

COMPANY REGISTRATION NUMBER: SC586152

Gammies Groundcare Ltd
Filleted Financial Statements
31 December 2018



FOURM LIMITED
Chartered Accountants & Statutory Auditor
Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee
DD5 1NB

Gammies Groundcare Ltd

Directors' Responsibilities Statement

Period from 19 January 2018 to 31 December 2018

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Gammies Groundcare Ltd

Statement of Financial Position

31 December 2018

	Note	31 Dec 18 £
Fixed assets		
Tangible assets	5	82,606
Current assets		
Stocks		1,285,207
Debtors	6	552,560
Cash at bank and in hand		273,626
		<u>2,111,393</u>
Creditors: amounts falling due within one year	7	<u>2,141,630</u>
Net current liabilities		<u>30,237</u>
Total assets less current liabilities		<u>52,369</u>
Creditors: amounts falling due after more than one year	8	10,886
Provisions		
Taxation including deferred tax		3,574
Net assets		<u>45,057</u>
Capital and reserves		
Called up share capital	9	1
Profit and loss account	10	45,056
Shareholder funds		<u>45,057</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 17 September 2019, and are signed on behalf of the board by:



Mr G W Phillip
Director

Company registration number: SC586152

The notes on pages 3 to 7 form part of these financial statements.

Gammies Groundcare Ltd

Notes to the Financial Statements

Period from 19 January 2018 to 31 December 2018

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Muirfaulds, Forfar, Angus, United Kingdom, DD8 1XP.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors confirm that, after making appropriate enquiries, they have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these Financial Statements.

Judgements 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. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Stock

In arriving at the valuation of the used vehicle stock it may be necessary for management to make an assessment of the carrying value of stock items and where applicable apply a provision to amend this carrying value to a more accurate level. These provisions are arrived at using management's knowledge and understanding of the business and the industry in which it operates, and mainly relate to potentially obsolete or old items where the cost may no longer be recoverable.

Bad debts

During the year and at the year end, management are required to determine whether any debts should be regarded as bad debts. This process is based on their knowledge of the business' customers as well as post year end information identifying prior period debts not recovered relating to the previous financial period.

Accruals

Management estimate requirements for accruals using post year end information and information available from detailed budgets. This identifies costs and income that are expected to be incurred or received for goods and services provided by and to other parties relating to the period reported on. Accruals are only written off when there is a reasonable expectation that these costs will not be invoiced in the future.

Gammies Groundcare Ltd

Notes to the Financial Statements *(continued)*

Period from 19 January 2018 to 31 December 2018

3. Accounting policies *(continued)*

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 15-25% Straight line
Motor vehicles	- 25% straight line
Equipment	- 15-25% Straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Gammies Groundcare Ltd

Notes to the Financial Statements *(continued)*

Period from 19 January 2018 to 31 December 2018

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the period amounted to 23.

Gammies Groundcare Ltd

Notes to the Financial Statements *(continued)*

Period from 19 January 2018 to 31 December 2018

5. Tangible assets

	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost				
At 19 January 2018	—	—	—	—
Additions	13,988	105,232	3,192	122,412
Disposals	(3,250)	(2,420)	—	(5,670)
At 31 December 2018	<u>10,738</u>	<u>102,812</u>	<u>3,192</u>	<u>116,742</u>
Depreciation				
At 19 January 2018	—	—	—	—
Charge for the period	3,948	32,032	456	36,436
Disposals	(375)	(1,925)	—	(2,300)
At 31 December 2018	<u>3,573</u>	<u>30,107</u>	<u>456</u>	<u>34,136</u>
Carrying amount				
At 31 December 2018	<u>7,165</u>	<u>72,705</u>	<u>2,736</u>	<u>82,606</u>

6. Debtors

	31 Dec 18 £
Trade debtors	369,365
Other debtors	183,195
	<u>552,560</u>

7. Creditors: amounts falling due within one year

	31 Dec 18 £
Trade creditors	755,075
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,262,010
Corporation tax	11,786
Social security and other taxes	46,838
Other creditors	65,921
	<u>2,141,630</u>

8. Creditors: amounts falling due after more than one year

	31 Dec 18 £
Other creditors	<u>10,886</u>

Gammies Groundcare Ltd

Notes to the Financial Statements *(continued)*

Period from 19 January 2018 to 31 December 2018

9. Called up share capital

Issued, called up and fully paid

	31 Dec 18	
	No.	£
Ordinary shares of £1 each	1	1

Share movements

	No.	£
Ordinary		
At 19 January 2018	—	—
Issue of shares	1	1
At 31 December 2018	1	1

The number of shares outstanding at the period end date for all other classes of shares is consistent with the prior period.

10. Reserves

Profit and loss account - This reserve records retained earnings.

11. Contingencies

Along with the ultimate parent company, A M Phillip Limited, and a fellow subsidiary, A M Phillip Trucktech Limited, the company has provided the group's bank with an unlimited inter company guarantee for all sums.

The total amount due by A M Phillip Limited group to Royal Bank of Scotland plc at 31 December 2018 was £nil.

12. Summary audit opinion

The auditor's report for the period dated 17 September 2019 was unqualified.

The senior statutory auditor was Iain McBride, MA, CA, for and on behalf of FourM Limited.

13. Related party transactions

The company was under the control of its parent company, A.M. Phillip Limited, throughout the current period. All transactions with the parent and other group companies were within the normal course of trading apart from the transaction noted below.

As part of the incorporation of Gammies Groundcare Ltd and the transfer in of the groundcare trade and assets from A.M. Phillip Agritech Limited an intercompany balance was created with the parent company of £1,122,429 which is included in Amounts owed to group undertakings under Creditors: amounts falling due within one year above. This amount has no set repayment terms and does not attract interest.

14. Controlling party

The ultimate parent company is A M Phillip Limited, a company registered in Scotland. The group accounts are available from the Registrar of Companies, Companies House, 4th Floor, Edinburgh Quay, 139 Fountainbridge, Edinburgh, EH3 9FF.