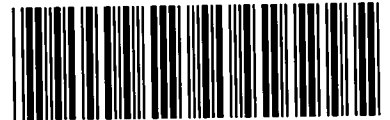


Company Registration No. SC125713 (Scotland)

MORRISON MOTORS (TURRIFF) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

WEDNESDAY



S5KCSNA8

SCT

23/11/2016

#373

COMPANIES HOUSE

MORRISON MOTORS (TURRIFF) LIMITED

COMPANY INFORMATION

Directors	B C Morrison E J Morrison
Secretary	E J Morrison
Company number	SC125713
Registered office	Axis Business Centre Thainstone Inverurie AB51 5TB
Auditor	Johnston Carmichael LLP Axis Business Centre Thainstone INVERURIE AB51 5TB
Solicitors	Stewart & Watson 59 High Street Turrieff AB53 4EL

MORRISON MOTORS (TURRIFF) LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 21

MORRISON MOTORS (TURRIFF) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2016

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

Fair review of the business

Morrison Motors (Turrieff) Limited is an independently owned car dealership which is based in Turrieff, Aberdeenshire. The company's principal activity continues to be that of motor car dealers.

Turnover has decreased by 11% leading to a decrease in profit before taxation of 39%. The balance sheet shows that the net asset position of the company at the year end has increased by 5% compared to the previous year.

The company's activities expose it to a number of risks including market & economic risk, funding and liquidity risk and financial risk. Sourcing good vehicle stock to sell is an increasing challenge which could, in the worst case scenario, ultimately lead to loss of custom.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses surplus cash funds held at bank. The company therefore has sufficient financial resources and is well placed to manage its business risks.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

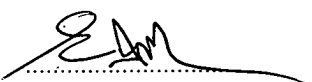
The company's principal financial assets are cash balances held at bank and trade debtors. The company's credit risk is primarily attributed to trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debtors. The credit risk on liquid funds held at banks is considered to be limited. The company has no significant concentration of credit risk, with exposures spread over a large number of counterparties and customers.

The company will continue to develop its core business and the directors are not aware at the date of this report, of any likely significant changes in the company activities during the coming year.

Principal risks and uncertainties

Competitive pressure has remained steady in the motor dealer trade. The company continues to be a high profile motor dealer in Scotland. The company has a strategy to continue this achievement by offering quality and personal service to its customers. We are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

On behalf of the board



E J Morrison

Director

15/11/16

MORRISON MOTORS (TURRIFF) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2016

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

Principal activities

The company is owned by its directors, and it operates in north east Scotland.

The company's principal activity continued to be that of motor car dealers and there have not been any significant changes in the company's principal activities during the year under review. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the next year.

Directors

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

B C Morrison

E J Morrison

Results and dividends

The results for the year are set out on page 6.

Dividends paid during the year were £400,000 (2015 - £1,254,000).

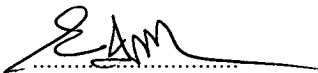
Auditor

In accordance with the company's articles, a resolution proposing that Johnston Carmichael LLP 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



E J Morrison

Director

15/11/16

MORRISON MOTORS (TURRIFF) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2016

The directors are responsible for preparing the annual 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;
- 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.

MORRISON MOTORS (TURRIFF) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MORRISON MOTORS (TURRIFF) LIMITED

We have audited the financial statements of Morrison Motors (Turriff) Limited for the year ended 31 July 2016 set out on pages 6 to 21. 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 3, 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 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 July 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MORRISON MOTORS (TURRIFF) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MORRISON MOTORS (TURRIFF) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Graeme Fraser (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

Chartered Accountants
Statutory Auditor

16 NOVEMBER 2016

Axis Business Centre
Thainstone
INVERURIE
AB51 5TB

MORRISON MOTORS (TURRIFF) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2016

	Notes	2016 £	2015 £
Turnover	3	26,791,482	30,038,404
Cost of sales		(25,243,343)	(28,022,851)
Gross profit		1,548,139	2,015,553
Administrative expenses		(635,161)	(605,152)
Operating profit	4	912,978	1,410,401
Interest receivable and similar income	7	11,576	49,975
Interest payable and similar charges	8	(252)	-
Other gains and losses	9	-	52,121
Profit before taxation		924,302	1,512,497
Taxation	10	(190,201)	(328,130)
Profit for the financial year	21	734,101	1,184,367

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

There are no recognised gains and losses in the current or prior year other than as included in the profit and loss account. Accordingly, no statement of comprehensive income is presented.

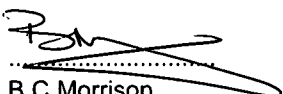
MORRISON MOTORS (TURRIFF) LIMITED

BALANCE SHEET

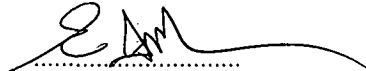
AS AT 31 JULY 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	12		505,130		397,633
Current assets					
Stocks	14	3,190,816		3,212,390	
Debtors	15	1,451,816		1,397,804	
Cash at bank and in hand		3,238,462		2,701,438	
		7,881,094		7,311,632	
Creditors: amounts falling due within one year	16	(1,161,929)		(831,244)	
Net current assets			6,719,165		6,480,388
Total assets less current liabilities			7,224,295		6,878,021
Provisions for liabilities	18		(27,138)		(14,965)
Net assets			7,197,157		6,863,056
Capital and reserves					
Called up share capital	20		100		100
Profit and loss reserves	21		7,197,057		6,862,956
Total equity			7,197,157		6,863,056

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


B C Morrison
Director

15/11/16


E J Morrison
Director

15/11/16

Company Registration No. SC125713

MORRISON MOTORS (TURRIFF) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 August 2014		100	6,932,589	6,932,689
Year ended 31 July 2015:				
Profit and total comprehensive income for the year		-	1,184,367	1,184,367
Dividends	11	-	(1,254,000)	(1,254,000)
Balance at 31 July 2015		100	6,862,956	6,863,056
Year ended 31 July 2016:				
Profit and total comprehensive income for the year		-	734,101	734,101
Dividends	11	-	(400,000)	(400,000)
Balance at 31 July 2016		100	7,197,057	7,197,157

MORRISON MOTORS (TURRIFF) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	25	1,445,642		838,869	
Interest paid		(252)		-	
Income taxes paid		(331,751)		(308,255)	
Net cash inflow from operating activities		1,113,639		530,614	
Investing activities					
Purchase of tangible fixed assets		(188,191)		(301,590)	
Proceeds on disposal of tangible fixed assets		-		3,350	
Proceeds on disposal of fixed asset investments		-		1,214,560	
Interest received		11,576		12,781	
Dividends received		-		37,194	
Net cash (used in)/generated from investing activities		(176,615)		966,295	
Financing activities					
Repayment of bank loans		-		(96,971)	
Dividends paid		(400,000)		(1,254,000)	
Net cash used in financing activities		(400,000)		(1,350,971)	
Net increase in cash and cash equivalents		537,024		145,938	
Cash and cash equivalents at beginning of year		2,701,438		2,555,500	
Cash and cash equivalents at end of year		3,238,462		2,701,438	

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies

Company information

Morrison Motors (Turrieff) Limited is a company limited by shares incorporated in Scotland. The registered office is Axis Business Centre, Thainstone, Inverurie, AB51 5TB.

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 pound.

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

These financial statements for the year ended 31 July 2016 are the first financial statements of Morrison Motors (Turrieff) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for the sale of vehicles, workshop parts & services and finance commission net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 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.

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies

(Continued)

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	- 10% - 20% reducing balance
Plant and machinery	- 25% reducing balance
Fixtures, fittings & equipment	- 25% reducing balance
Computer equipment	- 25% reducing balance
Motor vehicles	- 25% reducing balance

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised 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.

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

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.

Impairment of financial assets

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. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal 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, 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.

Classification of financial liabilities

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.

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or 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. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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 is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.12 Retirement benefits

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

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.

Stock valuation

The application of the company's accounting policy (see Note 1.6), particularly in relation to assessment of impairment, requires management judgement.

3 Turnover and other revenue

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

	2016 £	2015 £
Turnover		
Vehicle sales and maintenance	26,791,482	30,038,404

Other significant revenue

Interest income	11,576	12,781
Dividends received	-	37,194

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	26,791,482	30,038,404

4 Operating profit

	2016 £	2015 £
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	15,000	15,000
Depreciation of owned tangible fixed assets	80,126	31,923
Loss/(profit) on disposal of tangible fixed assets	568	(1,937)
Cost of stocks recognised as an expense	23,996,103	26,793,132

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

5 Employees

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

	2016 Number	2015 Number
Sales	18	19
Administration and directors	7	8
Garage services	12	10
	<u>37</u>	<u>37</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	1,181,369	1,198,869
Social security costs	114,315	124,487
Pension costs	29,754	4,113
	<u>1,325,438</u>	<u>1,327,469</u>

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	<u>72,000</u>	<u>72,000</u>

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	11,576	12,781
Other income from investments		
Dividends received	-	37,194
Total income	<u>11,576</u>	<u>49,975</u>

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

8 Interest payable and similar charges

	2016 £	2015 £
Other finance costs:		
Other interest	252	-
	<u>252</u>	<u>-</u>

9 Other gains and losses

	2016 £	2015 £
Gain on disposal of fixed asset investments	-	52,121
	<u>-</u>	<u>52,121</u>

10 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	178,028	331,751
	<u>178,028</u>	<u>331,751</u>
Deferred tax		
Origination and reversal of timing differences	14,418	(3,621)
Changes in tax rates	(2,245)	-
	<u>12,173</u>	<u>(3,621)</u>
Total deferred tax	12,173	(3,621)
	<u>12,173</u>	<u>(3,621)</u>
Total tax charge	190,201	328,130
	<u>190,201</u>	<u>328,130</u>

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

	2016 £	2015 £
Profit before taxation	924,302	1,512,497
	<u>924,302</u>	<u>1,512,497</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.67%)	184,860	312,633
Tax effect of expenses that are not deductible in determining taxable profit	1,749	3,450
Tax effect of income not taxable in determining taxable profit	-	(10,771)
Effect of change in corporation tax rate	(4,789)	-
Fixed asset differences	8,381	1,735
Chargeable gains	-	21,083
	<u>190,201</u>	<u>328,130</u>
Tax expense for the year	190,201	328,130
	<u>190,201</u>	<u>328,130</u>

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

11 Dividends

	2016 £	2015 £
Interim paid	400,000	1,254,000

12 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost						
At 1 August 2015	540,761	141,013	66,646	-	72,944	821,364
Additions	113,838	45,505	5,500	23,348	-	188,191
Disposals	-	-	-	-	(4,255)	(4,255)
At 31 July 2016	654,599	186,518	72,146	23,348	68,689	1,005,300
Depreciation and impairment						
At 1 August 2015	214,526	119,071	36,611	-	53,523	423,731
Depreciation charged in the year	47,256	16,156	7,623	4,378	4,713	80,126
Eliminated in respect of disposals	-	-	-	-	(3,687)	(3,687)
At 31 July 2016	261,782	135,227	44,234	4,378	54,549	500,170
Carrying amount						
At 31 July 2016	392,817	51,291	27,912	18,970	14,140	505,130
At 31 July 2015	326,235	21,942	30,035	-	19,421	397,633

13 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,385,323	1,347,869
Carrying amount of financial liabilities		
Measured at amortised cost	924,466	579,071

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

14 Stocks

	2016 £	2015 £
Parts and workshop supplies	50,037	49,150
Vehicles	3,140,779	3,163,240
	<u>3,190,816</u>	<u>3,212,390</u>

15 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	507,911	581,969
Other debtors	877,412	765,900
Prepayments and accrued income	66,493	49,935
	<u>1,451,816</u>	<u>1,397,804</u>

16 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	227,530	262,778
Corporation tax	28,028	181,751
Other taxation and social security	209,435	70,422
Other creditors	610,457	230,385
Accruals and deferred income	86,479	85,908
	<u>1,161,929</u>	<u>831,244</u>

17 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	27,138	14,965
	<u>27,138</u>	<u>14,965</u>

18

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 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 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	27,138	14,965
Movements in the year:		2016 £
Liability at 1 August 2015		14,965
Charge to profit or loss		12,173
Liability at 31 July 2016		27,138

19 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	29,754	4,113

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.

20 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

21 Profit and loss reserves

The profit and loss account reserve represents cumulative profits and losses net of dividends and other adjustments.

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	79,697	79,697

Transactions with related parties

During the year the company made sales of £206,893 (2015 - £63,665) to, and purchase of £1,642,577 (2015 - £1,251,519) from, MVR (Turrieff) Limited, a company in which the directors of the company are directors and shareholders. At the year end the balance due from MVR (Turrieff) Limited was £768,888 (2015 - £770,418).

23 Directors' transactions

Dividends totalling £400,000 (2015 - £1,254,000) were paid in the year in respect of shares held by the company's directors.

The company operates current accounts with the directors through which various personal expenses are offset. At the year end the directors were owed the following amounts:

B C Morrison £318,116 (2015 - £138,188)

E J Morrison £226,681 (2015 - £29,741)

These amounts are included in creditors due in less than one year. The amounts owed by the company are interest free and there are no fixed terms of repayment.

During the year the directors charged the company rent of £60,000 (2015 - £60,000) for use of the premises which they own personally. The rent is charged at market value.

During the prior year a director purchased a car from the company for £52,261, there have been no such transactions during the current year. The company purchased a car from a director for £42,000 (2015 - £900).

24 Controlling party

The company is controlled by the directors who equally own 100% of the issued share capital.

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

25 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	734,101	1,184,367
Adjustments for:		
Taxation charged	190,201	328,130
Finance costs	252	-
Investment income	(11,576)	(49,975)
Loss/(gain) on disposal of tangible fixed assets	568	(1,937)
Depreciation and impairment of tangible fixed assets	80,126	31,923
Gain on sale of investments	-	(52,121)
Movements in working capital:		
Decrease/(increase) in stocks	21,574	(173,121)
(Increase) in debtors	(54,012)	(355,776)
Increase/(decrease) in creditors	484,408	(72,621)
Cash generated from operations	1,445,642	838,869