

# Financial Statements

## Dinnages Garages Limited

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For the Year Ended 31 December 2016



**Registered number: 00296492**

## Dinnages Garages Limited

### Company Information

<b>Directors</b>	M E Broyd J M Broyd D J Broyd A E Broyd J C W Broyd
<b>Company secretary</b>	A E Broyd
<b>Registered number</b>	00296492
<b>Registered office</b>	22 Wivelsfield Road Haywards Heath West Sussex RH16 4EQ
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2nd Floor St John's House Haslett Avenue West Crawley RH10 1HS
<b>Bankers</b>	Barclays Bank Plc The Old Bank High Street Lewes East Sussex BN7 2JP

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# Strategic Report

For the Year Ended 31 December 2016

## Principal activity

The Company is principally engaged as a Ford and Volvo main dealer in the selling of motor vehicles, lubricants, motor parts and accessories and automobile engineering. The Company also operates a Renault parts and servicing franchise from its dealerships in Haywards Heath.

## Business review

Turnover for the year ended 31 December 2016 was £62.3m (2015: £57.3m). The profit for the year after taxation was £636,000 (2015: £476,000). The directors have recommended and paid the preference share dividend of £540 (2015: £540) from reserves. No dividend is recommended on the Ordinary shares.

## Principal risks and uncertainties

The management of the business and the nature of the Company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

The directors are of the opinion that a thorough risk management process is adopted, which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

## Environmental matters

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations.

## Financial instruments

The Company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations. The main risk arising from the Company's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks summarised below:

### Interest rate risk

The Company finances its operations through a mixture of retained profits, shareholders loans and borrowings from Ford and the Company's bankers. The Company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

### Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest in cash assets safely and profitably. The Company policy throughout the year has been to ensure continuity of funding by using facilities from both Ford and the Company's bankers. Short term flexibility is achieved by the use of overdraft facilities. Debt is structured so repayments can be made out of cash generated through operations.

## Strategic Report

For the Year Ended 31 December 2016

### Principal risks and uncertainties (continued)

#### High proportion of fixed overheads and variable revenues

A large proportion of the Company's overheads are fixed. There is the risk that any changes in revenue may lead to the inability to cover such costs. Management closely monitor fixed overheads on a monthly basis and cost saving exercises are implemented when there is an anticipated decline in revenues.

#### Competition and future developments

The market in which the Company operates is highly competitive. As a result there is a constant downward pressure of the margins and the additional risk of being unable to meet customers' expectations. Policies of constant price monitoring and on-going market research are in place to mitigate such risks.

We believe that our "hands on approach", with particular emphasis on service and customer relationship management, will enable us to improve on our already strong market position.

Whilst economic conditions remain uncertain, the directors believe the Company is in a strong position to continue to expand its market share.

### Financial key performance indicators

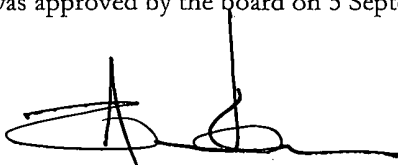
	2016 £000	2015 £000	Change £000	Change %
Turnover	62,347	57,257	5,090	9
Gross profit	2,905	2,569	336	13
Profit before tax	823	585	238	41

### Strategy

The strategy adopted during the year was one of growing the business profitably.

This report was approved by the board on 5 September 2017 and signed on its behalf.

A E Broyd  
Director



## Directors' Report

For the Year Ended 31 December 2016

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

Information in respect of the Business Review and Principle Risks and Uncertainties are not shown in the Directors' report because they are presented in the Strategic Report in accordance with s414c(ii) of the Companies Act 2006.

### Results and dividends

The profit for the year, after taxation, amounted to £636,000 (2015: £476,000).

During the year the directors have recommended and paid the preference share dividend of £540 (2015: £540) from reserves. No dividend is recommended on the Ordinary shares.

### Directors

The directors who served during the year were:

M E Broyd  
J M Broyd  
D J Broyd  
A E Broyd  
J C W Broyd

### Future developments

The strategy adopted during the year was one of increasing volume profitably, which will continue for the future.

## **Directors' Report (continued)**

**For the Year Ended 31 December 2016**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

### **Post balance sheet events**

There have been no significant events affecting the Company since the year end.

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

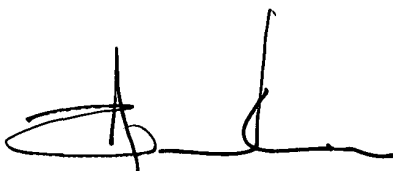
**Dinnages Garages Limited**

## **Directors' Report (continued)**

**For the Year Ended 31 December 2016**

This report was approved by the board on 5 September 2017 and signed on its behalf.

**A E Broyd**  
Director

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a horizontal line and a small 'd'.





## Independent Auditor's Report to the Members of Dinnages Garages Limited

We have audited the financial statements of Dinnages Garages Limited for the year ended 31 December 2016, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable to 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 on page 4, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 December 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.



## Independent Auditor's Report to the Members of Dinnages Garages Limited (continued)

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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 those financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

### **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.

*GRANT THORNTON UK LLP.*

Jonathan Oakey ACA (Senior Statutory Auditor)  
for and on behalf of

**Grant Thornton UK LLP**

Chartered Accountants

Statutory Auditor

Crawley

5 September 2017

# Statement of Income and Retained Earnings

For the Year Ended 31 December 2016

	Note	2016 £000	2015 £000
Turnover	4	62,347	57,257
Cost of sales		(59,442)	(54,688)
<b>Gross profit</b>		<b>2,905</b>	<b>2,569</b>
Administrative expenses		(2,112)	(2,035)
Other operating income	5	110	108
<b>Operating profit</b>	6	<b>903</b>	<b>642</b>
Interest receivable and similar income	9	13	31
Interest payable and expenses	10	(93)	(88)
<b>Profit before tax</b>		<b>823</b>	<b>585</b>
Tax on profit	11	(187)	(109)
<b>Profit after tax</b>		<b>636</b>	<b>476</b>
Retained earnings at the beginning of the year		2,450	1,974
		2,450	1,974
Profit for the year		636	476
<b>Retained earnings at the end of the year</b>		<b>3,086</b>	<b>2,450</b>

The notes on pages 10 to 25 form part of these financial statements.

# Statement of Financial Position

As at 31 December 2016

	Note	2016 £000	2015 £000
<b>Fixed assets</b>			
Tangible assets	12	1,607	1,571
Investments	13	13	13
Investment property	14	340	340
		<u>1,960</u>	<u>1,924</u>
<b>Current assets</b>			
Stocks	15	13,018	15,241
Debtors: amounts falling due within one year	16	4,525	2,209
Cash at bank and in hand	17	1,651	2,615
		<u>19,194</u>	<u>20,065</u>
Creditors: amounts falling due within one year	18	(17,932)	(19,402)
<b>Net current assets</b>		<u>1,262</u>	<u>663</u>
<b>Total assets less current liabilities</b>		<u>3,222</u>	<u>2,587</u>
Creditors: amounts falling due after more than one year	19	(9)	(9)
<b>Provisions for liabilities</b>			
Deferred tax	20	(111)	(112)
		<u>(111)</u>	<u>(112)</u>
<b>Net assets</b>		<u><u>3,102</u></u>	<u><u>2,466</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	11	11
Other reserves	22	5	5
Profit and loss account	22	3,086	2,450
		<u>3,102</u>	<u>2,466</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 September 2017.

D J Broyd  
Director

M E Broyd  
Director

The notes on pages 10 to 25 form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 1. General information

Dinnages Garages Limited is a limited liability company incorporated in England and Wales. Its registered head office is located at 22 Wivelsfield Road, Haywards Heath, West Sussex. RH16 4EQ.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investment property which is carried at fair value, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The accounts are presented in Sterling (£) and are rounded to £000's.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements to present a cash flow statement and related notes;
- Financial instrument disclosures including:
  - categories of financial instruments; and
  - items of income, expenses, gains and losses relating to financial instruments;This information is included in the consolidated financial statements of Dinnages Holdings Limited (parent company) as at 31 December 2016 and these financial statements may be obtained from Companies House of United Kingdom.
- The requirements of section 33: Related Party Disclosures paragraph 33.7.

### 2.3 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report.

The financial position of the Company, including borrowing facilities, are detailed in the financial statements.

The Company meets its day to day working capital requirements through a positive cash balance and has agreed borrowing facilities.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate with the level of its current facilities.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 2. Accounting policies (continued)

### 2.4 Cash flow

The Company, being a subsidiary where the parent of the group prepares consolidated financial statements and the financial statements are publicly available, is exempt from the requirement to prepare a cash flow statement in accordance with FRS 102 1.8 - 12.

### 2.5 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.

### 2.6 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of income and retained earnings during the period in which they are incurred.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.6 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Short term leasehold property	- Straight line over the period of the lease
Plant & machinery	- 7.5% - 33% per annum 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.

#### 2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the period of the lease.

#### 2.8 Investment property

Investment property is carried at fair value assessed annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Income and Retained Earnings.

#### 2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.10 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each Statement of Financial Position date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less cost to complete and sell. The impairment loss is recognised immediately in the Statement of Income and Retained Earnings.

Consignment stocks have been included within stocks in the Statement of Financial Position on the grounds that the Company considerably bears the risks and rewards of ownership attached to these vehicles. As such, the consignment stocks are considered to be under the control of the Company.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 2. Accounting policies (continued)

### 2.11 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.

### 2.12 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.

### 2.13 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 accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured at cost less impairment.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the Statement of Financial Position date.

### 2.14 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.



# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 2. Accounting policies (continued)

### 2.15 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.

### 2.16 Pensions

#### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

### 2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

### 2.18 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

### 2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 2. Accounting policies (continued)

### 2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

- Useful economic life of fixed assets - note 13
- Investment property fair values - note 15
- Treatment of consignment stock - note 16
- Valuation of used vehicles - note 16

## 4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £000	2015 £000
Vehicle sales	53,551	49,800
Provision of services	8,796	7,457
	<u>62,347</u>	<u>57,257</u>

All turnover arose within the United Kingdom.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 5. Other operating income

	2016 £000	2015 £000
Net rents receivable	110	108

## 6. Operating profit

The operating profit is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets	115	97
Other operating lease rentals	526	512
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	24	15
Other services relating to taxation and compliance	13	7
All other services	4	3

Other services include fees for remuneration planning, advice on the purchase of a property and VAT services.

## 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £000	2015 £000
Wages and salaries	3,095	3,061
Social security costs	393	354
Cost of defined contribution scheme	43	43
	3,531	3,458

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Workshop staff	83	88
Selling staff	31	33
Administrative staff	11	10
	125	131

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 8. Directors' remuneration

	2016 £000	2015 £000
Directors' emoluments	8	42
Company contributions to defined contribution pension schemes	36	36
	<u>44</u>	<u>78</u>

During the year retirement benefits were accruing to 3 directors (2015: 3) in respect of defined contribution pension schemes.

## 9. Interest receivable

	2016 £000	2015 £000
Other interest receivable	<u>13</u>	<u>31</u>

## 10. Interest payable and similar charges

	2016 £000	2015 £000
Other interest payable	<u>93</u>	<u>88</u>

## 11. Taxation

	2016 £000	2015 £000
<b>Corporation tax</b>		
Current tax on profits for the year	176	72
Adjustments in respect of previous periods	12	(8)
<b>Total current tax</b>	<u>188</u>	<u>64</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	5	52
Changes to tax rates	(6)	(7)
<b>Total deferred tax</b>	<u>(1)</u>	<u>45</u>
<b>Taxation on profit on ordinary activities</b>	<u>187</u>	<u>109</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 11. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	823	585
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	165	118
<b>Effects of:</b>		
Fixed asset differences	14	15
Expenses not deductible for tax purposes	2	2
Adjustments to tax charge in respect of prior periods	12	(8)
Effect of reduction in rate of deferred tax	(6)	(7)
Difference between current and deferred tax rates	-	(7)
Group relief	-	(4)
<b>Total tax charge for the year</b>	<b>187</b>	<b>109</b>

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 12. Tangible fixed assets

	Short Term Leasehold Property £000	Plant and machinery £000	Total £000
<b>Cost</b>			
At 1 January 2016	1,700	1,099	2,799
Additions	62	89	151
At 31 December 2016	1,762	1,188	2,950
<b>Depreciation</b>			
At 1 January 2016	375	853	1,228
Charge for the period on owned assets	7	108	115
At 31 December 2016	382	961	1,343
<b>Net book value</b>			
At 31 December 2016	1,380	227	1,607
At 31 December 2015	1,325	246	1,571

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 13. Fixed asset investments

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 January 2016	13
At 31 December 2016	13
<b>Net book value</b>	
At 31 December 2016	13
At 31 December 2015	13

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
B W & B (Park Garages) Limited	Ordinary shares	99.9%	Dormant company

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £000
B W & B (Park Garages) Limited	799

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 14. Investment property

	Freehold investment property £000
<b>Valuation</b>	
At 1 January 2016	340
<b>At 31 December 2016</b>	<b>340</b>

The 2016 valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2016 £000	2015 £000
Historic cost	127	127

## 15. Stocks

	2016 £000	2015 £000
Parts for resale	495	452
Vehicles for resale	12,523	14,789
	<b>13,018</b>	<b>15,241</b>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

## 16. Debtors

	2016 £000	2015 £000
Trade debtors	1,861	783
Amounts owed by group undertakings	1,828	743
Other debtors	652	510
Prepayments and accrued income	184	173
	<b>4,525</b>	<b>2,209</b>

The amount owed by group undertakings is repayable on demand and does not bear interest.



# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 17. Cash and cash equivalents

	2016 £000	2015 £000
Cash at bank and in hand	1,651	2,615

## 18. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Related party loans	618	741
Directors' loans	2,367	2,046
Trade creditors	13,463	15,148
Amounts owed to group undertakings	914	1,085
Corporation tax	184	63
Taxation and social security	104	90
Other creditors	139	81
Accruals and deferred income	143	148
	17,932	19,402

The amount owed to group undertakings is repayable on demand and does not bear interest.

The directors' and related party loans have no formal repayment terms and interest is charged at 3% above bank base rate.

Other related party loans comprise loans from family members of the Broyd family. The total interest charged on the directors' and related party loans for the year was £93,000 (2015: £88,000).

## 19. Creditors: Amounts falling due after more than one year

	2016 £000	2015 £000
Share capital treated as debt	9	9

Disclosure of the terms and conditions attached to the non-equity shares is made in note 21.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 20. Deferred taxation

	2016 £000	2015 £000
At beginning of year	(112)	(67)
Charged to the profit or loss	1	(45)
<b>At end of year</b>	<b>(111)</b>	<b>(112)</b>

The provision for deferred taxation is made up as follows:

	2016 £000	2015 £000
Accelerated capital allowances	(78)	(73)
Chargeable gains on investment property	(33)	(39)
	<b>(111)</b>	<b>(112)</b>

## 21. Share capital

	2016 £000	2015 £000
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
10,880 Ordinary shares shares of £1 each	11	11
	<b>2016 £000</b>	<b>2015 £000</b>
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
9,000 Preference shares shares of £1 each (see note 19)	9	9

The preference shares are non-equity shares which carry a dividend at the rate of 6p net per share, per annum. Holders of preference shares have one vote for every share held on a resolution for the winding up of the Company or on a resolution affecting the rights attached to the shares. Preference shareholders have the right on a winding up to receive, in priority to any other class of shares, the sum of £1 per share together with any arrears of dividends.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 22. Reserves

### Capital redemption reserve

Relates to the repurchase of shares by the company in prior periods.

### Profit & loss account

Includes all current and prior period retained profits and losses.

## 23. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £43,000 (2015: £43,000).

## 24. Commitments under operating leases

The Company had no commitments under the non-cancellable operating leases as at the reporting date.

## 25. Related party transactions

The following transactions occurred during the year between Dinnages Garages Limited and Carnforth, a separate business run by Mrs J Broyd.

	2016 £000	2015 £000
Service sales to Carnforth	41	58
Vehicle sales to Carnforth	135	99
	<u>176</u>	<u>157</u>

During the year the company made payments amounting to £140,000 (2015: £140,000) to The Pavilion Trust in respect of rent. M E and J Broyd are Trustees of this Trust and D J, J C W and A E Broyd are beneficiaries.

During the year the company made payments amounting to £65,000 (2015: £65,000) to The Broyd Family Trust in respect of rent. M E and J Broyd are Trustees of this Trust and D J, J C W and A E Broyd are beneficiaries.

During the year the company also made payments amounting to £12,000 (2015: £12,000) to the Dinnages Executive Pension Scheme in respect of rent. D J Broyd, A E Broyd and J C W Broyd are members of the pension scheme and during the year made contribution of £36,000 (£12,000 per director).

During 2016 two directors bought seven cars, the value of £58,510 (2015: £Nil), from the company.

As a wholly owned subsidiary the company is exempt from the requirements of FRS 102 Para 33.4 to disclose related party transactions with other members of the Group headed by Dinnages Holdings Limited on the grounds that those accounts are publicly available from Companies House.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### **26. Ultimate parent undertaking and controlling party**

The ultimate and immediate parent undertaking is Dinnages Holdings Limited, a company incorporated in England and Wales which holds 100% of the issued share capital of the company.

Dinnages Holdings Limited is also a parent company of the smallest and largest group for which group accounts are prepared. Copies of the group financial statements of Dinnages Holdings Limited are available from 22 Wivelsfield Road, Haywards Heath, West Sussex, RH16 4EQ.

In the opinion of the directors there is no overall controlling party.