

BRIDGEND GARAGE LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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FOR THE YEAR ENDED 31 MARCH 2017**

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their strategic report for the year ended 31 March 2017.

The results for the year and financial position of the company are as shown in the annexed financial statements.

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

Our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole. They are turnover, gross margin, operating profit and net assets.

Vehicle sales and associated turnover increased from £22.4 million for the year to March 2016 to £25.1 million for the year to March 2017. The gross profit margin decreased from 19% in 2016 to 17%, reflecting the tight margins that the business operates within. The strategy of investing heavily in our stock allows the efficiencies to come through to our customers as volumes increase. Net assets at 31 March 2017 have risen to £8.17m from £4.72m.

The directors highlight the restructuring of inter-company balances resulting in £3m release of historic debt between Bridgend Garage Ltd and Bridgend Accident Repair Centre Ltd which has had significant impact on the reserves movement in the year.

The principal risks and uncertainties facing the company are competition from other suppliers - we feel that the service provided and scale of our operations mitigates this risk - and the wider economic issues that continue to cause uncertainty in the consumer marketplace. We are however, continually reinvesting to strengthen the company and have sufficient resources to cope with any fluctuations in activity.

Margins and staff costs are controlled by careful planning and budgeting and continuing ongoing review, to ensure efficiency. Our overheads are held to a minimum to maximise the value offering to our customers and to maintain a strong customer base. The directors will continue to monitor costs and performance, seeking further efficiency gains wherever possible.

ON BEHALF OF THE BOARD:



Daniel McLaughlan - Director

23 November 2017

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their report with the financial statements of the company for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of car sales and after sales services.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2017.

DIRECTORS

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

Alexander McLaughlan

Daniel McLaughlan

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors, the Strategic Report and the financial statements in accordance with applicable laws 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 the affairs of the company and of the profit and 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 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.

AUDITORS

The auditors, Martin Aitken & Co Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Daniel McLaughlan - Director

23 November 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRIDGEND GARAGE LIMITED

We have audited the financial statements of Bridgend Garage Limited for the year ended 31 March 2017 on pages five to nineteen. 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 two, 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 March 2017 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

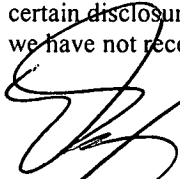
In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BRIDGEND GARAGE LIMITED**

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.



Ewen F Dyer (Senior Statutory Auditor)
for and on behalf of Martin Aitken & Co Ltd
Statutory Auditor
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

23 November 2017

BRIDGEND GARAGE LIMITED (REGISTERED NUMBER: SC098499)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
TURNOVER		25,117,541	22,389,526
Cost of sales		<u>(20,888,088)</u>	<u>(18,211,912)</u>
GROSS PROFIT		4,229,453	4,177,614
Administrative expenses		<u>(4,720,606)</u>	<u>(4,329,211)</u>
		(491,153)	(151,597)
Other operating income		<u>1,136,824</u>	<u>891,210</u>
OPERATING PROFIT	4	645,671	739,613
Intercompany loan write off	5	<u>3,000,000</u>	<u>-</u>
		3,645,671	739,613
Interest receivable and similar income		<u>75,683</u>	<u>58,001</u>
		3,721,354	797,614
Interest payable and similar expenses	6	<u>(139,705)</u>	<u>(110,005)</u>
PROFIT BEFORE TAXATION		3,581,649	687,609
Tax on profit	7	<u>(127,967)</u>	<u>(146,407)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>3,453,682</u>	<u>541,202</u>

The notes form part of these financial statements

BRIDGEND GARAGE LIMITED (REGISTERED NUMBER: SC098499)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		3,453,682	541,202
OTHER COMPREHENSIVE INCOME		_____ -	_____ -
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,453,682</u>	<u>541,202</u>

The notes form part of these financial statements

BRIDGEND GARAGE LIMITED (REGISTERED NUMBER: SC098499)

BALANCE SHEET
31 MARCH 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	8	(400,862)	(413,260)
Tangible assets	9	2,705,983	2,776,888
Investment property	10	<u>297,250</u>	<u>297,250</u>
		2,602,371	2,660,878
CURRENT ASSETS			
Stocks	11	7,413,120	6,267,324
Debtors	12	959,610	812,334
Cash at bank and in hand		<u>106,649</u>	<u>96,900</u>
		8,479,379	7,176,558
CREDITORS			
Amounts falling due within one year	13	<u>2,884,526</u>	<u>5,093,805</u>
NET CURRENT ASSETS		<u>5,594,853</u>	<u>2,082,753</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,197,224	4,743,631
PROVISIONS FOR LIABILITIES	15	<u>26,798</u>	<u>26,887</u>
NET ASSETS		<u>8,170,426</u>	<u>4,716,744</u>
CAPITAL AND RESERVES			
Called up share capital	16	160,002	160,002
Revaluation reserve	17	150,000	150,000
Profit and loss account	17	<u>7,860,424</u>	<u>4,406,742</u>
SHAREHOLDERS' FUNDS		<u>8,170,426</u>	<u>4,716,744</u>

The financial statements were approved by the Board of Directors on 23 November 2017 and were signed on its behalf by:



Alexander McLaughlan - Director



Daniel McLaughlan - Director

The notes form part of these financial statements

BRIDGEND GARAGE LIMITED (REGISTERED NUMBER: SC098499)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Profit and loss account £	Revaluation reserve £	Total equity £
Balance at 1 April 2015	160,002	3,865,540	150,000	4,175,542
Changes in equity				
Total comprehensive income	<u>-</u>	<u>541,202</u>	<u>-</u>	<u>541,202</u>
Balance at 31 March 2016	<u>160,002</u>	<u>4,406,742</u>	<u>150,000</u>	<u>4,716,744</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>3,453,682</u>	<u>-</u>	<u>3,453,682</u>
Balance at 31 March 2017	<u>160,002</u>	<u>7,860,424</u>	<u>150,000</u>	<u>8,170,426</u>

The notes form part of these financial statements

BRIDGEND GARAGE LIMITED (REGISTERED NUMBER: SC098499)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	797,335	(1,031,651)
Interest paid		(139,705)	(110,005)
Tax paid		<u>(148,433)</u>	<u>(123,765)</u>
Net cash from operating activities		<u>509,197</u>	<u>(1,265,421)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(39,059)	(49,139)
Sale of tangible fixed assets		-	3,250
Interest received		<u>75,683</u>	<u>58,001</u>
Net cash from investing activities		<u>36,624</u>	<u>12,112</u>
 Cash flows from financing activities			
New loans in year		548,618	799,592
Loan repayments in year		(975,171)	(243,750)
Amount introduced by directors		-	400,000
Amount withdrawn by directors		<u>(168,629)</u>	<u>(10,050)</u>
Net cash from financing activities		<u>(595,182)</u>	<u>945,792</u>
 Decrease in cash and cash equivalents		<u>(49,361)</u>	<u>(307,517)</u>
Cash and cash equivalents at beginning of year	2	<u>(384,343)</u>	<u>(76,826)</u>
 Cash and cash equivalents at end of year	2	<u><u>(433,704)</u></u>	<u><u>(384,343)</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	3,581,649	687,609
Depreciation charges	107,984	104,120
Loss/(profit) on disposal of fixed assets	1,980	(402)
Amortisation	(12,398)	(12,398)
Finance costs	139,705	110,005
Finance income	<u>(75,683)</u>	<u>(58,001)</u>
	3,743,237	830,933
Increase in stocks	<u>(1,145,796)</u>	<u>(1,082,860)</u>
Increase in trade and other debtors	<u>(147,276)</u>	<u>(90,720)</u>
Decrease in trade and other creditors	<u>(1,652,830)</u>	<u>(689,004)</u>
Cash generated from operations	<u>797,335</u>	<u>(1,031,651)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	106,649	96,900
Bank overdrafts	<u>(540,353)</u>	<u>(481,243)</u>
	<u>(433,704)</u>	<u>(384,343)</u>

Year ended 31 March 2016

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	96,900	151,990
Bank overdrafts	<u>(481,243)</u>	<u>(228,816)</u>
	<u>(384,343)</u>	<u>(76,826)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. STATUTORY INFORMATION

Bridgend Garage Limited is a private limited company incorporated in Scotland. The registered office is Riverside Complex, Glasgow Road, Kilwinning, Ayrshire, KA13 7JB.

The financial statements are presented in Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The 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. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Going concern

After reviewing the company's forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods and services rendered during the year. The company's policy is to recognise a sale when substantively all the risks and rewards in connection with the goods and services have been passed to the buyer.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separate net assets. Negative goodwill arising is recognised in the profit and loss account over the periods in which the non-monetary assets acquired are depreciated or when these assets are sold.

Tangible fixed assets

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

Heritable property	- 2% straight line
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Land included in heritable property is not depreciated.

Fixed assets are included in the financial statements at cost less depreciation and impairment.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

2. ACCOUNTING POLICIES - continued

Investment property

All of the company's properties are held for long-term investment. Investment properties are accounted for as follows:

(i) Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.

(ii) Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account accumulated in the profit and loss reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

(iii) Deferred taxation is provided on any gains at the rate expected to apply when a property is sold.

The investment property has been measured at its fair value at the date of transition and the fair value is considered to be the deemed cost at that date.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Replacement cost of stock would not be materially different.

Work in progress which relates to vehicle repairs is incorporated at cost for labour and parts.

Parts stock held on consignment from suppliers is included in stock where the principal terms of the agreement substantially transfer the risks and benefits of the stock to the company.

Taxation

Taxation represents the sum of tax currently payable and deferred tax. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is 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 taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

With the exception of changes arising on the initial recognition of a business combination, the tax expense is presented either in profit or loss, other comprehensive income or statement of changes in equity depending on the transaction that resulted in the tax expense.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Pension costs and other post-retirement benefits

The company pays into the personal pensions of certain employees and the directors. Contributions payable for the year are charged to profit or loss in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

2. ACCOUNTING POLICIES - continued

Rents receivable

Rents receivable under operating leases are credited to the profit and loss account on a straight line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value unless the arrangement constitutes a financing transaction where the transaction is measured at the present value of the future receipts/payments discounted at a market rate of interest.

Finance agreements

The capital element of loans provided to customers to finance vehicle acquisitions are included as debtors in the balance sheet. The interest receivable in respect of these loan agreements is credited to the profit and loss account over the relevant period. The loans are secured over the vehicles concerned.

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.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade 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.

3. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	2,926,489	2,685,818
Social security costs	249,447	216,792
Other pension costs	<u>126,375</u>	<u>93,172</u>
	<u><u>3,302,311</u></u>	<u><u>2,995,782</u></u>

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

	2017	2016
Sales	24	24
After sales	85	80
Administration	<u>25</u>	<u>25</u>
	<u><u>134</u></u>	<u><u>129</u></u>

The key management personnel of the company comprise the directors, the Head of Operations and the Head of Finance. During the year, the total employee benefits for the key management personnel were £89,900 (2016 - £102,881).

	2017 £	2016 £
Directors' remuneration	<u><u>-</u></u>	<u><u>-</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

3. EMPLOYEES AND DIRECTORS - continued

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2017 £	2016 £
Depreciation - owned assets	107,984	104,120
Loss/(profit) on disposal of fixed assets	1,980	(402)
Goodwill amortisation	(12,398)	(12,398)
Auditors' remuneration	10,650	9,350
Accountancy fees paid to auditors	9,000	9,000
Auditors fees - tax	1,500	1,500
Audit fees re prior years	<u>-</u>	<u>2,500</u>

5. EXCEPTIONAL ITEMS

	2017 £	2016 £
Intercompany loan write off	<u>3,000,000</u>	<u>-</u>

During the year, £3,000,000 was written off relating to a loan owed to Bridgend Accident Repair Centre Limited, a fellow subsidiary, as it was considered to be irrecoverable. There is no tax payable on this amount.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 £
Loans from group undertakings	<u>139,705</u>	<u>110,005</u>

7. TAXATION

Analysis of the tax charge

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

	2017 £	2016 £
Current tax:		
UK corporation tax	127,939	148,316
Under provision in previous years	<u>117</u>	<u>327</u>
Total current tax	128,056	148,643
Deferred tax	<u>(89)</u>	<u>(2,236)</u>
Tax on profit	<u>127,967</u>	<u>146,407</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

7. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

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

	2017 £	2016 £
Profit before tax	<u>3,581,649</u>	<u>687,609</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	716,330	137,522
Effects of:		
Capital allowances in excess of depreciation	(89)	(2,236)
Adjustments to tax charge in respect of previous periods	117	327
Depreciation for year in excess of capital allowances	10,620	10,335
Loss/(profit) on disposals	396	(80)
Disallowed expenses	593	539
Intercompany loan written off	(600,000)	-
	<u>127,967</u>	<u>146,407</u>
Total tax charge	<u>127,967</u>	<u>146,407</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2016 and 31 March 2017	<u>(619,893)</u>
AMORTISATION	
At 1 April 2016	(206,633)
Amortisation for year	<u>(12,398)</u>
At 31 March 2017	<u>(219,031)</u>
NET BOOK VALUE	
At 31 March 2017	<u>(400,862)</u>
At 31 March 2016	<u>(413,260)</u>

Negative goodwill arises on the acquisition of a business in 1999 and is being released to the profit and loss account in line with the depreciation of the related assets. The goodwill figure arises as the separable value of the assets acquired exceeded the amount paid for the business.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

9. TANGIBLE FIXED ASSETS

	Heritable property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2016	3,269,650	332,656	285,682	62,118	3,950,106
Additions	-	26,543	12,516	-	39,059
Disposals	-	(9,205)	(1,995)	-	(11,200)
At 31 March 2017	<u>3,269,650</u>	<u>349,994</u>	<u>296,203</u>	<u>62,118</u>	<u>3,977,965</u>
DEPRECIATION					
At 1 April 2016	655,185	267,329	216,443	34,261	1,173,218
Charge for year	62,400	20,384	19,200	6,000	107,984
Eliminated on disposal	-	(7,362)	(1,858)	-	(9,220)
At 31 March 2017	<u>717,585</u>	<u>280,351</u>	<u>233,785</u>	<u>40,261</u>	<u>1,271,982</u>
NET BOOK VALUE					
At 31 March 2017	<u>2,552,065</u>	<u>69,643</u>	<u>62,418</u>	<u>21,857</u>	<u>2,705,983</u>
At 31 March 2016	<u>2,614,465</u>	<u>65,327</u>	<u>69,239</u>	<u>27,857</u>	<u>2,776,888</u>

Included in cost of heritable property is land of £210,000 (2016 - £210,000) which is not depreciated.

10. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 April 2016 and 31 March 2017	<u>297,250</u>
NET BOOK VALUE	
At 31 March 2017	<u>297,250</u>
At 31 March 2016	<u>297,250</u>

The investment properties are held for use under operating leases. The investment properties are valued by the directors at values which represent their opinion of the open market value. If properties were sold at these values, no tax charge would arise. The historical cost of the investment properties is £147,250.

11. STOCKS

	2017 £	2016 £
Finished goods	7,321,511	6,185,247
Parts	<u>91,609</u>	<u>82,077</u>
	<u>7,413,120</u>	<u>6,267,324</u>

Stock recognised in cost of sales during the year as an expense was £17,238,867 (2016 - £17,290,768).

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

12. DEBTORS

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	463,162	330,236
Amounts owed by group undertakings	242,793	242,793
Prepayments	<u>45,228</u>	<u>61,845</u>
	<u>751,183</u>	<u>634,874</u>
 Amounts falling due after more than one year:		
Trade debtors	<u>208,427</u>	<u>177,460</u>
 Aggregate amounts	<u>959,610</u>	<u>812,334</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans and overdrafts (see note 14)	540,353	481,243
Other loans (see note 14)	373,039	799,592
Trade creditors	197,027	183,945
Corporation tax	127,939	148,316
Social security and other taxes	234,599	208,365
Other creditors	95,000	-
Amounts owed to group undertakings	531,521	2,437,099
Directors' current accounts	550,487	719,116
Accruals and deferred income	<u>234,561</u>	<u>116,129</u>
	<u>2,884,526</u>	<u>5,093,805</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year or on demand:		
Bank overdrafts	540,353	481,243
Other loans	<u>373,039</u>	<u>799,592</u>
	<u>913,392</u>	<u>1,280,835</u>

The bank overdraft is secured by a floating charge over the assets and undertakings of the company.

15. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred tax	<u>26,798</u>	<u>26,887</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

15. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 April 2016	26,887
Accelerated capital allowances	<u>(89)</u>
Balance at 31 March 2017	<u><u>26,798</u></u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2017 £	2016 £
160,002	Ordinary	£1	<u><u>160,002</u></u>	<u><u>160,002</u></u>

Ordinary shares have equal rights with regards to voting, participation and dividends.

17. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2016	4,406,742	150,000	4,556,742
Profit for the year	<u>3,453,682</u>	<u> </u>	<u>3,453,682</u>
At 31 March 2017	<u><u>7,860,424</u></u>	<u><u>150,000</u></u>	<u><u>8,010,424</u></u>

18. PENSION COMMITMENTS

The company pays into the personal pensions of certain employees and the directors. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions this year amounted to £126,375 (2016 - £93,172). There were no contributions outstanding at the year-end (2016 - £nil).

19. ULTIMATE PARENT COMPANY

The holding company is Bridgend Holdings Limited, a company registered in Scotland.

Consolidated group accounts are available from Mr Daniel McLaughlan, Bridgend Garage Limited, East Road, Irvine, Ayrshire.

20. 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

20. RELATED PARTY DISCLOSURES - continued

The balance due by the company to the directors at 31 March 2017 is £550,487 (2016 - £719,116). The balance is interest free with no fixed repayment terms.

Included in creditors as other loans, as at 31 March 2017, are amounts totalling £225,000 (2016 - £450,000). The company's parent undertaking, Bridgend Holdings Limited, has provided the lender with a cross guarantee in respect of the full balance due by the company, together with any interest due and any costs, charges or expenses charged or incurred by the lender in enforcing the guarantee.

The directors highlight the restructuring of inter-company balances resulting in £3m release of historic debt between Bridgend Garage Ltd and Bridgend Accident Repair Centre Ltd.