Registered number: 02658607

Parkside (Barnstaple) Limited

Abbreviated accounts

For the Year Ended 31 December 2015

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Parkside (Barnstaple) Limited

Company Information

Directors	P J Squire S Williams D J Squire W E Bassom N C Williams A V Lewis A J Witherington
Company secretary	P J Squire
Registered number	02658607
Registered office	Newport Road Barnstaple Devon EX32 9BA
Independent auditors	ASE Audit LLP Chartered Accountants & Statutory Auditors Rowan Court Concord Business Park Manchester Greater Manchester M22 0RR

Parkside (Barnstaple) Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report	5
Abbreviated statement of financial position	6
Statement of changes in equity	7 - 8
Notes to the abbreviated accounts	9 - 21

Introduction

The directors present their strategic report for the year ended 31 December 2015.

Principal activity
The principal activity of the company in the year under review was that of purchasing, selling and repairing of motor vehicles and other ancillary services.

Business review
During the year we completed the refurbishment of our Vauxhall showroom, bringing it completely up to date with the latest brand identity. Vauxhall new vehicle targets continued to grow so we have increased our focus on maximising returns from our used vehicle business as well as earning volume bonus when where it makes commercial sense to do so.

Suzuki continued to perform well with the brand increasing its contribution during the year.
The Kia brand performed well, but contributions were slightly less than the previous year.

Strategy
The strategy adopted during the year has been to continually build on the market position established by the company, together with a strong manufacturer brand nationally. This strategy is based largely on well established models under the manufacturer brand (including Vauxhall, Kia and Suzuki) and the development of new models.

Environmental policy
Management continue to work towards the development of the company's environmental policy. It is the managements' objective to continually improve performance in this area. When assessing the environmental performance of the company, management consider various measures, including waste, recycling and CO2 emissions from the company's vehicles.

Principal risks and uncertainties
The principal risks and uncertainties to the business are monitored by the directors' and are considered to be as follows:

General business and economic conditions:
The profitability of the business is influenced by the economic environment in the United Kingdom and could be adversely affected by worsening of general economic conditions. Factors such as unemployment levels, consumer confidence, the level of discretionary spending and cost of credit could significantly affect the market for the sale of new and used vehicles.

Vehicle manufacturers' and incentive programmes:
We depend on the vehicle manufacturers' financial condition, marketing, vehicle design, production and distribution capabilities, reputation, management and industrial relations. Although the company does not depend on any single vehicle manufacturer, a failure by a manufacturer in the areas noted could lead to losses. Vehicle manufacturers provide a wide variety of sales incentives, warranties and other programmes that are intended to promote and support the new vehicle sales at our dealerships. If manufacturers reduce or discontinue incentive programmes, this could have an adverse impact on our business.

Used vehicle price variation:
Used vehicle prices can decline significantly. As a significant proportion of our business comprises used vehicle sales, these declines can have a material impact on our business. The impact of declines in used vehicle prices can result in reduced profits on sales and also write-downs in the value of used vehicle inventory.

Principal risks and uncertainties

Franchise agreements:
The company operates franchised motor vehicle dealerships. Franchises are awarded to us by the vehicle manufacturers. Failure to continue to hold franchises could result in a significant reduction in the profits of the company as this would end its rights to source new vehicles directly from the manufacturer to sell, to perform warranty repairs and display the vehicle manufacturer trademarks.

Competition:
We compete with other franchised vehicle dealerships, independent used vehicle sellers, private buyers and sellers, internet based dealers, independent service and repair shops and vehicle manufacturers who have entered the retail market. We compete for the sale of new and used vehicles, the performance of warranty repairs, non-warranty repairs, routine maintenance business and for the provision of spare parts. The principal competitive factors in service and parts sales are price, familiarity with a manufacturer's brands and models and the quality of customer service.

Financial key performance indicators
The directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to gross margin and operating profit which are set out on the attached accounts.

Other key performance indicators
A key non financial key performance indicator is new vehicle units which were Vauxhall 309 (2014: 354) and Kia Suzuki 279 (2014: 289) in the year. Used vehicle sales volumes increased to 537 (2014 : 473) whilst service hours sold fell slightly from 10,191 to 9,970.

The directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to gross margin and operating profit which are set out on the attached accounts.

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

P J Squire
Director

Date: 21/9/16

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £20,190 (2014 - £117,365).

Interim dividends of 60p per Ordinary £1 share were voted on the 1 January 2015, 1 April 2015, 1 July 2015 and 1 October 2015.

Total dividends voted and paid during the year amounted to £120,000.

Directors

The directors who served during the year were:

P J Squire
S Williams
D J Squire
W E Bassom
N C Williams
A V Lewis
A J Witherington

Future developments

There are no future developments in the company's business to report.

Disclosure of information to auditors

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's auditors are 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's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, ASE Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

P J Squire
Director

Date: 21/9/16

Independent auditors' report to Parkside (Barnstaple) Limited Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 6 to 21, together with the financial statements of Parkside (Barnstaple) Limited for the year ended 31 December 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the Company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the Company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the Company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 6 to 21 have been properly prepared in accordance with the regulations made under that section.



Michael Jones BSc FCA (Senior statutory auditor)
for and on behalf of ASE Audit LLP
Chartered Accountants & Statutory Auditors
Rowan Court
Concord Business Park
Manchester
Greater Manchester
M22 0RR

Date: 21.9.16

Parkside (Barnstaple) Limited
Registered number:02658607

Abbreviated statement of financial position
As at 31 December 2015

	Note	2015 £		2014 £	
Fixed assets					
Tangible assets	11		**519,060**		452,850
			519,060		452,850
Current assets					
Stocks	12	**2,797,788**		2,725,238	
Debtors: amounts falling due within one year	13	**1,141,845**		939,785	
Cash at bank and in hand	14	**467**		63,267	
		3,940,100		3,728,290	
Creditors: amounts falling due within one year	15	**(2,681,616)**		(2,312,473)	
Net current assets			**1,258,484**		1,415,817
Total assets less current liabilities			**1,777,544**		1,868,667
Provisions for liabilities					
Deferred tax	16	**(23,056)**		(18,656)	
Net assets			**1,754,488**		1,850,011
Capital and reserves					
Called up share capital	17		**54,287**		50,000
Profit and loss account	18		**1,700,201**		1,800,011
			1,754,488		1,850,011

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by:

NC Williams

N C Williams
Director

Susan Williams

S Williams
Director

Date: 17/9/16

The notes on pages 9 to 21 form part of these financial statements.

Parkside (Barnstaple) Limited

Statement of changes in equity
For the Year Ended 31 December 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2015	**50,000**	**1,800,011**	**1,850,011**
Comprehensive income for the year			
Profit for the year	**-**	**20,190**	**20,190**
Contributions by and distributions to owners			
Dividends: Equity capital	**-**	**(120,000)**	**(120,000)**
Shares issued during the year	**4,287**	**-**	**4,287**
At 31 December 2015	**54,287**	**1,700,201**	**1,754,488**

Statement of changes in equity
For the Year Ended 31 December 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2014	**50,000**	**1,802,646**	**1,852,646**
Comprehensive income for the year			
Profit for the year	**-**	**117,365**	**117,365**
Contributions by and distributions to owners			
Dividends: Equity capital	**-**	**(120,000)**	**(120,000)**
At 31 December 2014	**50,000**	**1,800,011**	**1,850,011**

The notes on pages 9 to 21 form part of these financial statements.

1. General information

Parkside (Barnstaple) Limited is a limited company domiciled and incorporated in England.

The address of the company's registered office and its principal place of business is Newport Road, Barnstaple, Devon, EX32 9BA.

The Company's principal activity is disclosed in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated financial statements have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 21.

Both the functional and presentational currency during the current and previous financial period was UK pound sterling.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2. Accounting policies (continued)

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

Commissions

Commissions are accounted for on a receivable basis, and are recognised as and when the criteria has been achieved.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. Accounting policies (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 10% - 25% on cost
Improvements to property	- Over the period of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

2.4 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

Consignment vehicles that are regarded effectively as being under the control of the parent company due to the transfer of the risks and responsibilities, are included within stock on the balance sheet, although legal title has not passed to the company, in accordance with FRS 102. The corresponding liability is included within trade creditors and is secured directly on these vehicles.

Vehicles sold under a sale and leaseback arrangement are similarly accounted for within stocks on the balance sheet where the obligation to repurchase the vehicle rests with the parent company, the corresponding liability is included within trade creditors.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.
Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.10 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Income statement is charged with fair value of goods and services received.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is not discounted.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgments have been made by the directors in applying the company's accounting policies:

Consignment stock
Consignment stock has been included within the company's balance sheet on the grounds that the company considerably bear's the risks and rewards of ownership attached to these vehicles. As such, the consignment stock is considered to be under control of the company.

Property, plant and equipment
At each reporting date property, plant and equipment is assessed for any indication of impairment. If such indication exists, the recoverable amount of the asset is determined based on value in use calculations which require estimates to be made of future cash flows. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Brand incentives
The company receives income in the form of various incentives which are determined by the company's brand partners. The amount receivable is generally based on achieving specific objectives such as a specified soles volume, as well as other objectives including maintaining brand partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Objectives are generally set and measured on either a quarterly or annual basis.

Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned.

This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain that the related target will be met. Where incentives ore linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

4. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	**46,035**	35,785
Operating lease rentals	**81,000**	81,000
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	**2,508**	3,405
Auditors' remuneration for non-audit services	**841**	840
Defined contribution pension cost	**9,296**	6,881
	139,680	127,911

5. Auditors' remuneration

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	**2,508**	3,405
Auditors' remuneration for non-audit services	**841**	840
	3,349	4,245

6. Employees

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

	2015 £	2014 £
Wages and salaries	**929,765**	904,739
Social security costs	**84,986**	78,105
Cost of defined contribution scheme	**9,296**	6,881
	1,024,047	989,725

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

	2015 No.	2014 No.
Sales	**12**	10
Administration	**5**	4
Aftersales	**17**	20
Directors	**7**	7
	41	41

7. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	**113,996**	84,654
Company contributions to defined contribution pension schemes	**364**	-
	114,360	84,654

During the year retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes.

8. Interest payable and similar charges

	2015 £	2014 £
Other interest payable	**62,205**	76,429
	62,205	76,429

9. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	**6,665**	26,999
Total current tax	**6,665**	26,999
Deferred tax		
Origination and reversal of timing differences	**4,400**	5,435
Total deferred tax	**4,400**	5,435
Taxation on profit on ordinary activities	**11,065**	32,434

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	**31,255**	149,800
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	**6,251**	29,960
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**(104)**	46
Capital allowances for year in excess of depreciation	**518**	(3,007)
Origination and reversal of timing differences	**4,400**	5,435
Total tax charge for the year	**11,065**	32,434

Factors that may affect future tax charges

A reduction in the corporation tax rate from 20% to 19% from 1 April 2019 and to 18% from 1 April 2020 was substantively enacted on 18 November 2015. Future tax liabilities will reduce accordingly and deferred tax has been provided at 18% in these financial statements

10. Dividends

	2015 £	2014 £
Dividends paid on ordinary shares	**120,000**	120,000

11. Tangible fixed assets

	Plant and machinery £	Improvements to property £	Total £
Cost or valuation			
At 1 January 2015	**288,698**	**395,437**	**684,135**
Additions	**39,603**	**94,937**	**134,540**
Disposals	**(1,644)**	**(49,278)**	**(50,922)**
At 31 December 2015	**326,657**	**441,096**	**767,753**
Depreciation			
At 1 January 2015	**184,445**	**46,840**	**231,285**
Charge owned for the period	**22,008**	**24,027**	**46,035**
Disposals	**(1,013)**	**(27,614)**	**(28,627)**
At 31 December 2015	**205,440**	**43,253**	**248,693**
At 31 December 2015	**121,217**	**397,843**	**519,060**
At 31 December 2014	104,253	348,597	452,850

12. Stocks

	2015 £	2014 £
Vehicles	**2,535,057**	2,449,480
Parts	**262,731**	275,758
	2,797,788	2,725,238

Stock recognised in cost of sales during the year as an expense was £12,799,984 (2014: £13,636,08).

An impairment loss against vehicle stock of £1,277 was reversed within the year in cost of sales (2014: £37,070 loss was recognised with cost of sales).

During the year an impairment loss of £15,330 was recognised against parts stock (2014: £21,205 was reversed).

All stock is pledged as security for the vehicle funding and bank loans.

13. Debtors

	2015 £	2014 £
Trade debtors	**273,644**	189,058
Amounts owed by associated undertakings	**601,051**	601,051
Other debtors	**201,169**	99,660
Prepayments and accrued income	**65,981**	50,016
	1,141,845	939,785

An impairment loss of £Nil (2014: £Nil) was recognised against trade debtors.

14. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	**467**	63,267
Less: bank overdrafts	**(362,441)**	(129,310)
	(361,974)	(66,043)

15. Creditors: Amounts falling due within one year

	2015 £	2014 £
Bank overdrafts	**362,441**	129,310
Trade creditors	**1,876,051**	1,835,405
Corporation tax	**6,665**	26,999
Taxation and social security	**206,034**	101,926
Accruals and deferred income	**230,425**	218,833
	2,681,616	2,312,473

Secured loans

The bank borrowings are secured by an unlimited debenture dated 19 November 1991 and a first legal charge dated 6 January 1992 over the freehold land and buildings at 1-5 and 7-8 Hollowtree Road, Barnstaple, Devon, and a first charge over the leasehold land and buildings at Newport Road, Barnstaple.

16. Deferred taxation

	Deferred tax £
At 1 January 2015	**(18,656)**
Charged to the profit or loss	**(4,400)**
At 31 December 2015	**(23,056)**

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	**23,056**	18,760
Short term timing differences	**-**	(104)
	23,056	18,656

17. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	**50,000**	50,000
4,287 Ordinary A shares of £1 each	**4,287**	-
	54,287	50,000

17. Share capital (continued)

During the year 4,287 Ordinary A shares were issued at par for cash. These shares have the same dividend and voting rights as the Ordinary shares.

18. Reserves

Profit and loss account

This reserve includes all current and prior period retained profits and losses.

19. Pension commitments

The company operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £9,296 (2014: £6,881).

20. Commitments under operating leases

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Not later than 1 year	**81,000**	81,000
Later than 1 year and not later than 5 years	**243,000**	243,000
Later than 5 years	**891,000**	972,000
Total	**1,215,000**	1,296,000

21. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.