

## White Dove Garages Limited

### Abbreviated accounts

For the year ended 31 December 2014

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COMPANIES HOUSE

# **White Dove Garages Limited**

## **Contents**

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	<b>Page</b>
<b>Strategic report</b>	<b>1 - 2</b>
<b>Directors' report</b>	<b>3 - 4</b>
<b>Independent auditors' report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the abbreviated accounts</b>	<b>8 - 13</b>

**White Dove Garages Limited**  
**Strategic report**  
**For the year ended 31 December 2014**

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**Introduction**

The directors present their strategic report for the year ended 31 December 2014.

**Principal activity**

The principal activity of the company in the year under review was that of purchasing, selling and repairing of motor vehicles and other ancillary services.

**Business review**

2014 was a good year for new car sales in the UK with registrations increasing by over 9% compared to 2013. It was even better for the brands represented by the Company, Skoda and SEAT, with registrations in the UK increasing by over 14% and over 18% respectively.

White Dove Garages fared even better with car sales numbers increasing by over 30% and turnover increasing by over 34% compared to 2013. The effect of this increase in turnover was to increase operating profit from £98,049 to £295,876 and profit before taxation from £35,523 to £212,676.

The Directors are pleased with the result for 2014 and are confident of the continuing prospects for 2015.

**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.

**Manufacturer supply of new and improved products**

The company is reliant on new vehicle products from Skoda and SEAT. 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 product
- quality of new vehicle product
- pricing of new vehicle product

The directors are confident that future new products from its manufacturer/supplier 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 other core business areas of the company, including used vehicle sales, parts sales and service work.

**White Dove Garages Limited**  
**Strategic report (continued)**  
**For the year ended 31 December 2014**

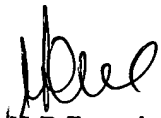
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**Economic downturn**

The success of the business is reliant on consumer spending. An economic downturn, resulting in 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.

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



**W R Francis**  
Director

Date:

17/9/2015

**White Dove Garages Limited**  
**Directors' report**  
**For the year ended 31 December 2014**

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The directors present their report and the financial statements for the year ended 31 December 2014.

**Results**

The profit for the year, after taxation, amounted to £173,574 (2013 - £22,920).

**Directors**

The directors who served during the year were:

R J Hughes  
M R Francis

**Financial risk management objectives and policies**

The company uses various financial instruments which include bank, financial institution and stocking loans, cash and various items, such as consignment stock, trade debtors and trade creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for the company's operations. Their existence exposes the company to a number of financial risks.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The directors review and agree policies for managing each of these risks which are summarised below. These policies have remained unchanged from previous years.

**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 balance sheet 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 seeks to manage risk by ensuring sufficient liquidity is available to meet foreseeable needs to invest cash assets safely and profitably.

The company's policy throughout the year has been to achieve this objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum liquidity ratios.

**Credit risk**

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

In order to manage credit risk, the directors set credit limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

**White Dove Garages Limited**  
**Directors' report**  
**For the year ended 31 December 2014**

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**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 judgments 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.

**Disclosure of information to auditors**

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

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

**Auditors**

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

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



**M R Francis**  
Director

Date: 17/9/2015

**White Dove Garages Limited**  
**Independent auditors' report to White Dove Garages Limited**  
**Under section 449 of the Companies Act 2006**

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We have examined the abbreviated accounts set out on pages 6 to 13, together with the financial statements of White Dove Garages Limited for the year ended 31 December 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

**Opinion on financial statements**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 6 to 13 have been properly prepared in accordance with the regulations made under that section.

*ASE Audit LLP*

Ian McMahon FMAAT FCCA (Senior statutory auditor)  
for and on behalf of ASE Audit LLP  
Chartered Accountants & Statutory Auditors  
Rowan Court  
Concord Business Park  
Manchester  
Greater Manchester  
M22 0RR

Date: 17/9/2015.

**White Dove Garages Limited**  
**Abbreviated profit and loss account**  
**For the year ended 31 December 2014**

	Note	2014 £	2013 £
<b>Turnover</b>	1	<b>20,501,632</b>	15,201,622
<b>Gross profit</b>		<b>2,174,545</b>	1,720,241
Administrative expenses		<b>(1,878,669)</b>	(1,622,192)
<b>Operating profit</b>	2	<b>295,876</b>	98,049
Interest payable and similar charges	4	<b>(83,200)</b>	(62,526)
<b>Profit on ordinary activities before taxation</b>		<b>212,676</b>	35,523
Tax on profit on ordinary activities	5	<b>(39,102)</b>	(12,603)
<b>Profit for the financial year</b>	13	<b>173,574</b>	22,920

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 8 to 13 form part of these financial statements.



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

**Abbreviated balance sheet**  
**As at 31 December 2014**

		2014		2013	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		<b>1,148,746</b>		1,179,892
<b>Current assets</b>					
Stocks	7	<b>2,945,300</b>		2,333,027	
Debtors	8	<b>434,341</b>		501,239	
Cash in hand		<b>108</b>		242	
		<b>3,379,749</b>		<b>2,834,508</b>	
<b>Creditors:</b> amounts falling due within one year	9	<b>(3,967,128)</b>		<b>(3,633,734)</b>	
<b>Net current liabilities</b>			<b>(587,379)</b>		<b>(799,226)</b>
<b>Total assets less current liabilities</b>			<b>561,367</b>		<b>380,666</b>
<b>Provisions for liabilities</b>					
Deferred tax	11		<b>(20,719)</b>		<b>(13,592)</b>
<b>Net assets</b>			<b>540,648</b>		<b>367,074</b>
<b>Capital and reserves</b>					
Called up share capital	12		<b>10,000</b>		10,000
Profit and loss account	13		<b>530,648</b>		357,074
<b>Shareholders' funds</b>	14		<b>540,648</b>		<b>367,074</b>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by:

**R J Hughes**  
 Director

**M R Francis**  
 Director

Date:

17/9/2015

The notes on pages 8 to 13 form part of these financial statements.

**White Dove Garages Limited**  
**Notes to the abbreviated accounts**  
**For the year ended 31 December 2014**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**1.2 Going concern**

At the balance sheet date, the company had net current liabilities of £587,379 (2013: £799,226). 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.

**1.3 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

**1.4 Turnover**

Turnover represents amounts receivable for goods supplied and services provided, including finance commissions earned, net of trade discounts, VAT and other related sales taxes.

Sales of motor vehicles, parts and accessories are recognised on invoice / registration date and delivery to the customer together with the associated manufacturer vehicle bonus income. Any other manufacturers income in relation to achieving targets is recognised on an accruals basis. After sales revenue is recognised on the completion of the agreed work.

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

**1.6 Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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 5. These values are included within stocks on the balance sheet, although legal title has not passed to the company. The corresponding liability is included in trade creditors and is secured directly on these vehicles.

**White Dove Garages Limited**  
**Notes to the abbreviated accounts**  
**For the year ended 31 December 2014**

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**1. Accounting policies (continued)**

**1.7 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**2. Operating profit**

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	56,067	54,920
Auditors' remuneration	7,800	7,200
Auditors' remuneration - non-audit	1,950	1,800
	<u>65,817</u>	<u>63,920</u>

During the year, no director received any emoluments (2013 - £NIL).

**3. Staff costs**

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	832,197	787,739
Social security costs	103,248	75,923
	<u>935,445</u>	<u>863,662</u>

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

	2014 No.	2013 No.
Administration	17	18
Workshop and Sales	19	17
	<u>36</u>	<u>35</u>

**White Dove Garages Limited**  
**Notes to the abbreviated accounts**  
**For the year ended 31 December 2014**

**4. Interest payable**

	2014 £	2013 £
Stocking interest	<u>83,200</u>	<u>62,526</u>

**5. Taxation**

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	31,975	2,823
<b>Deferred tax</b> (see note 11)		
Origination and reversal of timing differences	7,127	9,780
<b>Tax on profit on ordinary activities</b>	<u>39,102</u>	<u>12,603</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.493% (2013 - 20%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>212,676</u>	<u>35,523</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.493% (2013 - 20%)	45,710	7,105
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,324	266
Depreciation for year in excess of capital allowances	5,928	(6,654)
Group relief	(14,253)	(1,223)
Marginal relief	(830)	-
Balance sheet adjustments	(5,904)	3,329
<b>Current tax charge for the year</b> (see note above)	<u>31,975</u>	<u>2,823</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**White Dove Garages Limited**  
**Notes to the abbreviated accounts**  
**For the year ended 31 December 2014**

**6. Tangible fixed assets**

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 January 2014	1,654,952	213,603	26,339	411,209	2,306,103
Additions	-	5,891	-	19,030	24,921
At 31 December 2014	1,654,952	219,494	26,339	430,239	2,331,024
<b>Depreciation</b>					
At 1 January 2014	613,048	188,994	26,339	297,830	1,126,211
Charge for the year	33,108	4,726	-	18,233	56,067
At 31 December 2014	646,156	193,720	26,339	316,063	1,182,278
<b>Net book value</b>					
At 31 December 2014	1,008,796	25,774	-	114,176	1,148,746
At 31 December 2013	1,041,904	24,609	-	113,379	1,179,892

**7. Stocks**

	2014 £	2013 £
Vehicle stock	2,861,347	2,276,320
Work in progress	8,218	7,502
Parts stock	75,735	49,205
	<u>2,945,300</u>	<u>2,333,027</u>

Included within vehicle stock is consignment stock in the sum of £770,336 (2013 £330,254). The corresponding liability is included in trade creditors and is secured directly on the vehicles to which it relates.

**8. Debtors**

	2014 £	2013 £
Trade debtors	308,724	247,223
Amounts owed by group undertakings	33	-
Other debtors	38	1,354
Prepayments and accrued income	125,546	252,662
	<u>434,341</u>	<u>501,239</u>

**White Dove Garages Limited**  
**Notes to the abbreviated accounts**  
**For the year ended 31 December 2014**

**9. Creditors:**  
**Amounts falling due within one year**

	2014 £	2013 £
Bank loans and overdrafts	675,333	766,759
Trade creditors	3,001,238	2,503,396
Amounts owed to group undertakings	-	52,819
Corporation tax	31,975	2,823
Other taxation and social security	79,187	61,158
Other creditors	43,676	64,690
Accruals and deferred income	135,719	182,089
	<u>3,967,128</u>	<u>3,633,734</u>

**10. Secured debts**

The following secured debts are included within creditors:

	2014 £	2013 £
Bank overdrafts	675,333	766,759
Vehicle stocking loans	2,053,757	2,046,302
Consignment creditor	770,336	330,254
	<u>3,499,426</u>	<u>3,143,315</u>
Total	<u>3,499,426</u>	<u>3,143,315</u>

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

The bank overdraft is secured by a fixed charge over the property, together with a floating charge over all other assets of the business.

The vehicle stocking loans and the consignment creditor are secured over the vehicles to which they relate.

**11. Deferred taxation**

	2014 £	2013 £
At beginning of year	13,592	3,812
Charge for year (P&L)	7,127	9,780
	<u>20,719</u>	<u>13,592</u>
At end of year	<u>20,719</u>	<u>13,592</u>

**White Dove Garages Limited**  
**Notes to the abbreviated accounts**  
**For the year ended 31 December 2014**

**11. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	20,719	19,361
Short term timing differences	-	(5,769)
	<u>20,719</u>	<u>13,592</u>

**12. Share capital**

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

**13. Reserves**

	Profit and loss account £
At 1 January 2014	357,074
Profit for the financial year	173,574
	<u>530,648</u>
At 31 December 2014	

**14. Reconciliation of movement in shareholders' funds**

	2014 £	2013 £
Opening shareholders' funds	367,074	344,154
Profit for the financial year	173,574	22,920
	<u>540,648</u>	<u>367,074</u>
Closing shareholders' funds		

**15. Ultimate parent undertaking and controlling party**

The ultimate parent undertaking during the year under review and the preceding year is White Dove Securities Limited which owns 100% of the issued share capital within the company.

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