

Company Registration No. SC239366 (Scotland)

**KINGHORN BODYSHOP LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2016**  
**PAGES FOR FILING WITH REGISTRAR**

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**KINGHORN BODYSHOP LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

|                                                       | Notes | 2016<br>£        | £             | 2015<br>£        | £             |
|-------------------------------------------------------|-------|------------------|---------------|------------------|---------------|
| <b>Fixed assets</b>                                   |       |                  |               |                  |               |
| Tangible assets                                       | 3     |                  | 150,993       |                  | 161,718       |
| <b>Current assets</b>                                 |       |                  |               |                  |               |
| Stocks                                                |       | 41,298           |               | 41,624           |               |
| Debtors                                               | 4     | 378,061          |               | 522,520          |               |
| Cash at bank and in hand                              |       | 1,784            |               | 252              |               |
|                                                       |       | <u>421,143</u>   |               | <u>564,396</u>   |               |
| <b>Creditors: amounts falling due within one year</b> | 5     | <u>(537,574)</u> |               | <u>(681,218)</u> |               |
| <b>Net current liabilities</b>                        |       |                  | (116,431)     |                  | (116,822)     |
| <b>Total assets less current liabilities</b>          |       |                  | 34,562        |                  | 44,896        |
| <b>Provisions for liabilities</b>                     | 6     |                  | (17,495)      |                  | (17,782)      |
| <b>Net assets</b>                                     |       |                  | <u>17,067</u> |                  | <u>27,114</u> |
| <b>Capital and reserves</b>                           |       |                  |               |                  |               |
| Called up share capital                               | 7     |                  | 100           |                  | 100           |
| Profit and loss reserves                              |       |                  | 16,967        |                  | 27,014        |
| <b>Total equity</b>                                   |       |                  | <u>17,067</u> |                  | <u>27,114</u> |

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

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

# KINGHORN BODYSHOP LIMITED

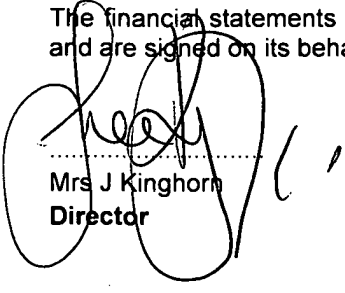
## STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2016

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

The financial statements were approved by the board of directors and authorised for issue on 13/09/17 and are signed on its behalf by:



Mrs J Kinghorn  
Director

# KINGHORN BODYSHOP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

#### Company information

Kinghorn Bodyshop Limited is a private company limited by shares incorporated in Scotland. The registered office is Blackburn Business Park, Blackburn, Aberdeen, AB21 0PS.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

#### First time adoption of FRS102

These financial statements are the first financial statements of Kinghorn Bodyshop Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Kinghorn Bodyshop Limited for the year ended 31 December 2015 were prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the Financial Reporting Standard for Smaller Entities (effective January 2015). Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### Going concern

Trading activity has improved in 2016 in comparison to 2015 however margins have decreased slightly. Results during 2017 to date suggest that trading activity and margins will be improved. The directors forecast that turnover and profitability will continue at similar levels during 2018. Local economic factors are difficult to predict in the longer term but the directors believe that the company is in good shape to continue to trade profitably for the foreseeable future.

Working capital is largely provided by bank borrowings. The directors are confident that the company can operate within agreed banking facilities and have no reason to believe that these facilities will not continue to be available. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Turnover

Turnover represents revenue recognised in the accounts. Revenue is recognised when the company fulfils its contractual obligations to customers by supplying goods and services and excludes value added tax. Where services are performed gradually over time revenue is recognised as activity progresses by reference to the value of the work performed.

Turnover includes repair work which is incomplete at the year end, where it is possible to invoice work done to date. Where it is not possible to invoice on-going repair work it is included in stocks.

# KINGHORN BODYSHOP LIMITED

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

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### 1 Accounting policies (Continued)

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 professional 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.

#### **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:

|                             |                       |
|-----------------------------|-----------------------|
| Land and buildings Freehold | 10% straight line     |
| Plant and machinery         | 15% reducing balance  |
| Office equipment            | 3 years straight line |
| Motor vehicles              | 15% 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.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and condition expected at the end of its useful life.

#### **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.

#### **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.

Stocks 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.

# KINGHORN BODYSHOP LIMITED

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

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### 1 Accounting policies (Continued)

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.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments 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.

#### **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 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 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **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.

# KINGHORN BODYSHOP LIMITED

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

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### 1 Accounting policies (Continued)

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, 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.

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

#### ***Derecognition of financial liabilities***

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

#### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of 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.

#### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### ***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.

# KINGHORN BODYSHOP LIMITED

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

### 1 Accounting policies (Continued)

#### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### Leases

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 Employees

The average monthly number of persons (including directors) employed by the company during the year was 28 (2015 - 25).

### 3 Tangible fixed assets

|                                    | Land and<br>buildings | Plant and<br>machinery<br>etc | Total          |
|------------------------------------|-----------------------|-------------------------------|----------------|
|                                    | £                     | £                             | £              |
| <b>Cost</b>                        |                       |                               |                |
| At 1 January 2016                  | 81,679                | 358,444                       | 440,123        |
| Additions                          | 1,104                 | 24,141                        | 25,245         |
|                                    | <u>82,783</u>         | <u>382,585</u>                | <u>465,368</u> |
| At 31 December 2016                |                       |                               |                |
| <b>Depreciation and impairment</b> |                       |                               |                |
| At 1 January 2016                  | 40,124                | 238,281                       | 278,405        |
| Depreciation charged in the year   | 6,550                 | 29,420                        | 35,970         |
|                                    | <u>46,674</u>         | <u>267,701</u>                | <u>314,375</u> |
| At 31 December 2016                |                       |                               |                |
| <b>Carrying amount</b>             |                       |                               |                |
| At 31 December 2016                | 36,109                | 114,884                       | 150,993        |
|                                    | <u>41,555</u>         | <u>120,163</u>                | <u>161,718</u> |
| At 31 December 2015                |                       |                               |                |

### 4 Debtors

|                                             | 2016           | 2015           |
|---------------------------------------------|----------------|----------------|
|                                             | £              | £              |
| <b>Amounts falling due within one year:</b> |                |                |
| Trade debtors                               | 330,318        | 424,453        |
| Other debtors                               | 47,743         | 98,067         |
|                                             | <u>378,061</u> | <u>522,520</u> |

# KINGHORN BODYSHOP LIMITED

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

### 5 Creditors: amounts falling due within one year

|                                    | 2016<br>£      | 2015<br>£      |
|------------------------------------|----------------|----------------|
| Bank loans and overdrafts          | 165,173        | 225,876        |
| Trade creditors                    | 195,689        | 252,352        |
| Corporation tax                    | 49,119         | 69,243         |
| Other taxation and social security | 125,431        | 123,232        |
| Other creditors                    | 2,162          | 10,515         |
|                                    | <u>537,574</u> | <u>681,218</u> |

### 6 Provisions for liabilities

|                          | 2016<br>£     | 2015<br>£     |
|--------------------------|---------------|---------------|
| Deferred tax liabilities | 17,495        | 17,782        |
|                          | <u>17,495</u> | <u>17,782</u> |

### 7 Called up share capital

|                                 | 2016<br>£  | 2015<br>£  |
|---------------------------------|------------|------------|
| <b>Ordinary share capital</b>   |            |            |
| <b>Issued and fully paid</b>    |            |            |
| 51 A Ordinary shares of £1 each | 51         | 51         |
| 49 B Ordinary shares of £1 each | 49         | 49         |
|                                 | <u>100</u> | <u>100</u> |

### 8 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<br>£      | 2015<br>£      |
|-----------------|----------------|----------------|
| Within one year | <u>134,528</u> | <u>125,583</u> |

### 9 Related party transactions

# KINGHORN BODYSHOP LIMITED

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

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### 9 Related party transactions (Continued)

At the start of the year the directors owed the company a balance of £1,847. During the year the company paid further advances totalling £174,259 (2015 - £167,527) to the directors, and the directors made repayments of £176,000 (2015 - £225,050) to the company. At 31 December 2016 a balance of £106 was due from the directors. The maximum amount due by the directors to the company during the year was £56,081. No interest is due on this balance and there are no set repayment terms.

The company rents premises from the directors at a cost of £117,000 (2015 - £117,000) per annum.

Dividends totalling £196,000 (2015 - £245,000) were paid during the year.