

**KERR AND SMITH (GLASGOW) LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

**Company Registration No. SC182559 (Scotland)  
PAGES FOR FILING WITH REGISTRAR**

# KERR AND SMITH (GLASGOW) LIMITED

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# KERR AND SMITH (GLASGOW) LIMITED

## BALANCE SHEET

AS AT 31 JULY 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	3		-		860,212
<b>Current assets</b>					
Stocks		-		2,308,338	
Debtors	4	308,764		1,639,448	
Cash at bank and in hand		1,219,723		50,674	
		<u>1,528,487</u>		<u>3,998,460</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(157,597)</u>		<u>(3,433,424)</u>	
<b>Net current assets</b>			1,370,890		565,036
<b>Total assets less current liabilities</b>			<u>1,370,890</u>		<u>1,425,248</u>
<b>Provisions for liabilities</b>			-		(18,190)
<b>Net assets</b>			<u>1,370,890</u>		<u>1,407,058</u>
<b>Capital and reserves</b>					
Called up share capital	6	135,000		135,000	
Capital redemption reserve		150,000		150,000	
Profit and loss reserves		1,085,890		1,122,058	
<b>Total equity</b>			<u>1,370,890</u>		<u>1,407,058</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 19 December 2018 and are signed on its behalf by:

Mr James Smith  
Director

Company Registration No. SC182559

# KERR AND SMITH (GLASGOW) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

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### 1 Accounting policies

#### Company information

Kerr and Smith (Glasgow) Limited is a private company limited by shares incorporated in Scotland. The registered office is Riverside Garage, Ayr Road, Cumnock, Ayrshire, KA18 1BJ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption available whereby it has not disclosed transactions with the ultimate parent company of the group.

#### 1.2 Turnover

Turnover represents amounts receivable for the sale of commercial vehicles and aftersales servicing of light and heavy commercial vehicles net of VAT and trade discounts.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Sales of goods are recognised when the goods are delivered, sales of services are recognised when the service has been provided and finance commissions are recognised on delivery of the related vehicles.

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings Freehold	Over 25 to 40 years
Plant and machinery	Over 2 - 5 years
Fixtures, fittings & equipment	Over 2 - 5 years
Computer equipment	Over 2 - 5 years
Motor vehicles	Over 4 - 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# KERR AND SMITH (GLASGOW) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

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### 1 Accounting policies

(Continued)

#### 1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Parts stock is arrived at principally on a weighted average or a 'first-in, first-out' basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

# KERR AND SMITH (GLASGOW) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

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### 1 Accounting policies

(Continued)

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 51 (2017 - 48).

# KERR AND SMITH (GLASGOW) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

### 3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 August 2017	1,510,025	651,440	2,161,465
Disposals	(1,510,025)	(651,440)	(2,161,465)
At 31 July 2018	-	-	-
<b>Depreciation and impairment</b>			
At 1 August 2017	780,000	521,223	1,301,223
Depreciation charged in the year	5,000	7,976	12,976
Eliminated in respect of disposals	(785,000)	(529,199)	(1,314,199)
At 31 July 2018	-	-	-
<b>Carrying amount</b>			
At 31 July 2018	-	-	-
At 31 July 2017	730,025	130,187	860,212

### 4 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	5,341	1,456,094
Amounts owed by group undertakings	200,000	-
Other debtors	56,049	183,354
	261,390	1,639,448
<b>Amounts falling due after more than one year:</b>		
Other debtors	47,374	-
<b>Total debtors</b>	308,764	1,639,448

## KERR AND SMITH (GLASGOW) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

**5 Creditors: amounts falling due within one year**

	2018 £	2017 £
Bank loans and overdrafts	-	367,866
Trade creditors	23,894	2,535,134
Other taxation and social security	12,921	219,619
Other creditors	120,782	310,805
	<u>157,597</u>	<u>3,433,424</u>

**6 Called up share capital**

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
135,000 Ordinary Shares of £1 each	<u>135,000</u>	<u>135,000</u>
	<u>135,000</u>	<u>135,000</u>

**7 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Hazel Murphy ACA.

The auditor was William Duncan + Co Ltd.

**8 Parent company**

The ultimate parent company is Kerr and Smith (Cumnock) Limited, a company incorporated in Scotland.



This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.