

ADAM PURVES GALASHIELS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
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ADAM PURVES GALASHIELS LIMITED

COMPANY INFORMATION

Directors	Ian E Purves Andrew A Purves
Secretary	Angus A Towers
Company number	SC194613
Registered office	Wilderhaugh GALASHIELS Scottish Borders TD1 1PW
Auditor	Hogg & Thorburn Moat House 14 Gala Park GALASHIELS Scottish Borders TD1 1EX

ADAM PURVES GALASHIELS LIMITED

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ADAM PURVES GALASHIELS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present the strategic report for the year ended 31 March 2017.

This strategic report has been prepared solely to provide additional information to assess the company's strategies and the potential for those strategies to succeed.

The strategic report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The directors in preparing this strategic report, have complied with S414C of the Companies Act 2016.

The strategic report is only part of the company's annual accounts and reports.

ADAM PURVES GALASHIELS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Fair review of the business

Business Review

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end.

Our review is consistent with the size and non-complex nature of our business and is written in context of the risks and uncertainties we face.

As a Mitsubishi dealer, the company continues to deal in new and used motor vehicles and provides vehicle servicing and repairs for Mitsubishi vehicles and others.

The company's activities are organised into the following five divisions:

- Sales of new and used vehicles
- Servicing and repairs
- Fuel forecourts
- Convenience store
- Rental properties

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin and return on capital employed.

The net profit/(loss) after providing for taxation amounted to £350,367 (2016 - £462,047).

A review of the operations of the company during the financial year and the results of those operations are as follows:

Turnover has decreased by 11.6%.

The two sites owned by Motor Fuel Ltd, Easthouses and Jedburgh were operated by the company until September 2016 when they ceased. This has had an impact on shop sales. Shop sales have also been negatively impacted by tobacco sales "going dark".

Fuel sales dropped by less than 1%, with a 5% drop in volumes offset by an increase in prices.

Vehicle sales have decreased by 6%. This has been driven by a 32% decrease in new car sales volumes, whilst second hand volumes have increased, resulting in a 7% decrease in volumes overall.

Vehicle margins have improved resulting in an increase in the overall margin from 5.59% to 5.87%.

Principal risks and uncertainties

The principal risks and uncertainties facing the company relate to the margin achievable on fuel sales which is greatly influenced by the pricing of the supermarket groups who operate with much smaller margins due to the scale of their operations. Also the company has made a significant investment in support of the Mitsubishi Motors franchise and progress in this part of the business is very dependent upon Mitsubishi continuing to provide vehicles which are attractive to customers and which will sell in significant numbers.

Development and performance

At the year end date the net reserves have increased by £212,175 from £2,607,997 to £2,820,172.

ADAM PURVES GALASHIELS LIMITED

STRATEGIC REPORT (CONTINUED)

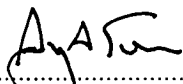
FOR THE YEAR ENDED 31 MARCH 2017

Key performance indicators

Financials

	2017 £	2016 £
Earnings before, interest, tax, depreciation and gains/profits	150,600	144,118
Net Current Assets	1,518,097	1,523,515
Return on capital employed before exceptionals	0.99%	1.83%

By order of the board



.....
Angus A. Towers
Secretary

.....
31/11/17

ADAM PURVES GALASHIELS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	£	2017 £	£	2016 £
Fixed assets					
Property, plant and equipment	5		1,000,938		1,397,512
Investment properties	6		569,240		-
Investments	7		45,792		44,792
			<u>1,615,970</u>		<u>1,442,304</u>
Current assets					
Inventories	8	898,750		925,477	
Trade and other receivables falling due after one year	9	977,381		955,666	
Trade and other receivables falling due within one year	9	293,379		369,274	
Cash at bank and in hand		75,123		26,551	
		<u>2,244,633</u>		<u>2,276,968</u>	
Current liabilities	10	(726,540)		(753,453)	
Net current assets			<u>1,518,093</u>		<u>1,523,515</u>
Total assets less current liabilities			<u>3,134,063</u>		<u>2,965,819</u>
Non-current liabilities	11		(258,611)		(333,131)
Provisions for liabilities	13		(55,280)		(24,691)
Net assets			<u>2,820,172</u>		<u>2,607,997</u>
Equity					
Called up share capital	14		408,143		408,143
Share premium account	15		127,451		127,451
Revaluation reserve	16		304,700		365,146
Capital redemption reserve	17		91,860		91,860
Retained earnings	18		1,888,018		1,615,397
Total equity			<u>2,820,172</u>		<u>2,607,997</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

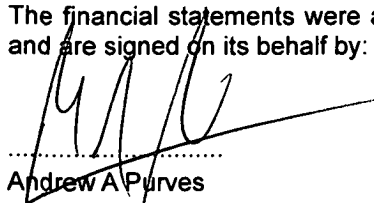
These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

ADAM PURVES GALASHIELS LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2017

The financial statements were approved by the board of directors and authorised for issue on 06/11/17 and are signed on its behalf by:



.....
Andrew A Purves
Director

Company Registration No. SC194613

ADAM PURVES GALASHIELS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	£	2017 £	£	2016 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24		190,438		(576,444)
Interest paid			(16,551)		(14,470)
Income taxes paid			(22,578)		(28,470)
Net cash inflow/(outflow) from operating activities			151,309		(619,384)
Investing activities					
Purchase of property, plant and equipment		(36,466)		(33,645)	
Proceeds on disposal of property, plant and equipment		-		467,465	
Purchase of fixed asset investments		(1,000)		-	
Proceeds on disposal of fixed asset investments		2,500		-	
Interest received		26		96	
Net cash (used in)/generated from investing activities			(34,940)		433,916
Financing activities					
Proceeds from issue of shares		-		3	
Repayment of borrowings		(17,420)		(17,421)	
Repayment of bank loans		(55,937)		(54,009)	
Dividends paid		(10,000)		(47,000)	
Net cash used in financing activities			(83,357)		(118,427)
Net increase/(decrease) in cash and cash equivalents			33,012		(303,895)
Cash and cash equivalents at beginning of year			26,551		330,446
Cash and cash equivalents at end of year			59,563		26,551
Relating to:					
Cash at bank and in hand			75,123		26,551
Bank overdrafts included in creditors payable within one year			(15,560)		-

ADAM PURVES GALASHIELS LIMITED

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

1 Accounting policies

Company information

Adam Purves Galashiels Limited is a private company limited by shares incorporated in Scotland. The registered office is Wilderhaugh, GALASHIELS, Scottish Borders, TD1 1PW.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

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 Revenue

Revenue represents the sale of fuel, fuel commission at the Shell sites and forecourt shop sales; new and used vehicle sales; servicing, parts and repairs; car wash sales; other shop sales all net of value added tax and trade discounts.

Revenue from the sale of fuel, shop sales and vehicle sales 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 vehicle repairs and 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.

Other income represents rentals received from properties owned by the company.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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:

Land and buildings Freehold	Straight line basis over 50 years
Plant and machinery	10% - 25% straight line

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.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as property, plant and equipment.

1.6 Impairment of non-current 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.

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.7 Inventories

Inventories 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 inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories 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.

1.8 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.

1.9 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 trade and other receivables 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.10 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.

1.11 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 income statement 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 tax 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 income statement, 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 and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 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 non-current 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.

1.13 Retirement benefits

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

1.14 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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 lease 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.

3 Employees

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

	2017 Number	2016 Number
Administration	5	5
Forecourts	23	48
Vehicle servicing and repairs	5	5
Vehicle sales	4	4
Management	3	3
	<u>40</u>	<u>65</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	583,446	754,955
Social security costs	38,050	43,472
Pension costs	18,227	18,199
	<u>639,723</u>	<u>816,626</u>

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

4 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	22,047	20,220
Company pension contributions to defined contribution schemes	7,200	7,200
	<u>29,247</u>	<u>27,420</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

5 Property, plant and equipment

	Land and buildings Freehold £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2016	1,400,000	486,180	1,886,180
Additions	-	36,466	36,466
Disposals	-	(7,457)	(7,457)
Transfer to investment property	(416,500)	-	(416,500)
At 31 March 2017	<u>983,500</u>	<u>515,189</u>	<u>1,498,689</u>
Depreciation and impairment			
At 1 April 2016	140,000	348,668	488,668
Depreciation charged in the year	19,670	38,520	58,190
Eliminated in respect of disposals	-	(7,457)	(7,457)
Transfer to investment property	(41,650)	-	(41,650)
At 31 March 2017	<u>118,020</u>	<u>379,731</u>	<u>497,751</u>
Carrying amount			
At 31 March 2017	<u>865,480</u>	<u>135,458</u>	<u>1,000,938</u>
At 31 March 2016	<u>1,260,000</u>	<u>137,512</u>	<u>1,397,512</u>

The freehold land and buildings were valued on an open market basis by Ryden LLP a firm of independent Chartered Surveyors.

If these properties were sold for their revalued amounts it would be necessary to replace them with similar property, and rollover relief against tax on the gain would be available. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

5 Property, plant and equipment

(Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017 £	2016 £
Cost	855,149	1,143,457
Accumulated depreciation	(373,455)	(356,352)
Carrying value	<u>481,694</u>	<u>787,105</u>

The revaluation surplus is disclosed in note 26.

Freehold land and buildings with a carrying amount of £865,480 (2016 - £1,260,000) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

6 Investment property

	2017 £
Fair value	
At 1 April 2016	-
Transfers from owner-occupied property	416,500
Net gains or losses through fair value adjustments	152,740
At 31 March 2017	<u>569,240</u>

Investment property comprises of rental units at Wilderhaugh and Tweedbank in Galashiels. The fair value of the investment properties has been arrived at on the basis of a valuation carried out by Ryden LLP Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties available to rent within the area together with the directors' opinion.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2017 £	2016 £
Cost	288,308	288,308
Accumulated depreciation	-	-
Carrying amount	<u>288,308</u>	<u>288,308</u>

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

6 Investment property (Continued)

	2017 £	2016 £
Freehold	569,240	288,308

7 Fixed asset investments

	2017 £	2016 £
Unlisted investments	45,792	44,792

It is the opinion of the directors that these investments are equal to cost.

Movements in non-current investments

	Investments other than loans £
Cost or valuation	
At 1 April 2016	44,792
Additions	1,000
At 31 March 2017	45,792
Carrying amount	
At 31 March 2017	45,792
At 31 March 2016	44,792

8 Inventories

	2017 £	2016 £
Finished goods and goods for resale	898,750	925,477

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

9 Trade and other receivables

	2017	2016
	£	£
Amounts falling due within one year:		
Trade receivables	154,189	242,807
Other receivables	132,808	116,382
Prepayments and accrued income	6,382	10,085
	<u>293,379</u>	<u>369,274</u>
Amounts falling due after more than one year:		
Other receivables	<u>977,381</u>	<u>955,666</u>
Total debtors	<u>1,270,760</u>	<u>1,324,940</u>

Included in "other debtors: Amounts falling due after one year" is a balance of £977,381 (2016 - £955,666).

This is due to a company, Adam Purves Estates Limited, of which Andrew A Purves and Ian E Purves are directors.

10 Current liabilities

	Notes	2017	2016
		£	£
Bank loans and overdrafts	12	71,497	54,774
Trade payables		244,655	387,535
Corporation tax		20,010	22,603
Other taxation and social security		50,570	14,702
Other payables		274,016	196,951
Accruals and deferred income		65,792	76,888
		<u>726,540</u>	<u>753,453</u>

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

11 Non-current liabilities

	Notes	2017 £	2016 £
Bank loans and overdrafts	12	247,213	304,313
Other borrowings	12	11,398	28,818
		<u>258,611</u>	<u>333,131</u>

The bank loans and overdraft are secured by standard securities and a bond and floating charge over the assets of the company.

The company has provided bank guarantees for Shell UK Oil Products Limited for £100,000 dated August 2007 which covers the fuel supplies for the company's own site at Wilderhaugh, Galashiels.

12 Borrowings

	2017 £	2016 £
Bank loans	303,150	359,087
Bank overdrafts	15,560	-
Other loans	11,398	28,818
	<u>330,108</u>	<u>387,905</u>
Payable within one year	71,497	54,774
Payable after one year	<u>258,611</u>	<u>333,131</u>

The long-term bank loans are secured by standard securities and a bond and floating charge over the assets of the company which total £303,150 (2016 - £359,087).

13 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities		55,280	24,691
		<u>55,280</u>	<u>24,691</u>

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

14 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
408,140 Ordinary shares of £1 each	408,140	408,140
1 A Ordinary shares of £1 each	1	1
1 B Ordinary shares of £1 each	1	1
1 C Ordinary shares of £1 each	1	1
	<u>408,143</u>	<u>408,143</u>

15 Share premium account

	2017 £	2016 £
At beginning and end of year	<u>127,451</u>	<u>127,451</u>

16 Revaluation reserve

	2017 £	2016 £
At beginning of year	365,146	810,067
Share of other comprehensive income of associate	67,746	(29,340)
Other movements	(128,192)	(415,581)
At end of year	<u>304,700</u>	<u>365,146</u>

17 Capital redemption reserve

	2017 £	2016 £
At beginning and end of year	<u>91,860</u>	<u>91,860</u>

18 Retained earnings

	2017 £	2016 £
At the beginning of the year	1,615,397	1,171,010
Profit for the year	350,367	462,047
Dividends	(10,000)	(47,000)
Transfer from revaluation reserve	(67,746)	29,340
At the end of the year	<u>1,888,018</u>	<u>1,615,397</u>

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

19 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Andrew Wayness.

The auditor was Hogg & Thorburn.

20 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for two properties. The leases are negotiated for an average of 2 to 7 years and rentals are fixed for 2 years with an option to extend for a further 2 to 5 years at the prevailing market rate that is agreed.

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:

	2017 £	2016 £
Within one year	18,600	-
Between two and five years	8,386	-
	<u>26,986</u>	<u>-</u>

Lessor

The company owns two units at different sites to generate rental income. Rental income earned during the year was £70,413 (2016 - £83,384). All the properties have committed tenants for the next few years. The leases are negotiated over terms of 3 to 5 years and rentals are fixed for 1 to 3 years. All leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2017 £	2016 £
Within one year	56,924	-
Between two and five years	179,023	-
In over five years	22,638	-
	<u>258,585</u>	<u>-</u>

21 Events after the reporting date

There are no material events that have happened since the end of the reporting date.

22 Related party transactions

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

22 Related party transactions

(Continued)

During the year Andy Purves Limited provided services amounting to £4,800 to the company and there was £5,760 outstanding at the year end date.

Andrew A Purves is a director of both companies.

23 Controlling party

The ultimate controlling party is the director Andrew A Purves who is the controlling shareholder of APGL Holdings Ltd the parent company of Adam Purves Galashiels Limited.

24 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	350,367	462,047
Adjustments for:		
Taxation charged	50,574	24,407
Finance costs	16,551	14,470
Investment income	(26)	(96)
(Gain)/loss on disposal of property, plant and equipment	-	1,123
Depreciation and impairment of property, plant and equipment	58,190	56,412
Gain on sale of investments	(2,500)	-
Other gains and losses	(322,582)	-
Movements in working capital:		
Decrease/(increase) in inventories	26,727	(142,298)
Decrease/(increase) in trade and other receivables	54,180	(980,501)
(Decrease) in trade and other payables	(41,043)	(12,008)
Cash generated from/(absorbed by) operations	190,438	(576,444)