

BRECHIN MOTOR COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

BRECHIN MOTOR COMPANY LIMITED

COMPANY INFORMATION

DIRECTOR Mr W E Callander

COMPANY SECRETARY Mrs M Callander

REGISTERED NUMBER SC088639

REGISTERED OFFICE Westby
64 West High Street
Forfar
Angus
DD8 1BJ

ACCOUNTANTS EQ Accountants LLP
Chartered Accountants
Westby
64 West High Street
Forfar
Angus
DD8 1BJ

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	4	<u>7,397</u>	<u>8,790</u>
		7,397	8,790
CURRENT ASSETS			
Stocks		17,954	10,571
Debtors: amounts falling due within one year	5	222	5,570
Cash at bank and in hand		<u>8,685</u>	<u>4,449</u>
		26,861	20,590
Creditors: amounts falling due within one year	6	<u>(641,831)</u>	<u>(642,635)</u>
NET CURRENT LIABILITIES		(614,970)	(622,245)
NET LIABILITIES		<u>(607,573)</u>	<u>(613,455)</u>
CAPITAL AND RESERVES			
Called up share capital	7	160,000	160,000
Profit and loss account		<u>(767,573)</u>	<u>(773,455)</u>
		<u>(607,573)</u>	<u>(613,455)</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 May 2018.

Mr W E Callander

Director

The notes on pages 2 to 5 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

1. GENERAL INFORMATION

Brechin Motor Company is a private company, limited by shares, incorporated in Scotland with the registration number SC088639. The registered office is Westby, 64 West High Street, Forfar, DD8 1BJ and the principal place of business is Carsview Road, Forfar, DD8 3NG.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The accounts have been prepared on the going concern basis. The profit and loss reserves are negative and the company is dependant on the continuing support from the director. The director has confirmed that he intends to support the company for the foreseeable future.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover 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 turnover 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.4 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and Machinery	-	15.00%
Trailers	-	12.50%
Equipment	-	10.00%

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 in the Statement of income and retained earnings.

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. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting 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 Financial instruments

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

2.7 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 payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 1 (2016 - 1).

4. TANGIBLE FIXED ASSETS

	Plant and Machinery	Trailers	Fixtures & Fittings	Total
	£	£	£	£
COST OR VALUATION				
At 1 November 2016	7,624	13,748	1,816	23,188
Disposals	-	(1,235)	-	(1,235)
At 31 October 2017	<u>7,624</u>	<u>12,513</u>	<u>1,816</u>	<u>21,953</u>
DEPRECIATION				
At 1 November 2016	5,229	8,005	1,164	14,398
Charge for the year on owned assets	361	682	66	1,109
Disposals	-	(951)	-	(951)
At 31 October 2017	<u>5,590</u>	<u>7,736</u>	<u>1,230</u>	<u>14,556</u>
NET BOOK VALUE				
At 31 October 2017	<u>2,034</u>	<u>4,777</u>	<u>586</u>	<u>7,397</u>
<i>At 31 October 2016</i>	<u>2,395</u>	<u>5,743</u>	<u>652</u>	<u>8,790</u>

5. DEBTORS

	2017	2016
	£	£
Trade debtors	222	5,570
	<u>222</u>	<u>5,570</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

6. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	7,992	6,441
Other taxation and social security	482	1,627
Other creditors	631,331	632,741
Accruals and deferred income	2,026	2,026
	<u>641,831</u>	<u>642,835</u>

7. SHARE CAPITAL

	2017	2016
	£	£
Allotted, called up and fully paid		
160,000 Ordinary shares of £1 each	<u>160,000</u>	<u>160,000</u>

8. 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.