

Rydal Motors (Preston) Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 July 2017

Pages for filing with Registrar

Rydal Motors (Preston) Limited

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Rydal Motors (Preston) Limited

Company Information

Directors Mr G Singleton

Registered office Thomas House
Meadowcroft Business Park
Pope Lane
Preston
Lancashire
PR4 4AZ

Accountants Haleys Business Advisers Limited
Thomas House
Meadowcroft Business Park
Pope Lane
Whitestake
Lancashire
PR4 4AZ

Chartered Accountants' Report to the Director on the Preparation of the Unaudited Statutory Accounts of Rydal Motors (Preston) Limited for the Year Ended 31 July 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Rydal Motors (Preston) Limited for the year ended 31 July 2017 as set out on pages 3 to 14 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Rydal Motors (Preston) Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Rydal Motors (Preston) Limited and state those matters that we have agreed to state to the Board of Directors of Rydal Motors (Preston) Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rydal Motors (Preston) Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Rydal Motors (Preston) Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Rydal Motors (Preston) Limited. You consider that Rydal Motors (Preston) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Rydal Motors (Preston) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Haleys Business Advisers Limited
Thomas House
Meadowcroft Business Park
Pope Lane
Whitestake
Lancashire
PR4 4AZ

19 March 2018

Rydal Motors (Preston) Limited

(Registration number: 06965607)
Balance Sheet as at 31 July 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	<u>5</u>	378,518	379,074
Current assets			
Stocks	<u>6</u>	310,679	271,876
Debtors	<u>7</u>	21,143	11,200
Cash at bank and in hand		32,094	55,481
		<u>363,916</u>	<u>338,557</u>
Creditors: Amounts falling due within one year	<u>8</u>	<u>(182,671)</u>	<u>(137,291)</u>
Net current assets		<u>181,245</u>	<u>201,266</u>
Total assets less current liabilities		559,763	580,340
Creditors: Amounts falling due after more than one year	<u>8</u>	(295,830)	(376,211)
Provisions for liabilities		<u>(2,864)</u>	<u>(3,091)</u>
Net assets		<u>261,069</u>	<u>201,038</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>260,969</u>	<u>200,938</u>
Total equity		<u>261,069</u>	<u>201,038</u>

The notes on pages 5 to 14 form an integral part of these financial statements.

Rydal Motors (Preston) Limited

(Registration number: 06965607)

Balance Sheet as at 31 July 2017 (continued)

For the financial year ending 31 July 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 19 March 2018

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Mr G Singleton

Director

The notes on pages 5 to 14 form an integral part of these financial statements.

Rydal Motors (Preston) Limited

Notes to the Financial Statements for the Year Ended 31 July 2017

1 General information

The company is a private company limited by share capital, incorporated in Other.

The address of its registered office is:

Thomas House
Meadowcroft Business Park
Pope Lane
Preston
Lancashire
PR4 4AZ
Lancashire

The principal place of business is:

Rydal Car Village
Chorley Road
Preston
Lancashire
PR5 4JN

These financial statements were authorised for issue by the director on 19 March 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A for small entities and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared under the historical cost convention, except for modification to a fair value basis for certain fixed assets, as specified in the accounting policies below.

The company's presentational currency is pounds sterling.

Rydal Motors (Preston) Limited

Notes to the Financial Statements for the Year Ended 31 July 2017 (continued)

2 Accounting policies (continued)

Judgements

No significant judgements have had to be made by management and directors in preparing these financial statements.

Key sources of estimation uncertainty

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying amount is £14,871 (2016 -£15,456).

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Rydal Motors (Preston) Limited

Notes to the Financial Statements for the Year Ended 31 July 2017 (continued)

2 Accounting policies (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	20% on reducing balance
Fixtures and fittings	20% on reducing balance
Motor vehicles	25% on reducing balance
Computer equipment	33% on cost

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Goodwill, being the amount paid in connection with the acquisition of a business in 2009, was being amortised evenly over its useful life of ten years. Goodwill is now fully amortised.

Asset class	Amortisation method and rate
Goodwill	10% on cost

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of finished goods comprises direct materials. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Rydal Motors (Preston) Limited

Notes to the Financial Statements for the Year Ended 31 July 2017 (continued)

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Financial instruments

Classification

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.

Rydal Motors (Preston) Limited

Notes to the Financial Statements for the Year Ended 31 July 2017 (continued)

2 Accounting policies (continued)

Recognition and measurement

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities, including creditors and other loans are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Impairment

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Rydal Motors (Preston) Limited

Notes to the Financial Statements for the Year Ended 31 July 2017 (continued)

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 2 (2016 - 3).

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 August 2016	<u>100,000</u>	<u>100,000</u>
At 31 July 2017	<u>100,000</u>	<u>100,000</u>
Amortisation		
At 1 August 2016	<u>100,000</u>	<u>100,000</u>
At 31 July 2017	<u>100,000</u>	<u>100,000</u>
Carrying amount		
At 31 July 2017	<u><u>-</u></u>	<u><u>-</u></u>

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2016 - £Nil).

Rydal Motors (Preston) Limited

Notes to the Financial Statements for the Year Ended 31 July 2017 (continued)

5 Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Plant and machinery £
Cost or valuation				
At 1 August 2016	363,618	18,698	6,021	12,096
Additions	29	603	-	1,575
At 31 July 2017	363,647	19,301	6,021	13,671
Depreciation				
At 1 August 2016	-	8,147	5,474	7,738
Charge for the year	-	1,654	137	972
At 31 July 2017	-	9,801	5,611	8,710
Carrying amount				
At 31 July 2017	363,647	9,500	410	4,961
At 31 July 2016	363,618	10,551	547	4,358
				Total £
Cost or valuation				
At 1 August 2016				400,433
Additions				2,207
At 31 July 2017				402,640
Depreciation				
At 1 August 2016				21,359
Charge for the year				2,763
At 31 July 2017				24,122
Carrying amount				
At 31 July 2017				378,518
At 31 July 2016				379,074

Included within the net book value of land and buildings above is £363,647 (2016 - £363,618) in respect of freehold land and buildings.

Rydal Motors (Preston) Limited

Notes to the Financial Statements for the Year Ended 31 July 2017 (continued)

6 Stocks

	2017 £	2016 £
Other inventories	310,679	271,876

7 Debtors

	2017 £	2016 £
Trade debtors	20,727	10,783
Director 1 current account	-	1
Prepayments	416	416
Total current trade and other debtors	21,143	11,200

Rydal Motors (Preston) Limited

Notes to the Financial Statements for the Year Ended 31 July 2017 (continued)

8 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings		12,622	11,084
Trade creditors		87,665	33,231
Other taxation and social security		32,199	31,841
Other payables		50,000	60,950
Accruals and deferred income		185	185
		<u>182,671</u>	<u>137,291</u>

Due after one year

Directors loan accounts (1-2 yrs)		<u>295,830</u>	<u>376,211</u>
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	Note	2017 £	2016 £
Due after one year			
Loans and borrowings		<u>295,830</u>	<u>376,211</u>

9 Dividends

	2017 £	2016 £
Dividends paid	16,000	16,000
	<u>16,000</u>	<u>16,000</u>

10 Related party transactions

Income and receivables from related parties

2017	Associates £
Receipt of services	<u>9,600</u>
2016	Associates £
Receipt of services	<u>9,600</u>

Expenditure with and payables to related parties

Rydal Motors (Preston) Limited

Notes to the Financial Statements for the Year Ended 31 July 2017 (continued)

10 Related party transactions (continued)

	Associates £
2017	
Purchase of goods	25,714

	Associates £
2016	
Purchase of goods	25,363

Loans from related parties

	Key management £
2017	
At start of period	426,211
Advanced	16,000
Repaid	(96,226)
At end of period	345,985

	Key management £
2016	
At start of period	220,568
Advanced	361,410
Repaid	(155,767)
At end of period	426,211

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.