

Company Registration No. 08786708 (England and Wales)

GIBBS GILLESPIE SALES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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GIBBS GILLESPIE SALES LIMITED

COMPANY INFORMATION

Directors	P J Gillespie J G Gibbs R W Gibbs
Company number	08786708
Registered office	Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE
Auditor	Mercer & Hole Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE
Business address	Chapel Lane Chambers 1 Chapel Lane Pinner Middlesex HA5 1AA

GIBBS GILLESPIE SALES LIMITED

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GIBBS GILLESPIE SALES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report for the year ended 31 December 2016.

Fair review of the business

Financial position at the reporting date

The balance sheet shows that the company's net assets at the year end were £888,277.

The company generated cash from operations of £785,968 and has invested £35,137 in fixed assets.

Development and performance

As reported in the company's profit and loss account, turnover amounted to £5,498,410. The turnover has decreased only slightly from last year. This is primarily due to strong sales from new offices, which have now fully established themselves in the community by upholding the high level of customer services the Gibbs Gillespie brand demands.

Profit before tax and deduction of amortisation of goodwill is £647,898 (2015 - £882,100).

The directors are satisfied with the results for the year given the difficult market conditions. The housing market is suffering with government taxation policies on stamp duty land tax and buy to let investors and with the uncertainty created by the Brexit referendum.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The KPIs used to determine the progress and performance of the company are set out below:

Turnover

Turnover has decreased by 0.7% compared to 2015.

Salaries to turnover

The total salaries cost (excluding pension and social security costs) amounted to 48.5% of turnover which is an increase of 3 percentage points on the prior years ratio of 44%.

Advertising to turnover

The total advertising cost was 11% of turnover which is lower than the previous years ratio of 13%.

GIBBS GILLESPIE SALES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Principal risks and uncertainties

Management continually monitor the key risks facing the company, together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the company are as follows:

Economy

The short-term strategy is to position the company appropriately for current levels of activity whilst preparing for opportunities in the future.

Legislative

The company has systems and procedures in place to ensure compliance with, and to manage, the impact of changes in Government and NAEA legislation.

Financial and Liquidity

The company's forecasts and projections show that the company should be able to operate within its current facilities for a period of at least the next 12 months. Management continues to monitor and control working capital and capital expenditure requirements very closely.

Competitor pressure

The market in which the company operates is considered to be extremely competitive, and therefore competitor pressure could result in losing sales to key competitors. The company manages this risk by providing a very high level of client service.

Loss of key personnel

This could present operational difficulties for the company. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

Other information and explanations

Strategy & Future Developments

The objective of the company is to achieve profitable growth and a sustainable business by capitalising on its reputation and regional presence. We aim to achieve this through:

- Strong brand recognition and the reputation attached to it.
- Maintaining a strong database of buyers.
- Utilising the skills of the company's very experienced staff.
- Investing in our people.

On behalf of the board



P J Gillespie

Director

22/8/2017

GIBBS GILLESPIE SALES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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

Principal activities

The principal activity of the company throughout the current year was that of real estate management.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P J Gillespie
J G Gibbs
R W Gibbs

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

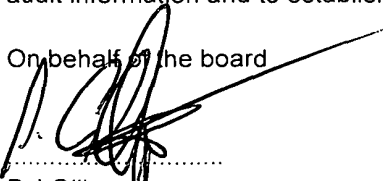
Auditor

In accordance with the company's articles, a resolution proposing that Mercer & Hole be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



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P J Gillespie
Director
22/8/2017

GIBBS GILLESPIE SALES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

GIBBS GILLESPIE SALES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GIBBS GILLESPIE SALES LIMITED

We have audited the financial statements of Gibbs Gillespie Sales Limited for the year ended 31 December 2016 set out on pages 7 to 26. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

GIBBS GILLESPIE SALES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GIBBS GILLESPIE SALES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Jones FCA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

22/8/2017

Chartered Accountants
Statutory Auditor

Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE

GIBBS GILLESPIE SALES LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2016**

		2016	2015
	Notes	£	as restated £
Turnover	3	5,498,410	5,538,437
Cost of sales		(22,000)	-
Gross profit		5,476,410	5,538,437
Administrative expenses		(5,265,588)	(4,946,352)
Other operating income		97,927	17,125
Operating profit	4	308,749	609,210
Interest receivable and similar income	7	-	31
Interest payable and similar expenses	8	(16,151)	(12,941)
Profit before taxation		292,598	596,300
Taxation	9	(130,883)	(181,626)
Profit for the financial year	21	161,715	414,674

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

GIBBS GILLESPIE SALES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£	as restated £
Profit for the year	161,715	414,674
Other comprehensive income	-	-
Total comprehensive income for the year	<u>161,715</u>	<u>414,674</u>

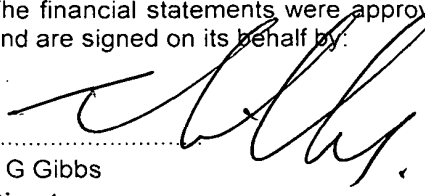
GIBBS GILLESPIE SALES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

		2016		2015 as restated	
	Notes	£	£	£	£
Fixed assets					
Goodwill	10		4,618,900		4,974,200
Tangible assets	11		170,299		185,797
			<u>4,789,199</u>		<u>5,159,997</u>
Current assets					
Debtors	13	460,962		518,128	
Cash at bank and in hand		285,287		440,704	
		<u>746,249</u>		<u>958,832</u>	
Creditors: amounts falling due within one year	15	(2,469,448)		(3,219,478)	
Net current liabilities			<u>(1,723,199)</u>		<u>(2,260,646)</u>
Total assets less current liabilities			<u>3,066,000</u>		<u>2,899,351</u>
Creditors: amounts falling due after more than one year	16		(2,145,366)		(2,135,629)
Provisions for liabilities	17		<u>(32,357)</u>		<u>(37,160)</u>
Net assets			<u><u>888,277</u></u>		<u><u>726,562</u></u>
Capital and reserves					
Called up share capital	20		100		100
Profit and loss reserves	21		888,177		726,462
Total equity			<u><u>888,277</u></u>		<u><u>726,562</u></u>

The financial statements were approved by the board of directors and authorised for issue on 22/12/2017 and are signed on its behalf by:


J G Gibbs
Director

Company Registration No. 08786708

GIBBS GILLESPIE SALES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2015:			
Balance at 1 January 2015	100	311,788	311,888
Year ended 31 December 2015:			
Profit and total comprehensive income for the year	-	414,674	414,674
Balance at 31 December 2015	100	726,462	726,562
Year ended 31 December 2016:			
Profit and total comprehensive income for the year	-	161,715	161,715
Balance at 31 December 2016	100	888,177	888,277

GIBBS GILLESPIE SALES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	26	785,968		1,392,027	
Interest paid		(16,151)		(12,941)	
Income taxes paid		(185,009)		(106,807)	
Net cash inflow from operating activities		584,808		1,272,279	
Investing activities					
Purchase of tangible fixed assets		(35,137)		(17,643)	
Interest received		-		31	
Net cash used in investing activities		(35,137)		(17,612)	
Financing activities					
Proceeds from borrowings		180,377		-	
Repayment of borrowings		(766,531)		(1,676,391)	
Proceeds of new bank loans		-		293,125	
Repayment of bank loans		(118,934)		(54,132)	
Net cash used in financing activities		(705,088)		(1,437,398)	
Net decrease in cash and cash equivalents		(155,417)		(182,731)	
Cash and cash equivalents at beginning of year		440,704		623,435	
Cash and cash equivalents at end of year		285,287		440,704	

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Gibbs Gillespie Sales Limited is a private company limited by shares incorporated in England and Wales. The registered office is Batchworth House, Batchworth Place, Church Street, Rickmansworth, Hertfordshire, WD3 1JE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

1.3 Turnover

Turnover represents invoiced estate agent fees net of VAT and trade discounts.

Income is recognised in the accounting period in which the service is rendered, by reference to the date the contracts are exchanged for each property.

1.4 Intangible fixed assets - goodwill

Goodwill is being written off in equal annual installments over 15 years which is the directors current estimate of the period over which the economic benefit of the brand value at acquisition will be derived. If there is an indication that there has been a significant change to the remaining estimated useful economic life the amortisation will be revised prospectively to reflect the new expectation.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	25% on cost
Equipment, fixtures and fittings	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. A reversal of an impairment loss is recognised immediately in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade debtors, loans and other receivables that have fixed or determinable payments are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets 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.

Derecognition of financial assets

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.

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Classification of financial liabilities

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from directors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Recoverability of receivable

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

Determining residual values and useful economic lives of tangible fixed assets (property, plant and equipment)

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimate of the ongoing value of the brand to which the goodwill relates. For the current and prior year the estimated useful life of the goodwill was it would be written off over 15 years which reflects the directors current estimate of the remaining useful life.

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Total turnover	5,498,410	5,538,437
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	-	31
	<u> </u>	<u> </u>

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	5,498,410	5,538,437
	<u> </u>	<u> </u>

4 Operating profit

	2016 £	2015 as restated £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	8,000	9,380
Depreciation of owned tangible fixed assets	50,635	60,665
Amortisation of intangible assets	355,300	285,800
Operating lease charges	250,763	183,889
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Senior management	3	3
Other staff	128	143
	<u> </u>	<u> </u>
	131	146
	<u> </u>	<u> </u>

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	2,669,000	2,434,738
Social security costs	278,925	268,963
Pension costs	25,658	27,863
	<u>2,973,583</u>	<u>2,731,564</u>

6 Directors' remuneration

	2016	2015
	£	£
Remuneration for qualifying services	<u>89,493</u>	<u>16,056</u>

7 Interest receivable and similar income

	2016	2015
	£	£
Interest income		
Interest on bank deposits	<u>-</u>	<u>31</u>

8 Interest payable and similar expenses

	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	7,558	4,065
Other finance costs:		
Other interest	8,593	8,876
	<u>16,151</u>	<u>12,941</u>

9 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	<u>135,686</u>	<u>190,230</u>
Deferred tax		
Origination and reversal of timing differences	<u>(4,803)</u>	<u>(8,604)</u>
Total tax charge	<u>130,883</u>	<u>181,626</u>

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	292,598	596,300
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	58,520	120,751
Tax effect of expenses that are not deductible in determining taxable profit	3,049	3,188
Permanent capital allowances in excess of depreciation	74,160	66,586
Deferred tax adjustments in respect of prior years	(4,803)	(8,604)
Provisions tax adjustment	(43)	(295)
Tax expense for the year	130,883	181,626

10 Intangible fixed assets

	as restated Goodwill £
Cost	
At 1 January 2016 and 31 December 2016	5,610,000
Amortisation and impairment	
At 1 January 2016	635,800
Amortisation charged for the year	355,300
At 31 December 2016	991,100
Carrying amount	
At 31 December 2016	4,618,900
At 31 December 2015	4,974,200

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Tangible fixed assets

	Plant and machinery	Equipment, fixtures and fittings	Total
	£	£	£
Cost			
At 1 January 2016	11,520	286,898	298,418
Additions	-	35,137	35,137
At 31 December 2016	11,520	322,035	333,555
Depreciation and impairment			
At 1 January 2016	1,504	111,117	112,621
Depreciation charged in the year	2,880	47,755	50,635
At 31 December 2016	4,384	158,872	163,256
Carrying amount			
At 31 December 2016	7,136	163,163	170,299
At 31 December 2015	10,016	175,781	185,797

12 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	670,570	875,598
Carrying amount of financial liabilities		
Measured at amortised cost	4,192,197	4,918,834

13 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	351,327	434,894
Other debtors	33,956	-
Prepayments and accrued income	75,679	83,234
	460,962	518,128

Trade debtors disclosed above are measured at amortised cost.

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Loans and overdrafts

	2016 £	2015 £
Bank loans	192,806	311,740
Directors' loans	2,656,895	3,243,049
	<u>2,849,701</u>	<u>3,554,789</u>
Payable within one year	704,335	1,419,160
Payable after one year	<u>2,145,366</u>	<u>2,135,629</u>

The long-term bank loans are secured by a cross guarantee between Gibbs Gillespie Sales Limited and Gibbs Gillespie Lettings Limited as well as a personal guarantee by J Gibbs and P Gillespie.

15 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	14	104,335	119,160
Trade creditors		43,419	52,006
Corporation tax		168,281	217,604
Other taxation and social security		254,336	218,669
Other creditors		1,811,121	2,548,734
Accruals and deferred income		87,956	63,305
		<u>2,469,448</u>	<u>3,219,478</u>

16 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 as restated £
Bank loans and overdrafts	14	88,471	192,580
Other borrowings	14	2,056,895	1,943,049
		<u>2,145,366</u>	<u>2,135,629</u>

17 Provisions for liabilities

		2016 £	2015 £
Deferred tax liabilities	18	32,357	37,160
		<u>32,357</u>	<u>37,160</u>

GIBBS GILLESPIE SALES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016****18 Deferred taxation**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2016	2015
Balances:	£	£
Accelerated capital allowances	32,357	37,160
	<u> </u>	<u> </u>
		2016
		£
Movements in the year:		
Liability at 1 January 2016		37,160
Effect of change in tax rate - profit or loss		(4,803)
		<u> </u>
Liability at 31 December 2016		32,357
		<u> </u>

The deferred tax liability set out above is expected to reverse over the life of the individual qualifying assets and relates to accelerated capital allowances that are expected to mature within the same period.

19 Retirement benefit schemes

	2016	2015
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	25,658	27,863
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At 31 December 2016 contributions amounting to £nil (2015 - £214) were payable to the fund and included in other creditors.

20 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

21 Profit and loss reserves

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

21 Profit and loss reserves

(Continued)

	2016	2015
	£	As restated £
At the beginning of the year	726,462	311,788
Profit for the year	161,715	414,674
At the end of the year	<u>888,177</u>	<u>726,462</u>

22 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	259,750	234,750
Between two and five years	923,583	882,750
In over five years	630,292	710,042
	<u>1,813,625</u>	<u>1,827,542</u>

In regard, to car leases, the legal obligation falls with Gibbs Gillespie Lettings Limited. However, during the year Gibbs Gillespie Sales Limited paid £81,776 for the cars utilised by their employees.

In regard, to the operating rental agreements, the legal obligation for the Amersham property falls with Gibbs Gillespie Lettings Limited. However, during the year Gibbs Gillespie Sales Limited paid £22,000 for occupying the premises.

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is as follows.

	2016	2015
	£	£
Aggregate compensation	<u>102,645</u>	<u>16,056</u>

The directors, J G Gibbs and P J Gillespie have provided a personal guarantee for the company's bank loan.

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

23 Related party transactions

(Continued)

Included in other creditors are balances of £1,197,039 (2015 - £1,233,239) and £12,744 (2015 - £12,744) owed to Gibbs Gillespie Lettings Limited and The Mortgage and Insurance Bureau Limited respectively. Both companies are registered in England and Wales and are related by virtue of the fact that they are under common control.

Included in other debtors is an amount of £33,956 (2015 - £nil) owed by JPR Investments Limited, a company incorporated in England and Wales. JPR Investments Limited, is related by virtue of having J Gillespie, P Gillespie and R Gibbs as directors in common.

An unlimited bank guarantee has been given by Gibbs Gillespie Sales Limited to its related company Gibbs Gillespie Lettings Limited and vice versa.

There is a cross guarantee and debenture between the company and JPR Investments Limited.

During the year the following transactions were recharged from/(to) the company:-

	2016	2015
Gibbs Gillespie Lettings Limited	(248,811)	(544,582)
Mortgage & Insurance Bureau Limited	(2,382)	(31,443)

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

24 Directors' transactions

Transactions in relation to loans with directors during the year are outlined in the table below:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
J G Gibbs - Directors loan account	-	848,250	-	-	235,709	612,541
P J Gillespie - Directors loan account	-	1,002,823	40	-	238,097	764,766
R W Gibbs - Directors loan account	-	1,391,976	180,337	-	292,725	1,279,588
		<u>3,243,049</u>	<u>180,377</u>	<u>-</u>	<u>766,531</u>	<u>2,656,895</u>

The balances have been split between creditors due within one year as follows;

Due in less than one year

	2016 £	2015 £
J G Gibbs	200,000	500,000
P J Gillespie	200,000	500,000
R W Gibbs	200,000	300,000
TOTAL	600,000	1,300,000

Due in more than one year

	2016 £	2015 £
J G Gibbs	412,541	348,250
P J Gillespie	564,766	502,823
R W Gibbs	1,079,588	1,091,976
TOTAL	2,056,895	1,943,049

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

25 Controlling party

There was no overall controlling party throughout the current or prior year.

26 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	161,715	414,674
Adjustments for:		
Taxation charged	130,883	181,626
Finance costs	16,151	12,941
Investment income	-	(31)
Amortisation and impairment of intangible assets	355,300	285,800
Depreciation and impairment of tangible fixed assets	50,635	60,665
Movements in working capital:		
Decrease in debtors	57,166	21,700
Increase in creditors	14,118	414,652
Cash generated from operations	<u>785,968</u>	<u>1,392,027</u>

27 Prior period adjustment

The restatement relates to an adjustment to the original 2014 valuation of goodwill and the subsequent amortisation charge thereon.

Changes to the balance sheet

	At 31 December 2015		
	As previously reported £	Adjustment £	As restated £
Fixed assets			
Goodwill	6,206,667	(1,232,467)	4,974,200
Creditors due after one year			
Loans and overdrafts	(3,525,629)	1,390,000	(2,135,629)
Net assets	<u>569,029</u>	<u>157,533</u>	<u>726,562</u>
Capital and reserves			
Profit and loss	<u>568,929</u>	<u>157,533</u>	<u>726,462</u>

GIBBS GILLESPIE SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

27 Prior period adjustment

(Continued)

Changes to the profit and loss account

	Period ended 31 December 2015		
	As previously reported	Adjustment	As restated
	£	£	£
Administrative expenses	(5,103,885)	157,533	(4,946,352)
Profit for the financial period	257,141	157,533	414,674