configure and order online, and purchase the car from their local dealer. They see this facility as complementary to the physical buyer, and do not anticipate large numbers being sold this way. It is seen as a way of engaging customers early on in the process, and they will they will continue to refer them to the closest Dealer in the network to complete the sale process.

Used vehicles

Used cars have performed much better this year. Retail Units have increased by 4.6 %, and GP has increased by 7.6%.

Used Trade GP has remained the same,

The company continues to devote considerable time and effort is the use of online sites to market and promote its stock and return the best prices as compared to the rest of the marketplace.

Parts

The year for Parts ends on a very high note, on strengthened results. Previously lost businesses have gradually been replaced which has helped us to maximise our bonus earnings objectives.

Although margins remained quite static, turnover has grown by 15%, and this was reflected on the Departmental profit.

Peugeot have now ceased to supply parts as such to the network directly and have ended Dealer Parts Contracts. Instead they have devised a system of distribution through "Hub" and "Spokes". Regal chose to be a "Spoke" from 5th December and we now get our Parts delivered from West Midlands Parts, as opposed to directly from the manufacturer.

Although it is early days and we should be assured of much quicker deliveries, with no penalties for vehicles off the road, we have yet to see how this will affect us financially, without the benefit of manufacturers buying targets etc..

Service

Business practices and working methods were looked at during this year with a view to improving efficiency and service to the customer.

In addition we underwent a successful Warranty Audit mid-year and then a Peugeot Pro-to Ace assessment and review of our operational standards, and were awarded Pro 2 Ace Accreditation.

As the year ended, turnover was up by 5.4% and trading profit up by 1.8 %.

Rental

A decision was taken early in the year to close Car & van rental due to poor business levels, and subsequently lack of profitability. This has enhanced the company's overall profitability, by removing this loss making department.

Costs

Careful control had been exercised with regards to company costs, and Admin & Director wages have reduced by 12.8% .Elsewhere costs have been kept under tight control.

Future developments

So far no real ill effects have been felt as the result of the UK EU referendum and the year ended with the highest ever number of new cars demanded by UK customers, with 2,692786 registered in 2016 up 2.3% on the previous year, though the industry awaits to see if this continues into 2017.
The directors are confident that the current year will continue to remain profitable.

Corporate Showroom Identity

Although we only refurbished our showroom in 2010 it is a requirement from Peugeot that Dealers re-do their showrooms to their new corporate standard by June 2017.

By committing to this major investment we are showing that our long term objectives are to Peugeot as we move ever onwards. Plans have been agreed and we are awaiting costings, and work is intended to commence in the spring.

Principal risks and uncertainties

There are a number of risks and uncertainties that face the business. The most significant are in respect of adverse economic and business conditions and used vehicle prices. Changing UK conditions such as consumer confidence, the level of discretionary spending, interest rates and inflation can affect the company's trading position. Any changes in respect of VAT and other green taxes may also affect trading performance.

The company is also dependent upon the manufacturer's financial position, marketing, vehicle design, production and distribution capabilities and reputation.

The issue of the Final Salary pension remains a considerable problem to the business. Although this is under control and being managed the administrative costs continue to rise. The company was pleased to see that the April 2015 valuation showed a substantial deficit reduction, but intends to maintain a reduced but significant deficit monthly payment to guard against any future fluctuations.

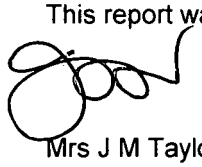
Financial instruments

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in sterling. The company does not enter into any hedging transactions.

Key performance indicators

Given the straightforward nature of the business, the directors' are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 14 September 2017 and signed on its behalf.



Mrs J M Taylor
Director

Regal Motors (Bilston) Limited

Independent auditors' report to the members of Regal Motors (Bilston) Limited

We have audited the financial statements of Regal Motors (Bilston) Limited for the year ended 31 December 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, 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 accounts

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 the accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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 and the Strategic 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 accounts 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.

David Attwood

David Attwood
(Senior Statutory Auditor)
for and on behalf of
Attwood & Co
Accountants and Statutory Auditors
14 September 2017

Unit 3 Crescent Ind Park
Peartree Lane
Dudley
West Midlands

Regal Motors (Bilston) Limited
Income Statement
for the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover	3	14,568,244	14,026,451
Cost of sales		(12,801,941)	(12,416,692)
Gross profit		1,766,303	1,609,759
Administrative expenses		(1,676,517)	(1,578,898)
Other operating income		32,995	44,006
Operating profit	4	122,781	74,867
Interest receivable		19,859	19,180
Interest payable	7	(5,060)	(4,644)
Profit on ordinary activities before taxation		137,580	89,403
Tax on profit on ordinary activities	8	(28,617)	(18,223)
Profit for the financial year		108,963	71,180

Regal Motors (Bilston) Limited
Statement of comprehensive income
for the year ended 31 December 2016

	Notes	2016 £	2015 £
Profit for the financial year		108,963	71,180
Other comprehensive income			
Asset gains/ (losses) arising during the year	16	392,000	(51,000)
Liability gains/(losses) arising during the year	16	(472,000)	72,000
Change in effect of asset ceiling	16	36,000	(69,000)
Total comprehensive income for the year		64,963	23,180

Regal Motors (Bilston) Limited
Statement of Financial Position
as at 31 December 2016

	Notes		2016 £		2015 £
Fixed assets					
Tangible assets	10		658,257		704,258
Current assets					
Stocks	11	1,542,322		2,291,885	
Debtors	12	398,684		408,017	
Cash at bank and in hand		246,300		258,040	
		2,187,306		2,957,942	
Creditors: amounts falling due within one year	13	(1,510,643)		(2,384,203)	
Net current assets			676,663		573,739
Total assets less current liabilities			1,334,920		1,277,997
Creditors: amounts falling due after more than one year	14		(215,280)		(210,220)
Provisions for liabilities					
Deferred taxation	15		(1,600)		(2,700)
Retirement benefit obligation	16		-		-
Net assets			1,118,040		1,065,077
Capital and reserves					
Called up share capital	17		100		100
Profit and loss account	18		1,117,940		1,064,977
Total equity			1,118,040		1,065,077



Mrs J M Taylor
Director
Approved by the board on 14 September 2017

Regal Motors (Bilston) Limited
Statement of Changes in Equity
for the year ended 31 December 2016

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2015	100	-	-	1,041,797	1,041,897
Profit for the financial year				71,180	71,180
Asset gains/ (losses) arising during the year				(51,000)	
Liability gains/(losses) arising during the year				72,000	
Change in effect of asset ceiling				(69,000)	
Other comprehensive income for the financial year	-	-	-	(48,000)	(48,000)
Total comprehensive income for the financial year	-	-	-	23,180	23,180
At 31 December 2015	100	-	-	1,064,977	1,065,077
At 1 January 2016	100	-	-	1,064,977	1,065,077
Profit for the financial year				108,963	108,963
Asset gains/ (losses) arising during the year				392,000	
Liability gains/(losses) arising during the year				(472,000)	
Change in effect of asset ceiling				36,000	
Other comprehensive income for the financial year	-	-	-	(44,000)	(44,000)
Total comprehensive income for the financial year	-	-	-	64,963	64,963
Dividends				(12,000)	(12,000)
At 31 December 2016	100	-	-	1,117,940	1,118,040

Regal Motors (Bilston) Limited
Statement of Cash Flows
for the year ended 31 December 2016

	Notes	2016 £	2015 £
Operating activities			
Operating profit		122,781	74,867
Adjustments for:			
Depreciation		49,888	57,199
		172,669	132,066
Decrease in stocks		749,563	389,320
Decrease in debtors		9,333	103,818
Decrease in creditors		(773,633)	(489,008)
Pension scheme cash movement		(44,000)	(48,000)
		113,932	**88,196**
Interest received		19,859	19,180
Interest paid		(5,060)	(4,644)
Corporation tax paid		(20,221)	(19,848)
Cash generated by operating activities		108,510	82,884
Investing activities			
Payments to acquire tangible fixed assets		(3,887)	(12,468)
Cash used in investing activities		(3,887)	(12,468)
Financing activities			
Equity dividends paid		(12,000)	-
Cash used in financing activities		(12,000)	-
Net cash generated			
Cash generated by operating activities		108,510	82,884
Cash used in investing activities		(3,887)	(12,468)
Cash used in financing activities		(12,000)	-
Net cash generated		92,623	70,416
Cash and cash equivalents at 1 January		102,436	32,020
Cash and cash equivalents at 31 December		195,059	102,436
Cash and cash equivalents comprise:			
Cash at bank		246,300	258,040
Bank overdrafts	13	(51,241)	(155,604)
		195,059	102,436

1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The preparation of the financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed note 2.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue principally earned from vehicle sales, parts and servicing. Revenue also comprises commission receivable for arranging vehicle finance and related insurance products.

Turnover from the sale of goods and services is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	4% on cost
Leasehold land and buildings	over the lease term
Plant and machinery	10% on cost
Fixtures, fittings, tools and equipment	10% or33.3% on cost dependant on asset

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method.

The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Consignment stocks
Consignment stocks are regarded as being effectively under the control of the company and are included with stocks on the balance sheet as the Company has significant risks and rewards of ownership even though legal title has not yet passed. The corresponding liability is included within creditors.

Going concern
No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Debtors
Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors
Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation
A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

Leased assets
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments.

Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life.

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions
Contributions to defined contribution plans are expensed in the period to which they relate.

2 Critical accounting estimates and judgements

Management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.
In the opinion of the directors there are no critical judgements in applying the accounting policies of the company.
The company makes estimates and assumptions which are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

3 Analysis of turnover

	2016 £	2015 £
Sale of goods	14,568,244	14,026,451
By geographical market:		
UK	14,568,244	14,026,451

4 Operating profit

	2016 £	2015 £
This is stated after charging:		
Depreciation of owned fixed assets	49,888	57,199
Operating lease rentals - plant and machinery	11,889	14,383
Operating lease rentals - land and buildings	17,000	17,000
Auditors' remuneration for audit services	10,976	10,004
Carrying amount of stock sold	12,801,941	12,416,692

5 Directors' emoluments

	2016 £	2015 £
Emoluments	135,877	90,974
Company contributions to defined contribution pension plans	4,800	4,800
	140,677	95,774

Number of directors to whom retirement benefits accrued:	2016 Number	2015 Number
Defined contribution plans	1	1

6 Staff costs

	2016 £	2015 £
Wages and salaries	1,137,847	1,040,396
Social security costs	102,201	87,628
Other pension costs	54,174	56,246
	1,294,222	1,184,270

Average number of employees during the year	Number	Number
Administration	9	8
Car sales	11	10
Service and parts	27	29
	47	47

7 Interest payable

	2016 £	2015 £
Other loans	5,060	4,644

8 Taxation

	2016 £	2015 £
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	29,745	19,050
Adjustments in respect of previous periods	(28)	(27)
	29,717	19,023
Deferred tax:		
Origination and reversal of timing differences	(1,100)	(800)
Tax on profit on ordinary activities	28,617	18,223

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2016 £	2015 £
Profit on ordinary activities before tax	137,580	89,403
Standard rate of corporation tax in the UK	20%	20%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	27,516	17,881
Effects of:		
Expenses not deductible for tax purposes	2,017	2,829
Depreciation for period in excess of capital allowances	7,912	7,940
Pension scheme payments in excess of pension scheme costs	(8,800)	(10,400)
Adjustments to tax charge in respect of previous periods	(28)	(27)
Current tax charge for period	28,617	18,223

Factors that may affect future tax charges

9 Pension costs

The company operates two pension schemes, a funded pension scheme based on final pensionable pay, together with a defined contribution scheme. The assets of the schemes are held separately from those of the company, in independently administered funds. Contributions to the defined benefit scheme are charged to the profit and loss account so as to spread the cost of pensions over the employee's working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was 5th April 2015. The assumptions that have the most significant effect on the results of the valuation are those relating to discount rates and increases in pensions. It was assumed that the discount rates would be 2.95% per annum and that the future pensions would increase at a rate of 3.5% per annum. The valuation has been based on the defined accrued benefit method.

The pension charge/(credit) for the defined benefit scheme for the year was £33,000 (2015) £33,000. The pension cost relating to the scheme is assessed in accordance with the advice of a qualified actuary as stated above.

The market value of the pension scheme assets at 5th April 2015 was £2,385,000 and this was sufficient to cover 103% of the value of the benefits that had accrued to members after allowing for future increases in expected earnings. The technical provisions of the scheme in respect of future pensions was £2,322,000 giving rise to a scheme surplus of £63,000. The company is currently making a monthly payment of £4,000 to eliminate the previous deficit. The contribution rate was amended from £5,040 per month for five years, from 1st July 2016, to protect the technical provisions funding level and to reduce the solvency deficit in accordance with the advice of the actuary. .

On 30 September 2007 the defined benefit scheme was closed to further accruals based on the advice of the pension scheme trustees.

The pension scheme charge in respect of the defined contribution scheme amounted to £21,174 (2015 £22,246).

10 Tangible fixed assets

	Land and buildings *At cost* £	Plant and machinery *At cost* £	Fixtures, fittings, tools and equipment *At cost* £	Total £
Cost or valuation				
At 1 January 2016	1,397,975	151,333	124,631	1,673,939
Additions	-	2,491	1,396	3,887
At 31 December 2016	1,397,975	153,824	126,027	1,677,826
Depreciation				
At 1 January 2016	712,442	140,982	116,257	969,681
Charge for the year	39,700	4,723	5,465	49,888
At 31 December 2016	752,142	145,705	121,722	1,019,569
Carrying amount				
At 31 December 2016	645,833	8,119	4,305	658,257
At 31 December 2015	685,533	10,351	8,374	704,258

11 Stocks

	2016 £	2015 £
Consignment stock	345,254	978,914
Used vehicles and parts for resale	1,197,068	1,312,971
	1,542,322	2,291,885

12 Debtors

	2016 £	2015 £
Trade debtors	255,195	258,256
Prepayments and accrued income	143,489	149,761
	398,684	408,017

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	51,241	155,604
Trade creditors	1,178,438	1,982,242
Corporation tax	28,546	19,050
Other taxes and social security costs	67,583	116,911
Accruals and deferred income	184,835	110,396
	1,510,643	2,384,203

Trade creditors and other loans include amounts due to suppliers for consignment stock, other car stock and a loan in the sum of £876,613 (2015 £1,826,434), that are secured by charges on the consignment stock and used car stock and a second charge over the assets of the company. The bank borrowings amounting to £51,241 (2015 £155,064) are secured by a legal charge over the assets of the company.

14 Creditors: amounts falling due after one year

	2016 £	2015 £
Other creditors	215,280	210,220

15 Deferred taxation

	2016 £	2015 £
Accelerated capital allowances	1,600	2,700

	2016 £	2015 £
At 1 January	2,700	3,500
Credited to the profit and loss account	(1,100)	(800)
At 31 December	1,600	2,700

16 Retirement benefit obligation

As stated in note 9 the company operates a funded defined benefit pension scheme, providing retirement benefits based on final salary. The most recent full actuarial valuation was on 5 April 2015 and was carried out by a qualified independent actuary and updated to 31 December 2016. The assets of the scheme are held separately from those of the company and are administered in accordance with the scheme rules.

The major assumptions used for the valuation were:

Financial assumptions:	2016 %p.a.	2015 %p.a.
Inflation RPI	3.50	3.30
Inflation CPI	2.40	2.20
Revaluations in deferment	2.40	2.20
Pre 2005 pension increases - LPI 5%	3.30	3.20
Post 2005 pension increases - LPI 2.5%	2.30	2.20
Pension increases in payment (post 88GMP benefits)	2.00	2.00
Discount rate for scheme liabilities	2.70	3.70

Demographic assumptions:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 65 will live on average for a further 22.7 years (2015 22.6) if they are male and for a further 24.8 years (2015 24.7) if they are female. For a member who retires in 2036 at age 65 the assumptions are that they will live on average for 24.9 years (2015 24.7) after retirement if they are male and for a further 27.1 years (2015 27.0) after retirement if they are female. No allowance is made for cash commutation.

Market value of assets:

	2016 £000	2016 %	2015 £000	2015 %
Equities	1163.00	42.00	1192.00	52.00
Government bonds	1273.00	46.00	871.00	38.00
Corporate bonds	332.00	12.00	229.00	10.00
Total market value of assets	2,768.00	100.00	2,292.00	100.00

The amounts recognised in the balance sheet are as follows:

	2016 £	2015 £
Fair value of section assets	2,768,000	2,292,000
Present value of funded defined benefit obligations	(2,504,000)	(2,003,000)
Surplus	264,000	289,000
Unrecognised asset written off	(264,000)	(289,000)
Deferred tax asset on pension scheme liability		
Net liability/ asset	-	-

The amounts recognised in the income statement

	2016 £	2015 £
Operating cost:		
Administration expenses	34,000	34,000
Financing cost:		
Interest on defined benefit liability/(asset)	(1,000)	(1,000)
Pension expense recognised in profit and loss account	33,000	33,000

Amounts recognised in Other Comprehensive Income

	2016 £	2015 £
Asset gains/(losses) arising during the year	392,000	(51,000)
Liability gains/(losses) arising during the year	(472,000)	72,000
Change in effect of the asset ceiling	36,000	(69,000)
Total loss in statement of comprehensive income	(44,000)	(48,000)

Actual Return on Section Assets are as follows:

	2016 £	2015 £
Interest income on section assets	85,000	80,000
Actuarial Gain/(Loss) on section assets	392,000	(51,000)
Actual return on plan assets	477,000	29,000

Changes in present value of the defined benefit obligation are as follows:

	2016 £	2015 £
Opening defined benefit obligation	2,003,000	2,047,000
Interest cost	73,000	71,000
Actuarial (gains)/ losses on section liabilities	472,000	(72,000)
Net benefits outgoing and transfers	(44,000)	(43,000)
Total	2,504,000	2,003,000

Changes in fair value of plan assets are as follows:

	2016 £	2015 £
Opening fair value of plan assets	2,292,000	2,259,000
Expected return	85,000	80,000
Actuarial gains/Losses) on section assets	392,000	(51,000)
Contributions by employer	77,000	81,000
Net benefits outgoing and transfers	(44,000)	(43,000)
Administration costs incurred	(34,000)	(34,000)
Total	2,768,000	2,292,000

17 Share capital

	Nominal value	2016 Number	2016 £	2015 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100	100	100

18 Profit and loss account

	2016 £	2015 £
At 1 January	1,064,977	1,041,797
Profit for the financial year	108,963	71,180
Dividends	(12,000)	-
Asset gain/(loss) arising during the year	392,000	(51,000)
Liability gain/loss) arising during the year	(472,000)	72,000
Change in effect of the asset ceiling	36,000	(69,000)
At 31 December	1,117,940	1,064,977

19 Dividends

	2016 £	2015 £
Dividends on ordinary shares (note 18)	12,000	-

20 Defined benefit pension plans

As stated in note 9 the company has a commitment in respect of the defined benefit pension scheme. The scheme is in surplus based on technical provisions amounting to £63,000 at 5th April 2015. The company has agreed to continue to make monthly payments of £4,000 for a five year period from 1st July 2016 to protect the technical provisions position and to begin to reduce the deficit on a solvency basis.

21 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Land and buildings 2016 £	Land and buildings 2015 £	Other 2016 £	Other 2015 £
Falling due:				
within one year	-	-	4,921	5,441
within two to five years	-	-	2,856	4,944
	-	-	7,777	10,385

22 Related party transactions

	2016 £	2015 £
West Midland Finance Ltd		
The company is a related party as a result of common directors and shareholders. During the year the company sold goods to West Midlands Finance Ltd amounting to £Nil (2015 £Nil) and purchased goods and services from West Midlands Finance Ltd amounting to £17,000 (2015 £17,000). The company also paid interest on a loan on a commercial rate from West Midland Finance Ltd amounting to £5,060 (2015 £4,644) . All transactions were at open market value.		
Amount due from (to) the related party disclosed in other creditors, amounts falling due after more than one year.	(215,280)	(210,220)

During the year the company paid dividends to the shareholders, Mrs J Taylor and Mr P Jackson amounting to £6000 each. Both shareholders are also directors of the company.

23 Controlling party

The company was under the control of the directors throughout the whole of the current and previous financial periods, by virtue of their ownership of the entire issued share capital.

24 Presentation currency

The financial statements are presented in Sterling.

25 Legal form of entity and country of incorporation

Regal Motors (Bilston) Limited is a limited company incorporated in England.

26 Principal place of business

The address of the company's principal place of business and registered office is:

Oxford Street
Bilston
West Midlands
WV14 7DG