

**BRIDGEND HOLDINGS LIMITED**  
**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

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FOR THE YEAR ENDED 31 MARCH 2017**

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

The results for the year and financial position of the group 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 group as a whole. They are turnover, gross margin, operating profit and net assets.

Vehicle sales and associated turnover increased from £23.9 million for the year to March 2016 to £27.0 million for the year to March 2017. The gross profit margin decreased from 21.2% in 2016 to 20.0%, 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 £12.8m from £12.0m.

The principal risks and uncertainties facing the group 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 group and have sufficient resources to cope with any fluctuations in activity. Over-reliance on a low number of insurance companies for our bodyshop and repair activities is a recognised risk and indeed fluctuation in the subsidiary company, Bridgend Accident Repair Centre Limited, can be seen, however we continue to seek new customers throughout the country to broaden this sales base.

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 and the group for the year ended 31 March 2017.

**DIVIDENDS**

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

**FUTURE DEVELOPMENTS**

The directors are looking to continue to develop the activities of the business that have proved successful in the past and grow these areas wherever practical to do so.

**DIRECTORS**

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

Daniel McLaughlan  
Alexander McLaughlan

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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 the group and of the profit and loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group'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 HOLDINGS LIMITED**

We have audited the financial statements of Bridgend Holdings Limited for the year ended 31 March 2017 on pages five to twenty three. 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 Directors' Responsibilities Statement 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 group's and the parent 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 Group 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 group's and of the parent company's affairs as at 31 March 2017 and of the group's 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**

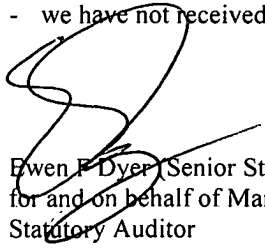
In our opinion, based on the work undertaken in the course of our audit, the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BRIDGEND HOLDINGS 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 HOLDINGS LIMITED (REGISTERED NUMBER: SC175640)****CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
<b>TURNOVER</b>		<b>27,023,756</b>	<b>23,918,301</b>
Cost of sales		<u>(21,631,649)</u>	<u>(18,843,055)</u>
<b>GROSS PROFIT</b>		<b>5,392,107</b>	<b>5,075,246</b>
Administrative expenses		<u>(5,680,314)</u>	<u>(5,180,227)</u>
		<b>(288,207)</b>	<b>(104,981)</b>
Other operating income		<u>1,136,824</u>	<u>891,210</u>
<b>OPERATING PROFIT</b>	4	<b>848,617</b>	<b>786,229</b>
Interest receivable and similar income		<u>75,915</u>	<u>58,286</u>
<b>PROFIT BEFORE TAXATION</b>		<b>924,532</b>	<b>844,515</b>
Tax on profit	5	<u>(199,396)</u>	<u>(180,020)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>725,136</u></b>	<b><u>664,495</u></b>
Profit attributable to: Owners of the parent		<b><u>725,136</u></b>	<b><u>664,495</u></b>

The notes form part of these financial statements

**BRIDGEND HOLDINGS LIMITED (REGISTERED NUMBER: SC175640)**

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

	Notes	2017 £	2016 £
<b>PROFIT FOR THE YEAR</b>		<b>725,136</b>	<b>664,495</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>—</b>	<b>—</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>725,136</u></b>	<b><u>664,495</u></b>
Total comprehensive income attributable to: Owners of the parent		<b><u>725,136</u></b>	<b><u>664,495</u></b>

The notes form part of these financial statements

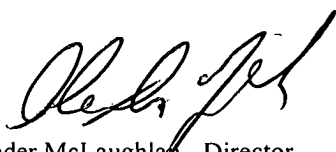


**BRIDGEND HOLDINGS LIMITED (REGISTERED NUMBER: SC175640)**

**CONSOLIDATED BALANCE SHEET**  
**31 MARCH 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Intangible assets	7	2,559,479	2,547,081
Tangible assets	8	3,722,708	3,770,122
Investments	9	-	-
Investment property	10	<u>297,250</u>	<u>297,250</u>
		<b>6,579,437</b>	<b>6,614,453</b>
<b>CURRENT ASSETS</b>			
Stocks	11	7,434,521	6,309,261
Debtors	12	930,182	889,081
Cash at bank and in hand		<u>496,821</u>	<u>1,160,313</u>
		<b>8,861,524</b>	<b>8,358,655</b>
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>2,630,829</u>	<u>2,894,584</u>
<b>NET CURRENT ASSETS</b>		<u><b>6,230,695</b></u>	<u><b>5,464,071</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>12,810,132</b>	<b>12,078,524</b>
<b>PROVISIONS FOR LIABILITIES</b>	16	<u><b>50,959</b></u>	<u><b>44,487</b></u>
<b>NET ASSETS</b>		<u><u><b>12,759,173</b></u></u>	<u><u><b>12,034,037</b></u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	2,551,022	2,551,022
Share premium	18	1,818,875	1,818,875
Fair value reserve	18	150,000	150,000
Retained earnings	18	<u>8,239,276</u>	<u>7,514,140</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u><b>12,759,173</b></u></u>	<u><u><b>12,034,037</b></u></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



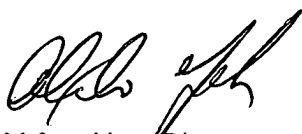
The notes form part of these financial statements

**BRIDGEND HOLDINGS LIMITED (REGISTERED NUMBER: SC175640)**

**COMPANY BALANCE SHEET**  
**31 MARCH 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Intangible assets	7	-	-
Tangible assets	8	-	-
Investments	9	1,250,102	1,250,102
Investment property	10	-	-
		<u>1,250,102</u>	<u>1,250,102</u>
<b>CURRENT ASSETS</b>			
Debtors	12	2	2
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>100</u>	<u>100</u>
<b>NET CURRENT LIABILITIES</b>		<u>(98)</u>	<u>(98)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,250,004</u>	<u>1,250,004</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	2,551,022	2,551,022
Retained earnings	18	<u>(1,301,018)</u>	<u>(1,301,018)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>1,250,004</u>	<u>1,250,004</u>
Company's profit for the financial year		<u>-</u>	<u>-</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 HOLDINGS LIMITED (REGISTERED NUMBER: SC175640)**

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

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Fair value reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 April 2015</b>	2,551,022	6,849,645	1,818,875	150,000	11,369,542
<b>Changes in equity</b>					
Total comprehensive income	-	664,495	-	-	664,495
<b>Balance at 31 March 2016</b>	<u>2,551,022</u>	<u>7,514,140</u>	<u>1,818,875</u>	<u>150,000</u>	<u>12,034,037</u>
<b>Changes in equity</b>					
Total comprehensive income	-	725,136	-	-	725,136
<b>Balance at 31 March 2017</b>	<u>2,551,022</u>	<u>8,239,276</u>	<u>1,818,875</u>	<u>150,000</u>	<u>12,759,173</u>

The notes form part of these financial statements

**BRIDGEND HOLDINGS LIMITED (REGISTERED NUMBER: SC175640)**

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

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 April 2015</b>	2,551,022	(1,301,018)	1,250,004
<b>Changes in equity</b>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2016</b>	<u>2,551,022</u>	<u>(1,301,018)</u>	<u>1,250,004</u>
<b>Changes in equity</b>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2017</b>	<u><u>2,551,022</u></u>	<u><u>(1,301,018)</u></u>	<u><u>1,250,004</u></u>

The notes form part of these financial statements

**BRIDGEND HOLDINGS LIMITED (REGISTERED NUMBER: SC175640)**

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

	Notes	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	88,326	(334,437)
Tax paid		<u>(185,419)</u>	<u>(158,633)</u>
Net cash from operating activities		<u>(97,093)</u>	<u>(493,070)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(133,289)	(136,106)
Sale of tangible fixed assets		27,047	30,837
Interest received		<u>75,915</u>	<u>58,286</u>
Net cash from investing activities		<u>(30,327)</u>	<u>(46,983)</u>
<b>Cash flows from financing activities</b>			
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>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(722,602)</u>	<u>405,739</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>679,070</u>	<u>273,331</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>(43,532)</u></u>	<u><u>679,070</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED 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	924,532	844,515
Depreciation charges	150,189	147,639
Profit on disposal of fixed assets	(8,931)	(7,018)
Finance income	<u>(75,915)</u>	<u>(58,286)</u>
	989,875	926,850
Increase in stocks	(1,125,260)	(1,100,250)
Increase in trade and other debtors	(41,101)	(228,421)
Increase in trade and other creditors	<u>264,812</u>	<u>67,384</u>
<b>Cash generated from operations</b>	<u><b>88,326</b></u>	<u><b>(334,437)</b></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	496,821	1,160,313
Bank overdrafts	<u>(540,353)</u>	<u>(481,243)</u>
	<u><b>(43,532)</b></u>	<u><b>679,070</b></u>

**Year ended 31 March 2016**

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	1,160,313	502,147
Bank overdrafts	<u>(481,243)</u>	<u>(228,816)</u>
	<u><b>679,070</b></u>	<u><b>273,331</b></u>

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

**1. STATUTORY INFORMATION**

Bridgend Holdings Limited is a private company, limited by shares 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 group's forecasts, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

**Basis of consolidation**

The financial statements consolidate the financial statements of Bridgend Holdings Limited and all of its subsidiaries drawn up to 31 March each year. No profit and loss account is presented for Bridgend Holdings Limited as permitted by section 408 of the Companies Act 2006.

The consolidated accounts are prepared under the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities. Purchase consideration has been allocated to assets and liabilities on the basis of fair value at the date of acquisition.

**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 group's policy is to recognise a sale when substantively all risks and rewards in connection with the goods and services have been passed to the buyer.

**Goodwill**

Goodwill, being the difference between the cost of acquisition of shares in subsidiary undertakings and the fair value of the separable net assets acquired, is capitalised in the balance sheet. 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.

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

**2. ACCOUNTING POLICIES - continued**

**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
Improvements to property	- 20% on reducing balance
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance and 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Courtesy cars	- 20% 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.

**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. When the revaluation amount exceeds original cost, a transfer is made out of the surplus to a non distributable (fair value) reserve on the balance sheet.

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

**Stocks**

Stock 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.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Work-in-progress which relates to vehicle repairs is incorporated net of labour and parts.

**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.



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

**2. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

The group makes contributions to the personal pension schemes of certain directors and employees. Contributions payable for the year are charged in the profit and loss account in the period to which they relate.

**Fixed asset investments**

Investments in subsidiary undertakings are included at cost less any provision for impairment.

**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	3,533,634	3,203,225
Social security costs	298,536	261,361
Other pension costs	190,045	134,678
	<u>4,022,215</u>	<u>3,599,264</u>

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

	2017	2016
Directors	2	2
Management and administration	30	29
Sales, after sales and operatives	<u>131</u>	<u>124</u>
	<u>163</u>	<u>155</u>

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

**3. EMPLOYEES AND DIRECTORS - continued**

The average number of employees by undertakings that were proportionately consolidated during the year was 163 (2016 - 155).

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 of the key management personnel were £89,900 (2016 - £102,881).

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

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	162,587	160,037
Profit on disposal of fixed assets	(8,931)	(7,018)
Goodwill amortisation	(12,398)	(12,398)
Auditors' remuneration	15,350	13,550
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. 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	192,807	185,302
Under provision in prior year	<u>117</u>	<u>326</u>
Total current tax	192,924	185,628
Deferred tax	<u>6,472</u>	<u>(5,608)</u>
Tax on profit	<u>199,396</u>	<u>180,020</u>

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

**5. TAXATION - continued****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:

	2017 £	2016 £
Profit before tax	<u>924,532</u>	<u>844,515</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	184,906	168,903
Effects of:		
Capital allowances in excess of depreciation	(3,830)	(5,608)
Adjustments to tax charge in respect of previous periods	117	326
Depreciation in year in excess of capital allowances	17,181	15,621
Disallowed expenses	626	858
Loss/(Profit) on disposals	<u>396</u>	<u>(80)</u>
Total tax charge	<u>199,396</u>	<u>180,020</u>

**6. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements.

**7. INTANGIBLE FIXED ASSETS**

Group	Goodwill £
<b>COST</b>	
At 1 April 2016 and 31 March 2017	<u>2,340,448</u>
<b>AMORTISATION</b>	
At 1 April 2016	(206,633)
Amortisation for year	<u>(12,398)</u>
At 31 March 2017	<u>(219,031)</u>
<b>NET BOOK VALUE</b>	
At 31 March 2017	<u>2,559,479</u>
At 31 March 2016	<u>2,547,081</u>

Positive goodwill arising on consolidation amounts to £2,500,000. This has been offset by negative goodwill of £159,552 arising on the acquisition of a subsidiary undertaking in 1997.

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

## 8. TANGIBLE FIXED ASSETS

## Group

	Heritable property £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 April 2016	4,287,850	110,183	613,299
Additions	-	-	39,419
Disposals	-	-	(9,205)
At 31 March 2017	<u>4,287,850</u>	<u>110,183</u>	<u>643,513</u>
<b>DEPRECIATION</b>			
At 1 April 2016	856,216	101,037	530,703
Charge for year	74,675	1,829	26,412
Eliminated on disposal	-	-	(7,362)
At 31 March 2017	<u>930,891</u>	<u>102,866</u>	<u>549,753</u>
<b>NET BOOK VALUE</b>			
At 31 March 2017	<u>3,356,959</u>	<u>7,317</u>	<u>93,760</u>
At 31 March 2016	<u>3,431,634</u>	<u>9,146</u>	<u>82,596</u>

	Fixtures and fittings £	Motor vehicles £	Courtesy cars £	Totals £
<b>COST</b>				
At 1 April 2016	413,989	185,067	204,423	5,814,811
Additions	12,515	32,405	48,950	133,289
Disposals	(1,995)	-	(33,245)	(44,445)
At 31 March 2017	<u>424,509</u>	<u>217,472</u>	<u>220,128</u>	<u>5,903,655</u>
<b>DEPRECIATION</b>				
At 1 April 2016	327,845	146,821	82,067	2,044,689
Charge for year	21,736	13,323	24,612	162,587
Eliminated on disposal	(1,858)	-	(17,109)	(26,329)
At 31 March 2017	<u>347,723</u>	<u>160,144</u>	<u>89,570</u>	<u>2,180,947</u>
<b>NET BOOK VALUE</b>				
At 31 March 2017	<u>76,786</u>	<u>57,328</u>	<u>130,558</u>	<u>3,722,708</u>
At 31 March 2016	<u>86,144</u>	<u>38,246</u>	<u>122,356</u>	<u>3,770,122</u>

Included in cost of heritable property is land of £614,425 (2016 - £614,425) which is not depreciated.

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

## 9. FIXED ASSET INVESTMENTS

## Company

Shares in  
group  
undertakings  
£

## COST

At 1 April 2016  
and 31 March 20172,551,120

## PROVISIONS

At 1 April 2016  
and 31 March 20171,301,018

## NET BOOK VALUE

At 31 March 2017

1,250,102

At 31 March 2016

1,250,102

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

## Subsidiaries

## Bridgend Services Limited

Registered office:

Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

## Bridgend Accident Repair Centre Limited

Registered office:

Nature of business: Motor vehicle repairs

Class of shares:	% holding
Ordinary	100.00

	2017	2016
	£	£
Aggregate capital and reserves	1,531,321	4,259,867
(Loss)/profit for the year	<u>(2,728,546)</u>	<u>123,293</u>

## Bridgend Garage Limited

Registered office:

Nature of business: Motor vehicle sales and repairs

Class of shares:	% holding
Ordinary	100.00

	2017	2016
	£	£
Aggregate capital and reserves	8,170,426	4,716,744
Profit for the year	<u>3,453,682</u>	<u>541,202</u>

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

**9. FIXED ASSET INVESTMENTS - continued**

**Bridgend Estates Limited**

Registered office:

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Aggregate capital and reserves	<b><u>97,084</u></b>	<b><u>97,084</u></b>

**Bridgend Motor Group Ltd**

Registered office:

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Aggregate capital and reserves	<b><u>100</u></b>	<b><u>100</u></b>

All subsidiary undertakings are included in the consolidation.

**10. INVESTMENT PROPERTY**

**Group**

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

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.

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

## 11. STOCKS

	Group	
	2017	2016
	£	£
Motor vehicles	7,321,511	6,185,247
Work-in-progress	17,901	38,437
Parts and consumables	95,109	85,577
	<u>7,434,521</u>	<u>6,309,261</u>

Stock recognised in cost of sales during the year as an expense was £18,040,702 (2016 - £17,963,872).

## 12. DEBTORS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	667,193	640,590	-	-
Other debtors	54,562	71,031	2	2
	<u>721,755</u>	<u>711,621</u>	<u>2</u>	<u>2</u>
Amounts falling due after more than one year:				
Trade debtors	208,427	177,460	-	-
	<u>208,427</u>	<u>177,460</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>930,182</u>	<u>889,081</u>	<u>2</u>	<u>2</u>

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 14)	540,353	481,243	-	-
Other loans (see note 14)	373,039	799,592	-	-
Trade creditors	310,900	281,190	-	-
Corporation tax	192,807	185,302	-	-
Social security and other taxes	305,202	283,767	-	-
Other creditors	95,000	-	-	-
Amounts owed to group undertakings	-	-	100	100
Directors' current account	550,487	719,116	-	-
Accrued expenses	263,041	144,374	-	-
	<u>2,630,829</u>	<u>2,894,584</u>	<u>100</u>	<u>100</u>

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

## 14. LOANS

An analysis of the maturity of loans is given below:

	Group	
	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>

## 15. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2017	2016
	£	£
Other loans	<u>225,000</u>	<u>450,000</u>

During the previous year, a loan was provided to subsidiary, Bridgend Garage Limited. Bridgend Holdings Limited has provided the lender with a cross guarantee in respect of the full balance due by its subsidiary, together with any interest due and any costs, charges or expenses charged or incurred by the lender in enforcing the guarantee.

## 16. PROVISIONS FOR LIABILITIES

	Group	
	2017	2016
	£	£
Deferred tax	<u>50,959</u>	<u>44,487</u>
<b>Group</b>		
		<b>Deferred tax</b>
		£
Balance at 1 April 2016		44,487
Accelerated capital allowances		<u>6,472</u>
Balance at 31 March 2017		<u>50,959</u>

## 17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2017	2016
			£	£
2,551,022	Ordinary	£1	<u>2,551,022</u>	<u>2,551,022</u>

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



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

**18. RESERVES**

**Group**

	Retained earnings £	Share premium £	Fair value reserve £	Totals £
At 1 April 2016	7,514,140	1,818,875	150,000	9,483,015
Profit for the year	<u>725,136</u>			<u>725,136</u>
At 31 March 2017	<u>8,239,276</u>	<u>1,818,875</u>	<u>150,000</u>	<u>10,208,151</u>

**Company**

	Retained earnings £
At 1 April 2016	(1,301,018)
Profit for the year	<u>-</u>
At 31 March 2017	<u>(1,301,018)</u>

**19. PENSION COMMITMENTS**

The group pays into the personal pensions of the directors and certain employees. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions this year amounted to £190,045 (2016 - £134,678). At the year end, £2,944 (2016 - £nil) was due to be paid.

**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.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Loans from directors included in the group balance sheet were £550,487 (2016 - £719,116). During the year, the directors were repaid £168,629. The loans are interest free and repayable on demand.

**21. ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party.