

**Registered number:**  
SC436945

## **Cameron Group (Perth) Limited**

### **Report and financial statements**

**31 May 2020**

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COMPANIES HOUSE

# **Cameron Group (Perth) Limited**

## **Report and financial statements - 31 May 2020**

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## **Cameron Group (Perth) Limited**

### **Company information**

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**Director:** I D Cameron (Chairman)

**Registered office:** 166 Dunkeld Road  
Perth  
PH1 5AS

**Registered number:** SC436945

**Auditors:** Friend Partnership Limited  
Eleven Brindleyplace  
2 Brunswick Square  
Birmingham  
B1 2LP

**Bankers:** The Royal Bank of Scotland  
Perth Chief Office  
PO Box 18  
12 Dunkeld Road  
Perth  
PH1 5RB

# Cameron Group (Perth) Limited

## Strategic report

The director presents the strategic report for the company and its subsidiaries for the year ended 31 May 2020.

The company is a holding company. The principal activity of each of its subsidiary companies is the buying and selling of new and used motor vehicles, the supply of spare parts and the servicing of vehicles associated with the particular franchise held, as follows:

Ian H Cameron Limited (which trades as Strathmore Motors) – Volvo cars  
Cameron Motors (Perth) Limited – Volkswagen cars  
Douglas Cameron (Perth) Limited (which trades as Perth Audi) – Audi cars

Sales and operating profit for each of these companies for the years ended 31 May 2020 and 31 May 2019 were as follows:

|   | <u>Sales</u>       |                    | <u>Operating profit</u> |                   |
|---|--------------------|--------------------|-------------------------|-------------------|
|   | <u>2020</u>        | <u>2019</u>        | <u>2020</u>             | <u>2019</u>       |
|   | £                  | £                  | £                       | £                 |
| Ian H Cameron Limited                     | 18,135,458         | 21,904,222         | 162,560                 | 283,713           |
| Cameron Motors (Perth) Limited            | 19,592,204         | 26,125,503         | 264,845                 | 493,930           |
| Douglas Cameron (Perth) Limited           | 36,013,126         | 41,974,040         | 1,640,796               | 1,473,136         |
| Amortisation of goodwill on consolidation | -                  | -                  | (341,523)               | (341,523)         |
|   | <u>£73,740,788</u> | <u>£90,003,765</u> | <u>£1,726,678</u>       | <u>£1,909,256</u> |

The consolidated balance sheet shows that the group's net assets have increased by £633,920 in the year, from £23,978,383 at 31 May 2019 to £24,612,303 at 31 May 2020.

A major refurbishment of the Volvo showroom and workshops to the latest Volvo VRE specification was completed in September 2020 at a cost of over £2 million.

The management team in each dealership uses a range of performance measures to monitor and manage the business activities. Such measures as market share, the launch of new models and the achievement of manufacturers' incentive campaigns are applied to the new and used vehicle sales departments of each dealership. Parts and car servicing departments are primarily measured by sales levels and trading margins.

All group dealerships have continued to meet staff development and training targets in line with their particular manufacturers' requirements.

Each management team continually monitors the principal business risks facing their dealership. These risks include the impact of any economic downturn, issues with an efficient supply chain management and the ever-present competitor pressure from other marques. Such matters are often reviewed in conjunction with the relevant vehicle manufacturer and, where appropriate, corrective action is agreed.

### COVID-19

The coronavirus (COVID-19) pandemic inevitably impacted the turnover and operating profit of each dealership in the last quarter of the financial year. The directors took appropriate measures to mitigate the effects of the pandemic, thereby reducing its impact as much as possible on the results for the year.

There has been no negative impact on the group's trading operations after the balance sheet date.

# Cameron Group (Perth) Limited

## Strategic report (continued)

### Companies Act 2006 section 172 statement

The group's plans and management decision-making are aimed at promoting the longer-term success of each of its trading entities for the benefit of all its stakeholders and in order to maintain and improve our strong reputation and high standards of business conduct with customers and suppliers.

Our employees are central to the delivery of a quality service and their health, safety and wellbeing is of primary concern to each of our management teams. Training and career development opportunities are provided and staff are kept advised of all key issues. Our constant aim is to attract and retain the best staff for each available position.

The group aims to be fully compliant with employment law and all other legal and regulatory requirements which apply in its industry sector.

Senior management reviews any impact of our operations on the environment and local community and we acknowledge our wider social responsibilities in this regard.

### Streamlined energy and carbon report

Douglas Cameron (Perth) Limited is committed to ensuring that the company operates in the most energy efficient way possible. Waste is recycled where appropriate and hazardous waste is disposed in line with environmental regulations.

| Fuel Type      | 2020<br>kWh    | 2020<br>tCO <sub>2</sub> e | tCO <sub>2</sub> e per<br>£1m |
|----------------|----------------|----------------------------|-------------------------------|
| <b>Scope 1</b> |                |                            |                               |
| Natural gas    | 190,148        | 38.74                      | 1.08                          |
| <b>Scope 2</b> |                |                            |                               |
| Electricity    | 148,514        | 34.62                      | 0.96                          |
| <b>Total</b>   | <b>338,663</b> | <b>73.37</b>               | <b>2.04</b>                   |

The carbon emissions have been calculated in accordance with the Greenhouse Gas (GHG) Protocol. Conversion factors to convert raw energy into tonne CO<sub>2</sub> Greenhouse Gas Emissions are taken from the most recent (2020) Department for Business, Energy and Industrial Strategy publication:  
<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>

This report was approved by the board and signed on its behalf by:



**I D Cameron**  
Chairman

30 November 2020

# Cameron Group (Perth) Limited

## Director's report

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The director presents his report together with the audited financial statements of the group and the company for the year ended 31 May 2020.

### Principal place of business

Cameron Group (Perth) Limited is a company incorporated and domiciled in Scotland and has its principal place of business at 166 Dunkeld Road, Perth, PH1 5AS.

### Results and appropriations

The group's results for the year and the state of affairs of the group and the company at the year-end are set out in the financial statements on pages 9 to 24.

Interim dividends of £561,000 (2019 - £1,072,500) were paid during the year.

### Director

The director who held office throughout the year was:

I D Cameron (Chairman)

### Strategic report

The company has chosen in accordance with Companies Act 2006 s.414C(11) to set out in the strategic report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, schedule 7 which would otherwise be contained in its director's report. It has done so in respect of future developments.

### Director's responsibilities

The director is responsible for preparing the director's report, the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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' (FRS 102). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that year. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and of the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Cameron Group (Perth) Limited**

### **Director's report (continued)**

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#### **Director's responsibilities (continued)**

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

#### **Statement as to disclosure of information to auditors**

So far as the director is aware, there is no relevant audit information of which the group's auditors are unaware and he has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Post balance sheet events**

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

#### **Auditors**

Friend Partnership Limited will continue in office in accordance with the Companies Act 2006, section 487(2).

This report was approved by the board on 30 November 2020.

Signed by the director:

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line extending to the right.

**I D Cameron**  
Chairman

# **Independent auditors' report to the shareholders of Cameron Group (Perth) Limited**

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## **Opinion**

We have audited the financial statements of Cameron Group (Perth) Limited for the year ended 31 May 2020 which comprise the consolidated profit and loss account and statement of total comprehensive income, the consolidated and parent company balance sheets, the consolidated and company statements of changes in equity, the consolidated statement of cash flows and the related notes as set out on pages 9 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the company and the group as at 31 May 2020 and of the profit of the group 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.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in so doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# **Independent auditors' report to the shareholders of Cameron Group (Perth) Limited (continued)**

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## **Opinion on other matter 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In 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 director's report.

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 the director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Responsibilities of directors**

As explained more fully in the director's responsibilities statement set out on pages 4 and 5, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# **Independent auditors' report to the shareholders of Cameron Group (Perth) Limited (continued)**

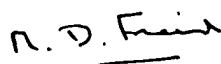
## **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## **Use of our report**

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 auditors' 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.



**Malcolm Friend (Senior Statutory Auditor)**  
**For and on behalf of Friend Partnership Limited, Statutory Auditor**

Chartered Accountants

Eleven Brindleyplace  
2 Brunswick Square  
Birmingham  
B1 2LP

30 November 2020

# Cameron Group (Perth) Limited

## Consolidated profit and loss account and statement of total comprehensive income for the year ended 31 May 2020

|  | <u>Notes</u> | <u>2020</u><br>£         | <u>2019</u><br>£         |
|--|--------------|--------------------------|--------------------------|
| <b>Turnover</b>                                      | 1f)          | <b>73,740,788</b>        | 90,003,765               |
| Cost of sales  |              | <b>(65,166,324)</b>      | (79,982,664)             |
| <b>Gross profit</b>                                  |              | <b>8,574,464</b>         | 10,021,101               |
| Grant receivable                                     |              | <b>482,987</b>           | -                        |
| Administrative expenses                              |              | <b>(7,330,773)</b>       | (8,111,845)              |
| <b>Operating profit</b>                              |              | <b>1,726,678</b>         | 1,909,256                |
| Interest receivable                                  | 2            | <b>38,428</b>            | 28,590                   |
| Interest payable                                     | 2            | <b>(143,251)</b>         | (137,543)                |
| <b>Profit on ordinary activities before taxation</b> | 2            | <b>1,621,855</b>         | 1,800,303                |
| Taxation on profit on ordinary activities            | 4            | <b>(426,935)</b>         | (492,048)                |
| <b>Profit for the financial year</b>                 |              | <b><u>£1,194,920</u></b> | <b><u>£1,308,255</u></b> |

The notes on pages 14 to 24 form part of these financial statements.

# Cameron Group (Perth) Limited

## Consolidated and parent company balance sheets at 31 May 2020

|  | Notes | Group<br>2020<br>£ | Company<br>2020<br>£ | Group<br>2019<br>£ | Company<br>2019<br>£ |
|--|-------|--------------------|----------------------|--------------------|----------------------|
| <b>Fixed assets</b>  |       |                    |                      |                    |                      |
| Intangible fixed assets  | 7     | 853,807            | -                    | 1,195,330          | -                    |
| Tangible fixed assets  | 8     | 9,217,171          | -                    | 8,129,026          | -                    |
| Investments  | 9     | -                  | 15,900,000           | -                  | 15,900,000           |
|  |       | <u>10,070,978</u>  | <u>15,900,000</u>    | <u>9,324,356</u>   | <u>15,900,000</u>    |
| <b>Current assets</b>  |       |                    |                      |                    |                      |
| Stocks   | 10    | 17,142,484         | -                    | 15,718,498         | -                    |
| Debtors  | 11    | 1,459,199          | -                    | 2,762,553          | -                    |
| Cash at bank and in hand                                       |       | 7,402,342          | -                    | 8,561,317          | -                    |
|  |       | <u>26,004,025</u>  | <u>-</u>             | <u>27,042,368</u>  | <u>-</u>             |
| <b>Creditors: amounts falling due within one year</b>          | 12    | (10,986,995)       | -                    | (12,065,960)       | -                    |
| <b>Net current assets</b>                                      |       | <u>15,017,030</u>  | <u>-</u>             | <u>14,976,408</u>  | <u>-</u>             |
| <b>Total assets less current liabilities</b>                   |       | <u>25,088,008</u>  | <u>15,900,000</u>    | <u>24,300,764</u>  | <u>15,900,000</u>    |
| <b>Creditors: amounts falling due after more than one year</b> | 13    | (62,620)           | -                    | (65,067)           | -                    |
| <b>Provisions for liabilities and charges</b>                  |       |                    |                      |                    |                      |
| Deferred taxation  | 14    | (413,085)          | -                    | (257,314)          | -                    |
| <b>Net assets</b>  |       | <u>£24,612,303</u> | <u>£15,900,000</u>   | <u>£23,978,383</u> | <u>£15,900,000</u>   |
| <b>Capital and reserves</b>                                    |       |                    |                      |                    |                      |
| Called up share capital  | 16    | 200,000            | 200,000              | 200,000            | 200,000              |
| Share premium  |       | 15,700,000         | 15,700,000           | 15,700,000         | 15,700,000           |
| Profit and loss account  | 17    | 8,712,303          | -                    | 8,078,383          | -                    |
| <b>Equity shareholders' funds</b>                              |       | <u>£24,612,303</u> | <u>£15,900,000</u>   | <u>£23,978,383</u> | <u>£15,900,000</u>   |

These financial statements were approved by the director on 30 November 2020 and signed.

  
I D Cameron  
Director

Registered No. SC436945

The notes on pages 14 to 24 form part of these financial statements.

# Cameron Group (Perth) Limited

## Consolidated statement of changes in equity for the year ended 31 May 2020

|   | <u>Share<br/>capital</u><br>£ | <u>Share<br/>premium</u><br>£ | <u>Retained<br/>Earnings</u><br>£ | <u>Total<br/>equity</u><br>£ |
|---|-------------------------------|-------------------------------|-----------------------------------|------------------------------|
| At 1 June 2018                          | 200,000                       | 15,700,000                    | 7,842,628                         | 23,742,628                   |
| Profit for the year after taxation      | -                             | -                             | 1,308,255                         | 1,308,255                    |
| Other comprehensive income for the year | -                             | -                             | -                                 | -                            |
| Total comprehensive income              | -                             | -                             | 1,308,255                         | 1,308,255                    |
| Dividends (see note 6)                  | -                             | -                             | (1,072,500)                       | (1,072,500)                  |
| At 1 June 2019                          | 200,000                       | 15,700,000                    | 8,078,383                         | 23,978,383                   |
| Profit for the year after taxation      | -                             | -                             | 1,194,920                         | 1,194,920                    |
| Other comprehensive income for the year | -                             | -                             | -                                 | -                            |
| Total comprehensive income              | -                             | -                             | 1,194,920                         | 1,194,920                    |
| Dividends (see note 6)                  | -                             | -                             | (561,000)                         | (561,000)                    |
| <b>At 31 May 2020</b>                   | <b>£200,000</b>               | <b>£15,700,000</b>            | <b>£8,712,303</b>                 | <b>£24,612,303</b>           |

The notes on pages 14 to 24 form part of these financial statements

# Cameron Group (Perth) Limited

## Company statement of changes in equity for the year ended 31 May 2020

|   | <u>Share<br/>capital</u><br>£ | <u>Share<br/>premium</u><br>£ | <u>Retained<br/>earnings</u><br>£ | <u>Total<br/>equity</u><br>£ |
|---|-------------------------------|-------------------------------|-----------------------------------|------------------------------|
| At 1 June 2018                          | 200,000                       | 15,700,000                    | -                                 | 15,900,000                   |
| Profit for the year after taxation      | -                             | -                             | 1,072,500                         | 1,072,500                    |
| Other comprehensive income for the year | -                             | -                             | -                                 | -                            |
| Total comprehensive income              | -                             | -                             | 1,072,500                         | 1,072,500                    |
| Dividends (see note 6)                  | -                             | -                             | (1,072,500)                       | (1,072,500)                  |
| At 1 June 2019                          | 200,000                       | 15,700,000                    | -                                 | 15,900,000                   |
| Profit for the year after taxation      | -                             | -                             | 561,000                           | 561,000                      |
| Other comprehensive income for the year | -                             | -                             | -                                 | -                            |
| Total comprehensive income              | -                             | -                             | 561,000                           | 561,000                      |
| Dividends (see note 6)                  | -                             | -                             | (561,000)                         | (561,000)                    |
| <b>At 31 May 2020</b>                   | <b>£200,000</b>               | <b>£15,700,000</b>            | <b>£ -</b>                        | <b>£15,900,000</b>           |

The notes on pages 14 to 24 form part of these financial statements

# Cameron Group (Perth) Limited

## Consolidated statement of cash flows for the year ended 31 May 2020

|   | <u>2020</u><br>£   | <u>2019</u><br>£   |
|---|--------------------|--------------------|
| <b>Cash flows from operating activities</b>                   |                    |                    |
| <b>Profit on ordinary activities before taxation</b>          | <b>1,621,855</b>   | <b>1,800,303</b>   |
| Adjustments for:  |                    |                    |
| Depreciation of tangible fixed assets                         | 278,650            | 283,266            |
| Amortisation of goodwill                                      | 341,523            | 341,523            |
| Amortisation of deferred income                               | (2,447)            | (2,447)            |
| (Profit)/loss on sale of tangible fixed assets                | -                  | (662)              |
| Increase in stocks  | (2,395,020)        | (23,429)           |
| Decrease in debtors   | 225,374            | 93,107             |
| Increase in creditors   | 1,216,088          | 288,370            |
| Interest paid   | 143,251            | 137,543            |
|   | <hr/>              | <hr/>              |
| <b>Cash generated from operations</b>                         | <b>1,429,274</b>   | <b>2,917,574</b>   |
|   | <hr/>              | <hr/>              |
| Interest paid   | (143,251)          | (137,543)          |
| Taxation paid   | (517,202)          | (458,750)          |
|   | <hr/>              | <hr/>              |
| <b>Net cash generated from operating activities</b>           | <b>768,821</b>     | <b>2,321,281</b>   |
|   | <hr/>              | <hr/>              |
| <b>Cash outflow from investing activities</b>                 |                    |                    |
| Payments to acquire tangible fixed assets                     | (1,366,796)        | (984,143)          |
| Receipts from the sale of tangible fixed assets               | -                  | 1,000              |
|   | <hr/>              | <hr/>              |
| <b>Net cash used in investing activities</b>                  | <b>(1,366,796)</b> | <b>(983,143)</b>   |
|   | <hr/>              | <hr/>              |
| <b>Cash outflow from financing activities</b>                 |                    |                    |
| Dividends paid  | (561,000)          | (1,072,500)        |
|   | <hr/>              | <hr/>              |
| <b>Net cash used in financing activities</b>                  | <b>(561,000)</b>   | <b>(1,072,500)</b> |
|   | <hr/>              | <hr/>              |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | <b>(1,158,975)</b> | <b>265,638</b>     |
| <b>Cash and cash equivalents at the beginning of the year</b> | <b>8,561,317</b>   | <b>8,295,679</b>   |
|   | <hr/>              | <hr/>              |
| <b>Cash and cash equivalents at the end of the year</b>       | <b>£7,402,342</b>  | <b>£8,561,317</b>  |
|   | <hr/> <hr/>        | <hr/> <hr/>        |

The notes on pages 14 to 24 form part of these financial statements.

# Cameron Group (Perth) Limited

## Notes to the financial statements - 31 May 2020

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### 1. Accounting policies

A summary of the principal accounting policies of the group and the company are set out below.

#### a) Basis of preparation

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and applicable legislation as set out in the Companies Act 2006 and Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These consolidated and separate financial statements are prepared on the going concern basis and under historical cost convention.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's and the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed later in the accounting policies.

The company has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its individual profit and loss account.

#### b) Going concern

The financial statements have been prepared on the going concern basis. The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The financial position of the group, its cash flows, liquidity position and borrowing facilities are also described. In addition, notes to the financial statements include the group's objectives, policies and processes for managing its capital, details of its financial instruments and its exposure to risk.

The director has a reasonable expectation that the group 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.

#### c) Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings made up to 31 May 2020.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Any subsidiary undertakings sold or acquired during the period are included up to, or from, the dates of change of control or change of significant influence.

Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.



# Cameron Group (Perth) Limited

## Notes to the financial statements (continued)

### 1. Accounting policies (continued)

#### d) Goodwill

Goodwill represents the excess cost of acquisition over the fair value of the separable net assets of the businesses acquired. Goodwill is amortised through the profit and loss account in equal instalments over its estimated useful life. The director considers the estimated useful life of goodwill to be ten years.

#### e) Foreign currency

The group financial statements are presented in £ sterling. The company's functional and presentation currency is £ sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

#### f) Revenue recognition

The group recognises revenue when the significant risks and rewards of ownership of the inventory have been transferred to the customer. For deliveries this is the point of acceptance of the goods by the customer. All revenue relates to the United Kingdom.

Turnover represents amounts invoiced less discounts, excluding value added tax.

Dividends received are recognised upon receipt.

#### g) Tangible fixed assets

Tangible fixed assets are initially stated at cost and subsequently measured at cost less depreciation and any provision for impairment. Depreciation is calculated to write off the cost less the estimated residual value of fixed assets over their estimated useful lives. No depreciation is charged on freehold land. The following depreciation rates are used:

|                                     |  |
|-------------------------------------|--|
| Freehold land                       | Nil  |
| Buildings and property improvements | 2% straight line                                   |
| Plant and equipment                 | 15-25% reducing balance                            |
| Fixtures and fittings               | 10-25% reducing balance and 12.5-25% straight line |
| Computer equipment                  | 25% straight line                                  |
| Motor vehicles                      | 33% straight line                                  |

# Cameron Group (Perth) Limited

## Notes to the financial statements (continued)

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### 1. Accounting policies (continued)

#### h) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first-in-first-out basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred prior to completion and disposal. Stocks also include vehicles on consignment from the manufacturer.

At the end of the reporting period stocks and work in progress are assessed for impairment; any impairment charge is recognised in the profit and loss account.

#### i) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

#### j) Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and pension contributions.

##### Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received. Bonus costs are recognised in the profit and loss account in the period to which they relate.

##### Pension

The group operates a defined contribution plan for its employees. Once the contributions have been paid the group has no further payment obligations. Contributions payable to the group's pension schemes are charged to the profit and loss account in the period to which they relate. Amounts not paid are shown in other creditors in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

#### k) Financial instruments

Financial instruments are measured initially at cost, which is the fair value of the amount paid or received to acquire or incur them. Acquisition costs include transaction costs.

# Cameron Group (Perth) Limited

## Notes to the financial statements (continued)

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### 1. Accounting policies (continued)

#### k) Financial instruments (continued)

A description of the measurement bases is as follows:

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments and which are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are sold or impaired, as well as through the amortisation process.

##### Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and classified as other financial liabilities.

Other financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset of financial liability.

Subsequently they are measured at amortised cost, using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

##### Trade debtors

Trade debtors are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment is accounted for when management deems specific trade debtor balances not to be collectable. The amount of impairment loss is recognised in the profit and loss account.

Trade debtors are classified as amounts falling due after one year where settlement of the debt will not be made for at least 12 months after the balance sheet date. All other trade debtors are classified as amounts falling due within one year.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less. Bank overdrafts where applicable are shown within current liabilities.

##### Trade creditors

Trade creditors are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method. Interest is recognised in the profit and loss account.

# Cameron Group (Perth) Limited

## Notes to the financial statements (continued)

### 1. Accounting policies (continued)

#### k) Financial instruments (continued)

##### Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are initially measured at fair value, net of direct issue costs, and subsequently measured at amortised cost, using the effective interest method. Interest is recognised in the profit and loss account and is added to the carrying amount of the financial instrument to the extent that it is not settled in the period in which it arises.

Interest-bearing loans and borrowings are classified as liabilities due in more than one year where there is an unconditional right to defer the settlement of the liability for at least twelve months after the balance sheet date. All other borrowings are classified as liabilities due in less than one year.

#### l) Grants received

Grants received are included in the profit and loss account in the period to which they relate.

### 2. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

|   | <u>2020</u><br>£         | <u>2019</u><br>£         |
|---|--------------------------|--------------------------|
| Depreciation of tangible fixed assets       | 278,650                  | 283,266                  |
| Amortisation of goodwill                    | 341,523                  | 341,523                  |
| Auditors:                                   |                          |                          |
| - fees for the audit of the annual accounts | 37,500                   | 37,500                   |
| - taxation services                         | 38,900                   | 40,050                   |
| - other services                            | 35,934                   | 32,600                   |
| Interest payable                            | 143,251                  | 137,543                  |
| Bank interest receivable                    | (38,428)                 | (28,590)                 |
| Grants receivable                           | (482,987)                | -                        |
|   | <u><u>          </u></u> | <u><u>          </u></u> |

### 3. Directors and employees

|                          | <u>2020</u>              | <u>2019</u>              |
|--------------------------|--------------------------|--------------------------|
| Director's remuneration: |                          |                          |
| Emoluments               | £7,578                   | £7,562                   |
|                          | <u><u>          </u></u> | <u><u>          </u></u> |

There were no pension contributions in relation to the director.

|                       | <u>2020</u><br>£         | <u>2019</u><br>£         |
|-----------------------|--------------------------|--------------------------|
| Staff costs comprise: |                          |                          |
| Wages and salaries    | 4,637,968                | 4,902,699                |
| Social security costs | 459,007                  | 478,214                  |
| Other pension costs   | 222,478                  | 150,219                  |
|                       | <u><u>          </u></u> | <u><u>          </u></u> |
|                       | £5,319,453               | £5,531,132               |
|                       | <u><u>          </u></u> | <u><u>          </u></u> |

## Notes to the financial statements (continued)

### 3. Directors and employees (continued)

The average number of employees (including directors) during the year was 170 (2019 – 186).

### 4. Taxation on profit on ordinary activities

|  | <u>2020</u><br>£       | <u>2019</u><br>£       |
|--|------------------------|------------------------|
| Corporation tax payable based on the results for the year at 19% (2019 – 19%). | <u>294,711</u>         | <u>447,052</u>         |
| Current tax charge   | 294,711                | 447,052                |
| Prior year adjustment  | (23,547)               | (259)                  |
| Deferred taxation provided   | <u>155,771</u>         | <u>45,255</u>          |
|  | <u><u>£426,935</u></u> | <u><u>£492,048</u></u> |

The current tax charge for the year is at a different rate from the standard rate of corporation tax in the UK for groups of this size. The difference is explained below:

|   | <u>2020</u><br>£       | <u>2019</u><br>£       |
|---|------------------------|------------------------|
| Profit on ordinary activities before taxation   | <u>1,621,855</u>       | <u>1,800,303</u>       |
| Profit on ordinary activities multiplied by the applicable standard rate of corporation tax at 19% (2019 – 19%) | 308,152                | 342,058                |
| Expenses not deductible for corporation tax purposes (mainly goodwill amortisation)                             | 64,503                 | 131,861                |
| Depreciation on items not qualifying for capital allowances   | 23,772                 | 23,470                 |
| Capital allowances in excess of depreciation on qualifying items  | (125,218)              | (50,337)               |
| Utilisation of tax losses   | <u>23,502</u>          | <u>-</u>               |
| Current tax charge for the year   | <u><u>£294,711</u></u> | <u><u>£447,052</u></u> |

### 5. Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these group financial statements. The parent company's profit after taxation for the year ended 31 May 2020 was £561,000 (2019 - £1,072,500).

# Cameron Group (Perth) Limited

## Notes to the financial statements (continued)

### 6. Dividends

|   | <u>2020</u><br>£       | <u>2019</u><br>£         |
|---|------------------------|--------------------------|
| Dividends of £0.63 (2019 - £0.35) per ordinary share paid in the year         | <b>101,000</b>         | 56,500                   |
| Dividends of £10.00 (2019 - £25.00) per ordinary 'A' share paid in the year   | <b>200,000</b>         | 500,000                  |
| Dividends of £60,000 (2019 - £16,000) per ordinary 'B' share paid in the year | <b>60,000</b>          | 16,000                   |
| Dividends of £10.00 (2019 - £25.00) per ordinary 'C' share paid in the year   | <b>200,000</b>         | 500,000                  |
|   | <u><b>£561,000</b></u> | <u><b>£1,072,500</b></u> |

### 7. Intangible fixed assets

| <u>Group</u>                      | <u>Goodwill</u><br>£               |
|-----------------------------------|------------------------------------|
| <b>Cost</b>                       |                                    |
| At 1 June 2019 and at 31 May 2020 | <b>3,415,230</b>                   |
|                                   | <u>                    </u>        |
| <b>Amortisation</b>               |                                    |
| At 1 June 2019                    | 2,219,900                          |
| Charge for the year               | 341,523                            |
|                                   | <u>                    </u>        |
| <b>At 31 May 2020</b>             | <b>2,561,423</b>                   |
|                                   | <u>                    </u>        |
| <b>Net book value</b>             |                                    |
| At 31 May 2020                    | <b>£853,807</b>                    |
|                                   | <u><u>                    </u></u> |
| At 31 May 2019                    | <u><u>£1,195,330</u></u>           |

Goodwill arose on the acquisition of subsidiary companies on 1 December 2012.

# Cameron Group (Perth) Limited

## Notes to the financial statements (continued)

### 8. Tangible fixed assets

| <u>Group</u>                    | <u>Freehold land, buildings and property improvements</u> | <u>Plant and equipment</u> | <u>Fixtures, fittings and computer equipment</u> | <u>Motor vehicles</u> | <u>Total</u>      |
|---------------------------------|---|----------------------------|--|-----------------------|-------------------|
| <u>Cost</u>                     | <u>£</u>  | <u>£</u>                   | <u>£</u>   | <u>£</u>              | <u>£</u>          |
| At 1 June 2019                  | 9,141,154   | 839,097                    | 682,502  | 8,944                 | 10,671,697        |
| Additions                       | 1,281,664   | 55,085                     | 30,046   | -                     | 1,366,795         |
| Disposals                       | -   | -                          | -  | -                     | -                 |
| <b>At 31 May 2020</b>           | <b>10,422,818</b>   | <b>894,182</b>             | <b>712,548</b>                                   | <b>8,944</b>          | <b>12,038,492</b> |
| <b>Accumulated depreciation</b> |   |                            |  |                       |                   |
| At 1 June 2019                  | 1,595,294   | 594,896                    | 352,481  | -                     | 2,542,671         |
| Charge for the year             | 163,630   | 62,950                     | 52,070   | -                     | 278,650           |
| Eliminated on disposals         | -   | -                          | -  | -                     | -                 |
| <b>At 31 May 2020</b>           | <b>1,758,924</b>  | <b>657,846</b>             | <b>404,551</b>                                   | <b>-</b>              | <b>2,821,321</b>  |
| <b>Net book value</b>           |   |                            |  |                       |                   |
| <b>At 31 May 2020</b>           | <b>£8,663,894</b>   | <b>£236,336</b>            | <b>£307,997</b>                                  | <b>£8,944</b>         | <b>£9,217,171</b> |
| At 31 May 2019                  | £7,545,860  | £244,201                   | £330,021   | £8,944                | £8,129,026        |

### 9. Fixed asset investments

|                                 | <u>2020</u>        | <u>2019</u>        |
|---------------------------------|--------------------|--------------------|
| Shares in subsidiaries, at cost | <u>£15,900,000</u> | <u>£15,900,000</u> |

Additional information on principal subsidiary undertakings:

| <u>Company</u>                     | <u>Class of shares held</u> | <u>Percentage of shares held</u> | <u>Nature of business</u> |
|------------------------------------|-----------------------------|----------------------------------|---------------------------|
| Ian H Cameron Limited              | Ordinary<br>'A' Ordinary    | 100%<br>100%                     | Motor vehicle dealership  |
| Cameron Motors (Scotland) Limited  | Ordinary<br>'A' Ordinary    | 100%<br>100%                     | Holding company           |
| Douglas Cameron (Scotland) Limited | Ordinary<br>'A' Ordinary    | 100%<br>100%                     | Holding company           |
| Cameron Motors (Perth) Limited*    | Ordinary                    | 100%                             | Motor vehicle dealership  |
| Douglas Cameron (Perth) Limited**  | Ordinary                    | 100%                             | Motor vehicle dealership  |

# Cameron Group (Perth) Limited

## Notes to the financial statements (continued)

### 9. Fixed asset investments (continued)

All the above companies were incorporated in Scotland.

\* Shares held by Cameron Motors (Scotland) Limited

\*\* Shares held by Douglas Cameron (Scotland) Limited

### 10. Stocks

|   | <u>Group</u><br><u>2020</u><br>£ | <u>Company</u><br><u>2020</u><br>£ | <u>Group</u><br><u>2019</u><br>£ | <u>Company</u><br><u>2019</u><br>£ |
|---|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
| New vehicles                            | 3,719,493                        | -                                  | 2,359,452                        | -                                  |
| Used vehicles                           | 8,696,759                        | -                                  | 7,660,747                        | -                                  |
| Parts                                   | 214,611                          | -                                  | 211,521                          | -                                  |
| Paint, consumables and work in progress | 14,346                           | -                                  | 18,468                           | -                                  |
| Consignment vehicles                    | 4,497,275                        | -                                  | 5,468,310                        | -                                  |
|   | <u>£17,142,484</u>               | <u>£ -</u>                         | <u>£15,718,498</u>               | <u>£ -</u>                         |

### 11. Debtors

|                                      | <u>Group</u><br><u>2020</u><br>£ | <u>Company</u><br><u>2020</u><br>£ | <u>Group</u><br><u>2019</u><br>£ | <u>Company</u><br><u>2019</u><br>£ |
|--------------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
| Amounts falling due within one year: |                                  |                                    |                                  |                                    |
| Trade debtors                        | 1,077,909                        | -                                  | 1,942,140                        | -                                  |
| Prepayments and accrued income       | 220,821                          | -                                  | 820,413                          | -                                  |
| Other taxation                       | 136,967                          | -                                  | -                                | -                                  |
| Corporation taxation                 | 23,502                           | -                                  | -                                | -                                  |
|                                      | <u>£1,459,199</u>                | <u>£ -</u>                         | <u>£2,762,553</u>                | <u>£ -</u>                         |

### 12. Creditors: amounts falling due within one year

|                                 | <u>Group</u><br><u>2020</u><br>£ | <u>Company</u><br><u>2020</u><br>£ | <u>Group</u><br><u>2019</u><br>£ | <u>Company</u><br><u>2019</u><br>£ |
|---------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
| Trade creditors                 | 5,359,188                        | -                                  | 5,232,052                        | -                                  |
| Corporation tax                 | 85,565                           | -                                  | 308,102                          | -                                  |
| Other taxes and social security | 745,201                          | -                                  | 784,782                          | -                                  |
| Accruals and other creditors    | 299,766                          | -                                  | 272,714                          | -                                  |
| Consignment stock creditor      | 4,497,275                        | -                                  | 5,468,310                        | -                                  |
|                                 | <u>£10,986,995</u>               | <u>£ -</u>                         | <u>£12,065,960</u>               | <u>£ -</u>                         |



# Cameron Group (Perth) Limited

## Notes to the financial statements (continued)

### 13. Creditors: amounts falling due after more than one year

|                 | <u>Group</u><br><u>2020</u> | <u>Company</u><br><u>2020</u> | <u>Group</u><br><u>2019</u> | <u>Company</u><br><u>2019</u> |
|-----------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Deferred income | <u>£62,620</u>              | <u>£ -</u>                    | <u>£65,067</u>              | <u>£ -</u>                    |

### 14. Deferred taxation

Full provision has been made at 19% (2019 – 17%) for the potential taxation arising in respect of:

|  | <u>Group</u><br><u>2020</u> | <u>Company</u><br><u>2020</u> | <u>Group</u><br><u>2019</u> | <u>Company</u><br><u>2019</u> |
|--|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Capital allowances in excess of depreciation | <u>£413,085</u>             | <u>£ -</u>                    | <u>£257,314</u>             | <u>£ -</u>                    |

|  | <u>Group</u><br><u>£</u> |
|--|--------------------------|
| Movement in provision during the year:   |                          |
| At 1 June 2019   | 257,314                  |
| Movement in the year:  |                          |
| Provided in respect of - originating and reversing timing difference in the year | 125,499                  |
| Change in taxation rate  | 30,272                   |
| <b>At 31 May 2020</b>  | <b><u>£413,085</u></b>   |

### 15. Net debt reconciliation

|      | <u>At 1 June</u><br><u>2019</u> | <u>Cash flows</u>   | <u>At 31 May</u><br><u>2020</u> |
|------|---------------------------------|---------------------|---------------------------------|
| Cash | <u>£8,561,317</u>               | <u>£(1,158,975)</u> | <u>£7,402,342</u>               |

### 16. Share capital

|                                       | <u>2020</u><br><u>£</u> | <u>2019</u><br><u>£</u> |
|---------------------------------------|-------------------------|-------------------------|
| Allotted, issued and fully paid       |                         |                         |
| 159,999 ordinary shares of £1 each    | 159,999                 | 159,999                 |
| 20,000 ordinary 'A' shares of £1 each | 20,000                  | 20,000                  |
| 1 ordinary 'B' share of £1 each       | 1                       | 1                       |
| 20,000 ordinary 'C' shares of £1 each | 20,000                  | 20,000                  |
|                                       | <u>£200,000</u>         | <u>£200,000</u>         |

### 17. Reserves

The profit and loss account balance represents the accumulated profits of the group and the company.

## **Cameron Group (Perth) Limited**

### **Notes to the financial statements (continued)**

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#### **18. Pension costs**

The group operates a number of defined contribution schemes. The assets are held separately from those of the group in independently and self-administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £222,478 (2019 - £150,219). At 31 May 2020 £34,926 (2019 - £853) was payable to the funds.

#### **19. Related party disclosures**

The company has taken advantage of the exemption not to disclose transactions with 100 per cent subsidiaries on the grounds that the voting rights are controlled by the company and the subsidiaries are included in the consolidated financial statements.

#### **20. Ultimate controlling party**

The ultimate controlling party is I D Cameron, a director and shareholder.

#### **21. General information**

Cameron Group (Perth) Limited is a limited company incorporated in Scotland. The address of its registered office and principal place of business is 166 Dunkeld Road, Perth, PH1 5AS.

The principal activity is included in the strategic report.

The financial statements are presented in £ sterling, which is the functional currency of the group.