

Registered Number: SC200277

## **GILLANDERS MOTORS LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**SATURDAY**



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23/09/2023

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# **GILLANDERS MOTORS LIMITED**

## **COMPANY INFORMATION**

<b>Directors</b>	R Anderson C Antczak K Antczak M Nicol
<b>Company secretary</b>	LC Secretaries Limited
<b>Registered number</b>	SC200277
<b>Registered office</b>	Blackhouse Circle Blackhouse Industrial Estate Peterhead Aberdeenshire AB42 1BN
<b>Independent auditor</b>	Anderson Anderson & Brown Audit LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

# **GILLANDERS MOTORS LIMITED**

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# **GILLANDERS MOTORS LIMITED**

## **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

### **Introduction**

The directors present their report and the financial statements for the year ended 31 December 2022.

### **Business review**

The principal activities of the Group during the year were the sales, servicing and supply of parts and clothing for cars and motorcycles.

The results for the year are set out in the profit and loss account

The consolidated results reflect a full year's trading from the recently acquired motorcycle business, Shirlaws Limited. This was a year in which the business bore costs associated with the completion and fitting out of new premises in Aberdeen and the relocation of Shirlaws to that site. The year also saw the addition of another franchise reflecting the continued investment and growth plan.

### **Principal risks and uncertainties**

The management of the business and the performance of the Group are subject to a number of risks. The key business risks and uncertainties affecting the Group are considered to relate to economic factors together with the availability of stock.

The directors believe that the Group remains well placed to manage its business risks successfully. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **Financial key performance indicators**

In monitoring the Group's financial performance the directors review the numbers of units sold and gross profit margins as the primary KPIs and are satisfied with the margins achieved in the year

### **Other key performance indicators**

No other matters noted.

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



.....  
**C Antczak**  
Director

Date: 20/9/22

# **GILLANDERS MOTORS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

### **Results and dividends**

The loss for the year, after taxation, amounted to £56,501 (2021 - profit £166,576).

### **Directors**

The directors who served during the year were:

R Anderson  
C Antczak  
K Antczak  
M Nicol

### **Future developments**

The Group intends to continue to drive growth to meet the strategic objectives of the business.

### **Disclosure of information to auditor**

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the 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 and the Group's auditor is aware of that information.

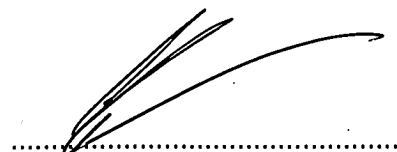
### **Post balance sheet events**

Since the year end the Group has transferred the MG Franchise and associated stocks.

### **Auditor**

The auditor, Anderson Anderson & Brown 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.



**C Antczak**  
Director

Date: 20/9/23

## **GILLANDERS MOTORS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 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'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group and to 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.

## **GILLANDERS MOTORS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GILLANDERS MOTORS LIMITED**

#### **Opinion**

We have audited the financial statements of Gillanders Motors Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 December 2022 and of the Group's loss 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the

## **GILLANDERS MOTORS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GILLANDERS MOTORS LIMITED (CONTINUED)**

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GILLANDERS MOTORS LIMITED  
(CONTINUED)**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statement from irregularities including fraud to be:

- Management override of controls to manipulate the company's key performance indicators to meet targets
- Timing and completeness of revenue recognition
- Management judgement applied in calculating provisions
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Reviewing a sample of sales transactions to confirm recognition appropriate
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgements made by management in their calculations of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations
- Reviewing minutes of meeting of those charged with governance to identify any matters indicating actual or potential fraud

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**GILLANDERS MOTORS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GILLANDERS MOTORS LIMITED  
(CONTINUED)**

**Use of our report**

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 an Auditor's 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Anderson Anderson & Brown Audit LLP*

Derek Mair (Senior statutory auditor)

for and on behalf of

**Anderson Anderson & Brown Audit LLP**

Statutory Auditor

Kingshill View

Prime Four Business Park

Kingswells

Aberdeen

AB15 8PU

Date: *20 September 2023*

**GILLANDERS MOTORS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	26,250,145	18,018,279
Cost of sales		(23,468,086)	(15,994,829)
<b>Gross profit</b>		<u>2,782,059</u>	<u>2,023,450</u>
Administrative expenses		(2,822,087)	(1,786,460)
<b>Operating (loss)/profit</b>	5	<u>(40,028)</u>	<u>236,990</u>
Interest payable and expenses	9	(28,101)	(17,407)
<b>(Loss)/profit before taxation</b>		<u>(68,129)</u>	<u>219,583</u>
Tax on (loss)/profit	10	11,628	(53,007)
<b>(Loss)/profit for the financial year</b>		<u><u>(56,501)</u></u>	<u><u>166,576</u></u>
 <b>Total comprehensive income for the year</b>		 <u><u>(56,501)</u></u>	 <u><u>166,576</u></u>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the parent Company		(56,501)	166,576
		<u><u>(56,501)</u></u>	<u><u>166,576</u></u>
 <b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent Company		(56,501)	166,576
		<u><u>(56,501)</u></u>	<u><u>166,576</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

The notes on pages 17 to 37 form part of these financial statements.

**GILLANDERS MOTORS LIMITED**  
**REGISTERED NUMBER:SC200277**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	12	-	(50,000)
Tangible assets	13	632,548	595,532
		<u>632,548</u>	<u>545,532</u>
<b>Current assets</b>			
Stocks	15	4,876,620	3,148,312
Debtors: amounts falling due within one year	16	743,561	370,890
Cash at bank and in hand	17	397,129	1,622,320
		<u>6,017,310</u>	<u>5,141,522</u>
Creditors: amounts falling due within one year	18	(4,071,984)	(3,041,646)
<b>Net current assets</b>		<u>1,945,326</u>	<u>2,099,876</u>
<b>Total assets less current liabilities</b>		<u>2,577,874</u>	<u>2,645,408</u>
Creditors: amounts falling due after more than one year	19	(774,420)	(758,905)
<b>Provisions for liabilities</b>			
Deferred taxation	22	(54,091)	(65,639)
		<u>(54,091)</u>	<u>(65,639)</u>
<b>Net assets</b>		<u><u>1,749,363</u></u>	<u><u>1,820,864</u></u>
<b>Capital and reserves</b>			
Called up share capital		1,501,292	1,501,292
Profit and loss account		248,071	319,572
		<u><u>1,749,363</u></u>	<u><u>1,820,864</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
.....  
**C Antczak**  
Director

Date: 20/9/22

The notes on pages 17 to 37 form part of these financial statements.

**GILLANDERS MOTORS LIMITED**  
**REGISTERED NUMBER:SC200277**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	327,989	310,105
Investments	14	304,133	254,133
		<u>632,122</u>	<u>564,238</u>
<b>Current assets</b>			
Stocks	15	3,143,368	2,222,898
Debtors: amounts falling due within one year	16	1,181,404	601,713
Cash at bank and in hand	17	319,670	1,545,143
		<u>4,644,442</u>	<u>4,369,754</u>
Creditors: amounts falling due within one year	18	(2,646,071)	(2,332,146)
<b>Net current assets</b>		<u>1,998,371</u>	<u>2,037,608</u>
<b>Total assets less current liabilities</b>		<u>2,630,493</u>	<u>2,601,846</u>
Creditors: amounts falling due after more than one year	19	(774,420)	(750,000)
<b>Provisions for liabilities</b>			
Deferred taxation	22	(45,545)	(41,418)
		<u>(45,545)</u>	<u>(41,418)</u>
<b>Net assets</b>		<u><u>1,810,528</u></u>	<u><u>1,810,428</u></u>
<b>Capital and reserves</b>			
Called up share capital		1,501,292	1,501,292
Profit and loss account brought forward		309,136	165,683
Profit for the year		15,100	156,140
Other changes in the profit and loss account		(15,000)	(12,687)
		<u>309,236</u>	<u>309,136</u>
Profit and loss account carried forward		<u><u>1,810,528</u></u>	<u><u>1,810,428</u></u>

**GILLANDERS MOTORS LIMITED**  
**REGISTERED NUMBER: SC200277**

**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2022**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £15,100 (2021 - £156,140).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....  
**C Antczak**  
Director

Date: 20/9/22

The notes on pages 17 to 37 form part of these financial statements.

**GILLANDERS MOTORS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2022	1,501,292	319,572	1,820,864	1,820,864
Loss for the year	-	(56,501)	(56,501)	(56,501)
Dividends	-	(15,000)	(15,000)	(15,000)
<b>At 31 December 2022</b>	<b>1,501,292</b>	<b>248,071</b>	<b>1,749,363</b>	<b>1,749,363</b>

The notes on pages 17 to 37 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2021	1,000	165,683	166,683	166,683
Profit for the year	-	166,576	166,576	166,576
Capitalisation/bonus issue	-	(112)	(112)	(112)
Shares issued during the year	1,500,292	-	1,500,292	1,500,292
Dividend	-	(12,575)	(12,575)	(12,575)
<b>At 31 December 2021</b>	<b>1,501,292</b>	<b>319,572</b>	<b>1,820,864</b>	<b>1,820,864</b>

The notes on pages 17 to 37 form part of these financial statements.

# GILLANDERS MOTORS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2022	1,501,292	309,136	1,810,428
<b>Comprehensive income for the year</b>			
Profit for the year	-	15,100	15,100
Dividends	-	(15,000)	(15,000)
<b>At 31 December 2022</b>	<u>1,501,292</u>	<u>309,236</u>	<u>1,810,528</u>

The notes on pages 17 to 37 form part of these financial statements.

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	1,000	165,683	166,683
Profit for the year	-	156,140	156,140
Capitalisation/bonus issue	-	(112)	(112)
Shares issued during the year	1,500,292	-	1,500,292
Transfer to/from profit and loss account	-	(12,575)	(12,575)
<b>At 31 December 2021</b>	<u>1,501,292</u>	<u>309,136</u>	<u>1,810,428</u>

The notes on pages 17 to 37 form part of these financial statements.



**GILLANDERS MOTORS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(56,501)	166,576
<b>Adjustments for:</b>		
Amortisation of intangible assets	-	(56,537)
Depreciation of tangible assets	106,980	49,370
Loss on disposal of tangible assets	(653)	-
Interest paid	25,337	17,407
Taxation charge	(11,628)	53,007
Increase in stocks	(1,728,308)	(1,326,395)
Increase in debtors	(372,672)	(57,549)
Decrease in amounts owed by groups	545,207	96,076
Increase in creditors	508,985	785,655
Corporation tax (paid)/received	(9,264)	8,408
<b>Net cash generated from operating activities</b>	<u>(992,517)</u>	<u>(263,982)</u>
<b>Cash flows from investing activities</b>		
Purchase of subsidiary	(50,000)	(254,133)
Sale of tangible fixed assets	(143,343)	-
Cash acquired on acquisition of subsidiary	-	343,869
<b>Net cash from investing activities</b>	<u>(193,343)</u>	<u>89,736</u>

**GILLANDERS MOTORS LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	1,500,180
Repayment of loans	-	(273,584)
Repayment of/new finance leases	(13,994)	(24,807)
Interest paid	(25,337)	(17,407)
<b>Net cash used in financing activities</b>	<u>(39,331)</u>	<u>1,184,382</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(1,225,191)</u>	<u>1,010,136</u>
Cash and cash equivalents at beginning of year	1,622,320	612,184
<b>Cash and cash equivalents at the end of year</b>	<u><u>397,129</u></u>	<u><u>1,622,320</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	397,129	1,622,320
	<u><u>397,129</u></u>	<u><u>1,622,320</u></u>

The notes on pages 17 to 37 form part of these financial statements.

# GILLANDERS MOTORS LIMITED

## CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	1,622,320	(1,225,191)	397,129
Finance leases	(13,993)	13,993	-
	<u>1,608,327</u>	<u>(1,211,198)</u>	<u>397,129</u>

The notes on pages 17 to 37 form part of these financial statements.

# **GILLANDERS MOTORS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

### **1. General information**

Gillanders Motors Limited is a limited company incorporated in Scotland. The registered office is Blackhouse Circle, Blackhouse Industrial Estate, Aberdeenshire, AB42 1BN.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

#### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being

#### **2.3 Going concern**

The directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2021 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.6 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Accounting policies (continued)**

**2.7 Finance costs**

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.8 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Accounting policies (continued)**

**2.10 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.11 Tangible fixed assets**

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to property	-	2% on cost
Plant and machinery	-	10% on cost or straight line over 3 years
Motor vehicles	-	25% straight line
Fixtures and fittings	-	10% on cost or straight line over 3 years
Office equipment	-	10% on cost or straight line over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Accounting policies (continued)**

**2.12 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.13 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.14 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.15 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.16 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.



## GILLANDERS MOTORS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 13. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Long leasehold	162,210	166,526
	<u>162,210</u>	<u>166,526</u>

# GILLANDERS MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 14. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2022	254,133
Additions	50,000
At 31 December 2022	<u>304,133</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Shirlaws Holdings Limited	Ker-An House Wellington Circle, Altens, Aberdeen, United Kingdom, AB12 3JG	Ordinary	100%
Shirlaws Limited	Ker-An House Wellington Circle, Altens, Aberdeen, United Kingdom, AB12 3JG	Ordinary	100%

### 15. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Finished goods and goods for resale	4,876,620	3,148,312	3,143,368	2,222,898
	<u>4,876,620</u>	<u>3,148,312</u>	<u>3,143,368</u>	<u>2,222,898</u>

# GILLANDERS MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	194,325	208,022	166,200	242,100
Amounts owed by group undertakings	-	-	785,982	326,227
Other debtors	473,183	79,540	175,071	-
Prepayments and accrued income	76,053	83,328	54,151	33,386
	<u>743,561</u>	<u>370,890</u>	<u>1,181,404</u>	<u>601,713</u>

### 17. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	397,129	1,622,320	319,670	1,545,143
	<u>397,129</u>	<u>1,622,320</u>	<u>319,670</u>	<u>1,545,143</u>

### 18. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	3,095,801	2,414,244	2,033,065	1,735,653
Amounts owed to other participating interests	619,256	98,469	381,758	98,469
Corporation tax	-	9,344	-	9,344
Other taxation and social security	40,157	128,441	24,575	115,025
Obligations under finance lease and hire purchase contracts	-	5,088	-	-
Other creditors	80,018	24,310	14,266	24,310
Accruals and deferred income	236,752	361,750	192,407	349,345
	<u>4,071,984</u>	<u>3,041,646</u>	<u>2,646,071</u>	<u>2,332,146</u>

# GILLANDERS MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 19. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Net obligations under finance leases and hire purchase contracts	-	8,905	-	-
Amounts owed to other participating interests	774,420	750,000	774,420	750,000
	<u>774,420</u>	<u>758,905</u>	<u>774,420</u>	<u>750,000</u>

Interest is charged on the loan due a related undertaking at base plus 2%.

### 20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	Group 2021 £
Within one year	-	5,088
Between 1-5 years	-	8,905
	<u>-</u>	<u>13,993</u>

### 21. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	<u>397,129</u>	<u>1,622,320</u>	<u>319,670</u>	<u>1,545,143</u>

Financial assets measured at fair value through profit or loss comprise of cash balance held at bank.

# GILLANDERS MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 22. Deferred taxation

#### Group

	2022 £
At beginning of year	65,639
Charged to profit or loss	(11,548)
<b>At end of year</b>	<b>54,091</b>

#### Company

	2022 £
At beginning of year	41,418
Charged to profit or loss	4,127
<b>At end of year</b>	<b>45,545</b>

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	85,816	70,382	51,930	45,606
Tax losses carried forward	(25,340)	(4,743)	-	(4,188)
Short term timing difference	(6,385)	-	(6,385)	-
	<b>54,091</b>	<b>65,639</b>	<b>45,545</b>	<b>41,418</b>

### 23. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
880 (2021 - 880) Ordinary A shares of £1.00 each	880	880
292 (2021 - 292) Ordinary B shares of £1.00 each	292	292
120 (2021 - 120) Ordinary C shares of £1.00 each	120	120
1,500,000 (2021 - 1,500,000) Preference shares of £1.00 each	1,500,000	1,500,000
	<b>1,501,292</b>	<b>1,501,292</b>

## GILLANDERS MOTORS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 23. Share capital (continued)

The Preference Shares are classified as equity. Holders will receive a fixed cumulative Preference dividend of 1% per annum. The dividends are payable at the discretion of the company. The Preference Share are redeemable at the option of the company at any time following the third anniversary from the date of the issue of the shares. Any accrued or unpaid dividends will be paid at the time the Preference Shares are redeemed.

The A and B Ordinary Shares have voting rights. The C Ordinary Shares and Preference Shares do not entitle the holders to vote.

#### 24. Pension commitments

The company contributes to a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period which they relate. Contributions payable for the year totaled £62,721 (2021 - £25,389). There were contributions due to be paid over to the pension scheme at year end of £13,266 (2021 - £11,269)

#### 25. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £
Not later than 1 year	2,821	-
Later than 1 year and not later than 5 years	5,608	-
	<u>8,429</u>	<u>-</u>

#### 26. Related party transactions

The company has taken advantage of the exemption contained in section 33 of FRS 102 not to disclose transactions or balances with entities which form part of the group.

During the year the company has incurred expenses of £437,857 and interest charges of £25,096 from a company with common directors. The amount owed to the company at the year end was £1,363,204.

During the year the company has made sales of £5,826 and purchases totalling £8,425 from a company with common directors. The amount owed to this company at the year end was £25,677.

#### 27. Post balance sheet events

Since the year end the Group has transferred the MG Franchise and associated stocks.

#### 28. Controlling party

The Group is ultimately controlled by M Nicol.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Accounting policies (continued)**

**2.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**2.18 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Accounting policies (continued)**

**2.18 Financial instruments (continued)**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**2.19 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**Impairment of debtors**

The company makes an assessment of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider various factors including the ageing profile of debtors and historical experience.

**Valuation of stock**

The company makes an assessment of any provision necessary for slow-moving and obsolete stock. When assessing impairment of stock, management consider various factors including the ageing of the stock and the physical condition of the stock.

**Taxation**

The company establishes reasonable provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.



# GILLANDERS MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Sales	26,250,145	18,018,279
	<u>26,250,145</u>	<u>18,018,279</u>
	2022 £	2021 £
United Kingdom	26,250,145	18,018,279
	<u>26,250,145</u>	<u>18,018,279</u>

### 5. Operating (loss)/profit

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

	2022 £	2021 £
Other operating lease rentals	6,071	-
	<u>6,071</u>	<u>-</u>

### 6. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	27,150	16,950
	<u>27,150</u>	<u>16,950</u>

# GILLANDERS MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	1,313,557	686,211	787,649	686,211
Social security costs	280,330	66,904	87,216	66,904
Cost of defined contribution scheme	62,721	25,389	30,198	25,389
	<u>1,656,608</u>	<u>778,504</u>	<u>905,063</u>	<u>778,504</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Directors	4	4	4	4
Operations	46	37	24	19
	<u>50</u>	<u>41</u>	<u>28</u>	<u>23</u>

### 8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	25,001	-
	<u>25,001</u>	<u>-</u>

### 9. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	238	1,504
Other loan interest payable	25,099	15,903
Other interest payable	2,764	-
	<u>28,101</u>	<u>17,407</u>

**GILLANDERS MOTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**10. Taxation**

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	11,589
Adjustments in respect of previous periods	(80)	-
	<u>(80)</u>	<u>11,589</u>
<b>Total current tax</b>	<u>(80)</u>	<u>11,589</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(11,548)	45,606
Changes to tax rates	-	(4,188)
<b>Total deferred tax</b>	<u>(11,548)</u>	<u>41,418</u>
<b>Tax on (loss)/profit</b>	<u>(11,628)</u>	<u>53,007</u>

## GILLANDERS MOTORS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 10. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	(68,129)	219,583
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(12,945)	41,721
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,705	3,017
Capital allowances for year in excess of depreciation	(4,258)	3,241
Goodwill amortisation	-	(10,742)
Deferred tax rate changes	3,700	15,753
Group relief	-	(189)
Prior year adjustments	170	-
Deferred tax not recognised	-	206
<b>Total tax charge for the year</b>	<b>(11,628)</b>	<b>53,007</b>

##### Factors that may affect future tax charges

The Government have announced that the corporation tax main rate will be increased to 25% for profits over £250,000 from 1 April 2023. As this rate has been substantively enacted the deferred tax provision has been based on the rate of 25%.

#### 11. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £15,100 (2021 - £156,140).

**GILLANDERS MOTORS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****12. Intangible assets****Group**

	Goodwill £
<b>Cost</b>	
At 1 January 2022	(76,537)
Additions	50,000
	<hr/>
At 31 December 2022	(26,537)
	<hr/>
<b>Amortisation</b>	
At 1 January 2022	(26,537)
	<hr/>
At 31 December 2022	(26,537)
	<hr/>
<b>Net book value</b>	
At 31 December 2022	-
	<hr/> <hr/>
At 31 December 2021	(50,000)
	<hr/> <hr/>

**Company**

	Goodwill £
<b>Cost</b>	
At 1 January 2022	30,000
	<hr/>
At 31 December 2022	30,000
	<hr/>
<b>Amortisation</b>	
At 1 January 2022	30,000
	<hr/>
At 31 December 2022	30,000
	<hr/>
<b>Net book value</b>	
At 31 December 2022	-
	<hr/> <hr/>
At 31 December 2021	-
	<hr/> <hr/>

GILLANDERS MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Tangible fixed assets

Group

	Freehold property £	Improvement to property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 January 2022	508,092	237,255	398,187	61,556	120,420	128,996	1,454,506
Additions	-	-	93,845	-	28,217	21,283	143,345
Disposals	-	(47,559)	(20,808)	-	(38,633)	(58,787)	(165,787)
At 31 December 2022	508,092	189,696	471,224	61,556	110,004	91,492	1,432,064
<b>Depreciation</b>							
At 1 January 2022	303,502	70,729	277,077	32,606	70,026	105,034	858,974
Charge for the year on owned assets	21,663	5,998	45,307	5,692	16,242	12,078	106,980
Disposals	-	(49,241)	(20,303)	-	(38,367)	(58,527)	(166,438)
At 31 December 2022	325,165	27,486	302,081	38,298	47,901	58,585	799,516
<b>Net book value</b>							
At 31 December 2022	182,927	162,210	169,143	23,258	62,103	32,907	632,548
At 31 December 2021	204,590	166,526	121,110	28,950	50,394	23,962	595,532

# GILLANDERS MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 13. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Freehold	182,927	285,427
Long leasehold	162,210	166,526
	<u>345,137</u>	<u>451,953</u>

**GILLANDERS MOTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. Tangible fixed assets (continued)**

**Company**

	Improvement to property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>						
At 1 January 2022	237,255	133,004	36,250	120,420	128,996	655,925
Additions	-	14,030	-	28,217	21,283	63,530
Disposals	(47,559)	(20,808)	-	(38,633)	(58,787)	(165,787)
At 31 December 2022	189,696	126,226	36,250	110,004	91,492	553,668
<b>Depreciation</b>						
At 1 January 2022	70,729	77,908	22,123	70,026	105,034	345,820
Charge for the year on owned assets	5,998	11,676	303	16,242	12,078	46,297
Disposals	(49,241)	(20,303)	-	(38,367)	(58,527)	(166,438)
At 31 December 2022	27,486	69,281	22,426	47,901	58,585	225,679
<b>Net book value</b>						
At 31 December 2022	162,210	56,945	13,824	62,103	32,907	327,989
At 31 December 2021	166,526	55,096	14,127	50,394	23,962	310,105