



GORDON MOTORS (CRIEFF) LIMITED

**UNAUDITED DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2016

GORDON MOTORS (CRIEFF) LIMITED

COMPANY INFORMATION

Directors	G A Petrie J A Petrie
Company secretary	Mrs J A Petrie
Registered number	SC335313
Registered office	Comrie Road Crieff Perthshire PH7 4BQ
Accountants	Findlay & Company Chartered Accountants Peasiehill Road Arbroath DD11 2NJ
Bankers	Royal Bank of Scotland 15 James Square Crieff PH7 3HX

GORDON MOTORS (CRIEFF) LIMITED

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GORDON MOTORS (CRIEFF) LIMITED
REGISTERED NUMBER: SC335313

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	4	313,500	342,000
Tangible assets	5	48,735	21,269
		<u>362,235</u>	<u>363,269</u>
Current assets			
Stocks	6	244,005	202,390
Debtors: amounts falling due within one year	7	61,898	35,491
Cash at bank and in hand	8	220	4,279
		<u>306,123</u>	<u>242,160</u>
Creditors: amounts falling due within one year	9	(342,926)	(283,259)
Net current liabilities		<u>(36,803)</u>	<u>(41,099)</u>
Total assets less current liabilities		<u>325,432</u>	<u>322,170</u>
Creditors: amounts falling due after more than one year	10	(327,466)	(329,138)
Net liabilities		<u>(2,034)</u>	<u>(6,968)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(2,134)	(7,068)
		<u>(2,034)</u>	<u>(6,968)</u>

GORDON MOTORS (CRIEFF) LIMITED
REGISTERED NUMBER: SC335313

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 April 2017.

G A Petrie

Director

The notes on pages 3 to 12 form part of these financial statements.

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

1. General information

Gordon Motors (Crieff) Limited is a private company limited by its share capital (company number SC335313). The company was incorporated in Scotland and its registered office is; Gordon Motors, Comrie Road, Crieff, Perthshire, PH7 4BX.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

2.2 Going concern

The accounts have been prepared on the going concern basis due to the ongoing financial support of both the company bankers and directors.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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

2. Accounting policies (continued)

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the reducing balance and straight-line methods.

Depreciation is provided on the following basis:

Plant and machinery	- 25% Reducing Balance
Motor vehicles	- 25% Reducing Balance
Fixtures and fittings	- 33% Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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

2. Accounting policies (continued)

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

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

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

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

2. Accounting policies (continued)

2.13 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Employees

The average monthly number of employees, including directors, during the year was 11 (2015 - 11).

GORDON MOTORS (CRIEFF) LIMITED

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

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2016	570,000
At 31 December 2016	<u>570,000</u>
Amortisation	
At 1 January 2016	228,000
Charge for the year	28,500
At 31 December 2016	<u>256,500</u>
Net book value	
At 31 December 2016	<u><u>313,500</u></u>
At 31 December 2015	<u><u>342,000</u></u>

GORDON MOTORS (CRIEFF) LIMITED

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

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2016	40,331	50,931	12,678	103,940
Additions	5,620	47,965	-	53,585
Disposals	-	(44,931)	-	(44,931)
At 31 December 2016	45,951	53,965	12,678	112,594
Depreciation				
At 1 January 2016	31,741	40,154	10,776	82,671
Charge for the period on owned assets	3,552	475	1,221	5,248
Charge for the period on financed assets	-	11,991	-	11,991
Disposals	-	(36,052)	-	(36,052)
At 31 December 2016	35,293	16,568	11,997	63,858
Net book value				
At 31 December 2016	10,658	37,397	681	48,736
At 31 December 2015	8,590	10,777	1,902	21,269

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Motor vehicles	35,974	-
	35,974	-

GORDON MOTORS (CRIEFF) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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6. Stocks

	2016 £	2015 £
Raw materials and consumables	244,005	202,390
	<u>244,005</u>	<u>202,390</u>

7. Debtors

	2016 £	2015 £
Trade debtors	20,751	18,397
Other debtors	33,570	8,758
Prepayments and accrued income	7,577	8,336
	<u>61,898</u>	<u>35,491</u>

8. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	220	4,279
Less: bank overdrafts	(51,625)	-
	<u>(51,405)</u>	<u>4,279</u>

GORDON MOTORS (CRIEFF) LIMITED

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

9. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Bank overdrafts	51,625	-
Bank loans	12,945	12,315
Trade creditors	192,531	157,315
Corporation tax	6,041	8,074
Other taxation and social security	17,244	19,993
Obligations under finance lease and hire purchase contracts	5,714	-
Other creditors	54,126	82,562
Accruals and deferred income	2,700	3,000
	<u>342,926</u>	<u>283,259</u>

10. Creditors: Amounts falling due after more than one year

	2016	2015
	£	£
Bank loans	315,562	329,138
Net obligations under finance leases and hire purchase contracts	11,904	-
	<u>327,466</u>	<u>329,138</u>

Secured loans

The company has given security in the form of a bond and floating charge for £327,466 (2015 - £329,138) of these debts.

GORDON MOTORS (CRIEFF) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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11. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	12,945	12,315
	<u>12,945</u>	<u>12,315</u>
Amounts falling due 2-5 years		
Bank loans	51,781	49,259
	<u>51,781</u>	<u>49,259</u>
Amounts falling due after more than 5 years		
Bank loans	263,782	279,878
	<u>263,782</u>	<u>279,878</u>
	<u><u>328,508</u></u>	<u><u>341,452</u></u>

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	5,714	-
Between 1-2 years	5,714	-
Between 2-5 years	6,190	-
	<u>17,618</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
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13. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	220	4,279
	<u>220</u>	<u>4,279</u>

Financial assets measured at fair value through profit or loss comprise of cash.

14. Directors' personal guarantees

The directors have personal guarantees in place for £435,000.

15. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.