

REGISTERED NUMBER: 00697848 (England and Wales)

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 December 2016  
for  
White Dove Garages Limited



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**for the Year Ended 31 December 2016**

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**White Dove Garages Limited**  
**Company Information**  
**for the Year Ended 31 December 2016**

**DIRECTORS:** R J Hughes  
M R Francis

**SECRETARY:** M R Francis

**REGISTERED OFFICE:** Hadfield Road  
Cardiff  
CF11 8WD

**REGISTERED NUMBER:** 00697848 (England and Wales)

**AUDITORS:** ASE Audit LLP  
Statutory Auditors & Chartered Accountants  
Rowan Court  
Concord Business Park  
Manchester  
Greater Manchester  
M22 0RR

**Strategic Report**  
**for the Year Ended 31 December 2016**

The directors present their strategic report for the year ended 31 December 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the operation of motor dealerships involving the sale, maintenance and repair of motor vehicles and the supply of related parts and accessories.

**REVIEW OF BUSINESS**

2016 saw the company complete a showroom switch and major refurbishment to incorporate the latest Corporate Image Statements for both Skoda and SEAT. An additional workshop was also built to provide increased capacity for continued growth in Aftersales revenues and to enable the latest MOT testing and wheel alignment equipment to be installed.

The Skoda franchise enjoyed a growth in car sales volume of 23% and the SEAT franchise enjoyed a growth in car sales volume of 14%.

The directors are pleased with the result for 2016 and are confident of the continuing prospects for 2017.

**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.

**MANUFACTURERS SUPPLY OF NEW AND IMPROVED PRODUCTS**

The company is reliant on new vehicle products from its manufacturer partners. This exposes the company to risks in a number of areas as the company is dependent on its manufacturer/supplier in respect of:

- availability of new vehicle products
- quality of new vehicle products
- pricing of new vehicle products

The directors are confident that future new products from its manufacturers/suppliers will continue to be competitively priced and high quality and therefore consider that this "manufacturer risk" is minimal. It is, in any case, mitigated by the other core business areas of the company, including used vehicle sales, parts sales and service work.

**ECONOMIC DOWNTURN**

The success of the business is reliant on consumer spending. An economic downturn, resulting in a reduction of consumer spending power, will have a direct impact on the income achieved by the company.


In response to this risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies are modified to reflect the new market conditions.

**KEY PERFORMANCE INDICATORS**

Turnover for the year was up 21% due to the higher volumes of cars sold and gross profit improved from 11.1% in 2015 to 12.2%. Return on Sales before taxation increased from 0.65% in 2015 to 2.75%.

In addition to the financial performance significant progress was made in Customer Satisfaction Scores for both brands with Skoda in particular ending the year amongst the top 10 dealers in the UK.

**ON BEHALF OF THE BOARD:**

  
.....  
M R Francis - Secretary

Date: 25.09.2017

**White Dove Garages Limited (Registered number: 00697848)**

**Report of the Directors  
for the Year Ended 31 December 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2016 (2015: £Nil).

**FUTURE DEVELOPMENTS**

As already mentioned in the Strategic Report the refurbishment of the dealership premises to incorporate the latest Corporate Image Statements of both Skoda and SEAT were completed in April 2016. Subsequent to the year end the company has secured some additional adjoining land to expand the SEAT used car display area and increase the amount of customer car parking on site. The company can now hopefully look forward to a period of regular sustained trading.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

R J Hughes  
M R Francis

**FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES**

The company uses a number of financial instruments which include loans, cash and other various items such as trade debtors and trade creditors which arise directly from its operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The significant risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The directors review and agree policies for the management of each of these risks which are noted below. These policies are consistent with those from the previous year.

**INTEREST RATE RISK**

The company finances its operations through a mixture of bank and other external borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities. The Statement of Financial Position includes trade debtors and creditors which do not attract interest and are therefore subject to fair value interest rate risk.

The company policy throughout the year has been to achieve its objective of managing interest rate risk through day to day involvement of management in business decisions rather than through setting maximum or minimum levels for the level of fixed interest rate borrowings.

**LIQUIDITY RISK**

The company makes efforts to manage the financial risk by the monitoring of cashflow to ensure that the company is able to meet its foreseeable debts as they fall due and to invest any cash assets profitably.

**CREDIT RISK**

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited and therefore the principal credit risk arises from its trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. These credit limits are reviewed regularly by the directors together with the aged debtors and collection history.

**DISCLOSURE IN THE STRATEGIC REPORT**

The Directors review of business, and their consideration of the risks and uncertainties surrounding the business may be found in the Strategic Report.

**Report of the Directors**  
**for the Year Ended 31 December 2016**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

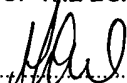
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, ASE Audit LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

  
.....  
M R Francis - Secretary

Date: 25-09-2017

**Report of the Independent Auditors to the Members of**  
**White Dove Garages Limited**

We have audited the financial statements of White Dove Garages Limited for the year ended 31 December 2016 on pages six to eighteen. The financial reporting framework that has been applied in their preparation is 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'.

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 a Report of the Auditors 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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**

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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors 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.

**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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements and the Strategic report and the Report of the Directors has been prepared in accordance with applicable legal requirements.

**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.

ASE Audit LLP

Beverley Richardson FCA (Senior Statutory Auditor)  
for and on behalf of ASE Audit LLP  
Statutory Auditors & Chartered Accountants  
Rowan Court  
Concord Business Park  
Manchester  
Greater Manchester  
M22 0RR

Date: 26/9/17

**White Dove Garages Limited (Registered number: 00697848)**

**Statement of Comprehensive Income**  
**for the Year Ended 31 December 2016**

	Notes	2016 £	2015 £
<b>TURNOVER</b>	3	<b>23,616,624</b>	19,439,704
Cost of sales		<b>20,718,776</b>	17,269,998
<b>GROSS PROFIT</b>		<b>2,897,848</b>	2,169,706
Administrative expenses		<b>2,153,913</b>	1,962,818
<b>OPERATING PROFIT</b>	5	<b>743,935</b>	206,888
Interest payable and similar expenses	6	<b>93,243</b>	79,522
<b>PROFIT BEFORE TAXATION</b>		<b>650,692</b>	127,366
Tax on profit	7	<b>135,834</b>	33,149
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>514,858</b>	94,217
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>514,858</b>	94,217

The notes form part of these financial statements



**White Dove Garages Limited (Registered number: 00697848)**

**Statement of Financial Position**  
**31 December 2016**

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	8	2,316,247	1,401,536
<b>CURRENT ASSETS</b>			
Stocks	9	3,414,304	2,451,874
Debtors	10	681,820	296,735
Cash in hand		411	108
		<u>4,096,535</u>	<u>2,748,717</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	(4,383,955)	(3,488,786)
<b>NET CURRENT LIABILITIES</b>		<u>(287,420)</u>	<u>(740,069)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,028,827</u>	<u>661,467</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(816,667)	-
<b>PROVISIONS FOR LIABILITIES</b>	16	(62,437)	(26,602)
<b>NET ASSETS</b>		<u>1,149,723</u>	<u>634,865</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	10,000	10,000
Retained earnings	18	1,139,723	624,865
<b>SHAREHOLDERS' FUNDS</b>		<u>1,149,723</u>	<u>634,865</u>

The financial statements were approved by the Board of Directors on 25.09.2017 and were signed on its behalf by:

  
M R Francis - Director

  
R J Hughes - Director

The notes form part of these financial statements

**White Dove Garages Limited (Registered number: 00697848)**

**Statement of Changes in Equity**  
**for the Year Ended 31 December 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	10,000	530,648	540,648
Changes in equity			
Total comprehensive income	-	94,217	94,217
Balance at 31 December 2015	10,000	624,865	634,865
Changes in equity			
Total comprehensive income	-	514,858	514,858
Balance at 31 December 2016	10,000	1,139,723	1,149,723

The notes form part of these financial statements

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2016**

**1. STATUTORY INFORMATION**

White Dove Garages Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The company's principal place of business is the same as its registered office. Details of the principal activity of the company is included within the Strategic Report.

**2. ACCOUNTING POLICIES**

***Basis of preparation***

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

***Going concern***

At the reporting date, the company had net current liabilities of £287,420 (2015: £740,069). The directors have considered available headroom within bank overdraft facilities and funding lines together with forecasts which demonstrate that the company can manage its working capital and generate sufficient cash flows to enable it to meet its liabilities as they fall due. The directors have confirmed that the parent company will continue to support the business. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

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 below).

The following principal accounting policies have been applied:

**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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of White Dove Securities Limited as at 31 December 2016 and these financial statements may be obtained from Companies House.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**2. ACCOUNTING POLICIES- continued**

**Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

**Consignment stock**

Vehicles held on consignment have been included in 'vehicle stock' within 'stocks' on the basis that the company has determined that it holds the significant risks and rewards attached to these vehicles.

**Stock valuation**

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including Glass' and CAP valuation guides. The directors maintain oversight of ageing stock profiles and a quarterly review of any provision required is performed.

**Property, plant and equipment assets**

Property, plant and equipment are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows.

**Incentives and other rebates from brand partners**

The company receives income in the form of various incentives which are determined by the brand partners. The amount received is generally based on achieving specific objectives such as a specified sales volume, as well as other objectives including maintaining brand partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Incentives are set and measured on a monthly, quarterly or annual basis. All Skoda volume targets are monthly.

Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned. This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain that the related target will be met. Where incentives are linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

The company may also receive contributions towards advertising and promotional expenditure. Where such contributions are received they are recognised as a reduction in the related expenditure in the period to which they relate.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**2. ACCOUNTING POLICIES - continued**

**Turnover**

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.

**Commissions receivable**

Revenue from commissions receivable is recognised when the amount can be reliably measured and it is probable that the company will receive the consideration.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 2% on cost or valuation
Plant and machinery	- 10% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on cost

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

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 Comprehensive Income during the period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

**Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

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

**Consignment stock**

Consignment vehicles are regarded as being under the control of the company when significant risks and responsibilities of ownership are deemed to have passed to the company in accordance with FRS 102. These values are included within stocks on the Statement of Financial Position, although legal title has not passed to the company. The corresponding liability is included as new vehicle funding and is secured directly on these vehicles.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Current or deferred taxation assets and liabilities are not discounted.

**Leasing commitments**

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

**Pensions**

**Defined contribution pension plan**

The company operated a defined contribution pension 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 payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. The amounts not paid are shown in accruals in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

**Debtors**

Short term debtors are measured at the 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.

**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.

**Finance costs**

Finance costs are charged to the Statement of Comprehensive Income 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.

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2016 £	2015 £
Sale of goods	22,799,202	18,679,024
Rendering of services	597,719	546,718
Commissions received	219,703	213,962
	<u>23,616,624</u>	<u>19,439,704</u>

**White Dove Garages Limited (Registered number: 00697848)**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**3. TURNOVER - continued**

All turnover arose in the UK.

**4. EMPLOYEES AND DIRECTORS**

	2016	2015
	£	£
Wages and salaries	1,090,672	955,965
Social security costs	108,741	96,125
Other pension costs	7,349	1,794
	<u>1,206,762</u>	<u>1,053,884</u>

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

	2016	2015
Administration	17	19
Sales and workshop	19	17
	<u>36</u>	<u>36</u>

The directors consider themselves to be the key management within the business.

	2016	2015
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	2016	2015
	£	£
Other operating leases	25,000	25,000
Depreciation - owned assets	59,893	54,311
Auditors' remuneration	8,640	7,591
Auditors' remuneration for non audit work	2,160	2,009
	<u></u>	<u></u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2016	2015
	£	£
Other loan interest	41,165	-
Stocking loan interest	52,078	79,522
	<u>93,243</u>	<u>79,522</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	99,830	27,266
Under provision in prior year	169	-
Total current tax	99,999	27,266
Deferred tax	35,835	5,883
Tax on profit	135,834	33,149

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit before tax	650,692	127,366
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.247%)	130,138	25,788
Effects of:		
Expenses not deductible for tax purposes	874	849
Income not taxable for tax purposes	-	(33)
Capital allowances in excess of depreciation	(31,118)	-
Depreciation in excess of capital allowances	-	810
Adjustments to tax charge in respect of previous periods	169	-
Marginal relief	-	(148)
Deferred tax movement	35,835	5,883
Revenue in capital	(64)	-
Total tax charge	135,834	33,149

**Factors that may affect future tax charges**

A reduction in the corporation tax rate from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020 was substantively enacted on 18 November 2015 and 6 September 2016 respectively. Future tax liabilities will reduce accordingly and deferred tax has been provided at 19.25% in these financial statements.



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**8. TANGIBLE FIXED ASSETS**

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2016	1,921,135	219,495	471,156	26,339	2,638,125
Additions	727,759	30,845	216,000	-	974,604
At 31 December 2016	2,648,894	250,340	687,156	26,339	3,612,729
<b>DEPRECIATION</b>					
At 1 January 2016	679,264	199,004	331,982	26,339	1,236,589
Charge for year	38,431	4,531	16,931	-	59,893
At 31 December 2016	717,695	203,535	348,913	26,339	1,296,482
<b>NET BOOK VALUE</b>					
At 31 December 2016	1,931,199	46,805	338,243	-	2,316,247
At 31 December 2015	1,241,871	20,491	139,174	-	1,401,536

Fixed assets with a carrying value of £2,316,247 (2015: £1,401,536) are pledged as security for the bank overdraft and other loans.

**9. STOCKS**

	2016 £	2015 £
Vehicle stock	3,324,743	2,388,084
Parts and accessories	89,561	63,790
	<u>3,414,304</u>	<u>2,451,874</u>

Stock recognised in cost of sales during the year as an expense was £20,549,823 (2015: £17,202,276).

An impairment of £40,520 (2015: £100,237) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

All stock is pledged as security for the vehicle funding and the bank facilities.

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Trade debtors	468,387	205,450
Amounts owed by group undertakings	1,919	133
Other debtors	174,922	53,025
Prepayments	36,592	38,127
	<u>681,820</u>	<u>296,735</u>

An impairment loss of £Nil (2015: £Nil) was recognised against trade debtors.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Bank overdraft (see note 13)	283,903	799,854
Other loan (see note 13)	100,000	-
Trade creditors	3,443,601	2,388,128
Tax	99,830	27,266
Social security and other taxes	33,095	20,334
VAT	191,894	121,798
Directors' loan accounts	-	20,679
Accruals	231,632	110,727
	<u>4,383,955</u>	<u>3,488,786</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016	2015
	£	£
Other loan (see note 13)	<u>816,667</u>	<u>-</u>

**13. LOANS**

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	283,903	799,854
Other loan	100,000	-
	<u>383,903</u>	<u>799,854</u>
Amounts falling due between one and two years:		
Other loan	<u>100,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loan	<u>300,000</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Other loan	<u>416,667</u>	<u>-</u>

The other loan relates to a VW Bank loan which attracts interest at 2.56% above the relevant Funding Rate. The loan is repayable by monthly instalments.

**14. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016	2015
	£	£
Within one year	25,000	25,000
Between one and five years	100,000	100,000
In more than five years	1,700,000	1,725,000
	<u>1,825,000</u>	<u>1,850,000</u>

**White Dove Garages Limited (Registered number: 00697848)**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**15. SECURED DEBTS**

The following secured debts are included within creditors:

	2016 £	2015 £
Bank overdrafts	283,903	799,854
Other loans	916,667	-
Vehicle funding	2,199,716	1,182,691
	<u>3,400,286</u>	<u>1,982,545</u>

HSBC Bank Plc hold an unlimited multilateral guarantee over the assets of White Dove Garages Limited, White Dove Motor Services Limited, White Dove Contracts Limited, White Dove Securities Limited and Basetheme Limited. This is used as security against the bank overdraft of the company.

The VW Bank loan is secured by way of a debenture and a legal charge over White Dove Garages Limited, White Dove Motor Services Limited and White Dove Securities Limited. Also by legal mortgage over White Dove Securities Limited.

Vehicle funding is secured against the vehicles to which they relate.

**16. PROVISIONS FOR LIABILITIES**

	2016 £	2015 £
Deferred tax	<u>62,437</u>	<u>26,602</u>
		Deferred tax
		£
Balance at 1 January 2016		26,602
Accelerated capital allowances		35,835
Balance at 31 December 2016		<u>62,437</u>

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:	£	£
10,000	Ordinary	1	<u>10,000</u>	<u>10,000</u>

**18. RESERVES**

**Retained earnings reserve**

This reserve includes all current and prior period retained profits and losses, less dividends paid.

**19. 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. Contributions during the year totalled £7,349 (2015: £1,794).

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**20. CAPITAL COMMITMENTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Contracted but not provided for in the financial statements	<u>-</u>	<u>642,892</u>

The amount above relates to vehicles committed to repurchasing through Car Benefit Scheme £Nil (2015: £26,378) and ongoing corporate identity upgrades on the dealerships £Nil (2015: £616,514). The company expect the market value of the vehicles to be in excess of the repurchase commitment.

At the Statement of Financial Position date legal title had passed to CBS and the company does not have the risks and responsibilities of ownership.

**21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

Included within creditors at the reporting date is £Nil (2015: £10,339) in relation to balances owed to R J Hughes and £Nil (2015: £10,339) owed to M R Francis.

The loans were interest free and repayable on demand.

**22. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**23. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

White Dove Securities Limited is regarded by the directors as being the companys ultimate parent company, by virtue of holding 100% of the issued share capital of the company.

The ultimate controlling party during the year under review and the preceding year was R J Hughes, by virtue of holding 75% of the issued share capital in the parent company, White Dove Securities Limited.