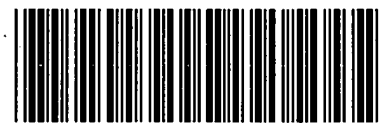


ALLAM MOTOR SERVICES LIMITED

Financial Statements

31 December 2015

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COMPANIES HOUSE

ALLAM MOTOR SERVICES LIMITED

Officers and Professional Advisers

THE BOARD OF DIRECTORS

Mr J F Allam
Mr P P Earle
Mr T J O'Brien

COMPANY SECRETARY

Mr P P Earle

REGISTERED OFFICE

Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

AUDITOR

Ellis Atkins
Chartered Accountants & statutory auditor
1 Paper Mews
330 High Street
Dorking
Surrey
RH4 2TU

BANKERS

Barclays Bank Plc
82 High Street
Epsom
Surrey
KT19 8BA

ALLAM MOTOR SERVICES LIMITED

Strategic Report

Year ended 31 December 2015

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of a motor vehicle dealer, repairer and seller of vehicle parts.

BUSINESS REVIEW

The company's performance during the year was in line with the directors' expectations.

The trading profit for the year before tax was £101,971.

KEY PERFORMANCE INDICATORS

The company uses a series of key performance indicators to monitor the performance of the business. These include, but are not limited to the following;

Financial indicators

- Total turnover
- Gross profit margin
- Profit per vehicle unit

Non financial indicators

- Vehicle stocking days
- Parts stock turnover
- Labour hours utilisation

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company relate to its ability to achieve the required level of vehicle, parts and labour hour sales. The directors have mitigated against these risks by recruiting, training and retaining key employees with the appropriate skills to achieve the required targets.

THE COMPANY'S STRATEGY

The company will continue to build on its core strengths of a customer focused motor dealership representing strong manufacturers' franchises.

BUSINESS MODEL

The directors are committed to grow the company organically to realise the full potential of the opportunities that arise in the marketplace.

This report was approved by the board of directors on 29 JUNE 2016 and signed on behalf of the board by:



Mr P P Earle
Company Secretary

Registered office:
Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

ALLAM MOTOR SERVICES LIMITED

Directors' Report

Year ended 31 December 2015

The directors present their report and the financial statements of the company for the year ended 31 December 2015.

DIRECTORS

The directors who served the company during the year were as follows:

Mr J F Allam
Mr P P Earle
Mr T J O'Brien

DIVIDENDS

The profit for the year amounted to £101,971. Particulars of dividends paid are detailed in note 11 to the financial statements.

FUTURE DEVELOPMENTS

The directors do not anticipate any changes in the company's activity.

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, 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 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 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.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

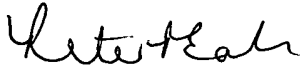
The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

ALLAM MOTOR SERVICES LIMITED

Directors' Report (*continued*)

Year ended 31 December 2015

This report was approved by the board of directors on 29 JUNE 2016 and signed on behalf of the board by:



Mr P P Earle
Company Secretary

Registered office:
Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

ALLAM MOTOR SERVICES LIMITED

Independent Auditor's Report to the Shareholders of Allam Motor Services Limited

Year ended 31 December 2015

We have audited the financial statements of Allam Motor Services Limited for the year ended 31 December 2015, on pages 6 to 16. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the directors' responsibilities statement, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



P LONGSTAFF FCA (Senior Statutory Auditor)

29th June 2016

For and on behalf of
Ellis Atkins
Chartered Accountants & statutory auditor
1 Paper Mews
330 High Street
Dorking
Surrey
RH4 2TU

ALLAM MOTOR SERVICES LIMITED

Statement of Income and Retained Earnings

Year ended 31 December 2015

	Note	2015 £	2014 £
TURNOVER	4	12,460,145	12,901,232
Cost of sales		10,895,407	11,398,171
GROSS PROFIT		<u>1,564,738</u>	<u>1,503,061</u>
Administrative expenses		1,409,574	1,409,411
Other operating income		21,000	21,000
OPERATING PROFIT	5	<u>176,164</u>	<u>114,650</u>
Interest payable and similar charges	9	74,193	80,533
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>101,971</u>	<u>34,117</u>
Tax on profit on ordinary activities	10	—	—
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>101,971</u>	<u>34,117</u>
Dividends paid and payable	11	(39,996)	(39,996)
RETAINED EARNINGS AT THE START OF THE YEAR		<u>1,086,847</u>	<u>1,092,726</u>
RETAINED EARNINGS AT THE END OF THE YEAR		<u>1,148,822</u>	<u>1,086,847</u>

All the activities of the company are from continuing operations.

The notes on pages 9 to 16 form part of these financial statements.

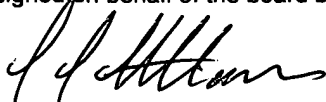
ALLAM MOTOR SERVICES LIMITED

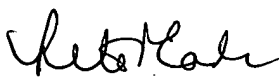
Statement of Financial Position

31 December 2015

	Note	2015 £	£	2014 £
FIXED ASSETS				
Tangible assets	12		2,755,589	2,765,618
CURRENT ASSETS				
Stocks	13	1,066,717		1,367,054
Debtors	14	125,577		179,145
Cash at bank and in hand	15	810		625
		1,193,104		1,546,824
CREDITORS: amounts falling due within one year	16	2,201,792		2,566,486
NET CURRENT LIABILITIES			1,008,688	1,019,662
TOTAL ASSETS LESS CURRENT LIABILITIES			1,746,901	1,745,956
CREDITORS: amounts falling due after more than one year	17		147,141	208,171
NET ASSETS			1,599,760	1,537,785
CAPITAL AND RESERVES				
Called up share capital	21		50,000	50,000
Revaluation reserve	22		400,938	400,938
Profit and loss account	22		1,148,822	1,086,847
SHAREHOLDERS FUNDS			1,599,760	1,537,785

These financial statements were approved by the board of directors and authorised for issue on 24 JUNE 2016 and are signed on behalf of the board by:


Mr J F Allam
Director


Mr P P Earle
Director

Company registration number: 777181

The notes on pages 9 to 16 form part of these financial statements.

ALLAM MOTOR SERVICES LIMITED

Statement of Cash Flows

Year ended 31 December 2015

	Note	2015 £	2014 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the financial year		101,971	34,117
<i>Adjustments for:</i>			
Depreciation of tangible assets		22,789	19,994
Interest payable and similar charges		74,193	80,533
Loss on disposal of tangible assets		1,979	1,055
Accrued income		(88,866)	(39,405)
<i>Changes in:</i>			
Stocks		300,337	(341,802)
Trade and other debtors		53,568	5,830
Trade and other creditors		(339,618)	847,715
Cash generated from operations		126,353	608,037
Interest paid		(74,193)	(80,533)
Net cash from operating activities		<u>52,160</u>	<u>527,504</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets		(14,740)	(17,788)
Proceeds from sale of tangible assets and investments		1	225
Net cash used in investing activities		<u>(14,739)</u>	<u>(17,563)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		(58,612)	(514,590)
Proceeds from loans from group undertakings		–	(100)
Dividends paid		(39,996)	(39,996)
Net cash used in financing activities		<u>(98,608)</u>	<u>(554,686)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(61,187)	(44,745)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(207,610)	(162,865)
CASH AND CASH EQUIVALENTS AT END OF YEAR	15	<u>(268,797)</u>	<u>(207,610)</u>

The notes on pages 9 to 16 form part of these financial statements.

ALLAM MOTOR SERVICES LIMITED

Notes to the Financial Statements

Year ended 31 December 2015

1. STATEMENT OF COMPLIANCE

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

2. COMPANY INFORMATION

Allam Motor Services Limited is a limited company incorporated and domiciled in England, the United Kingdom. The address of its registered office is disclosed on page 1. The principal place of the business is 12 Felstead Road, Longmead Business Park, Epsom KT19 9AS, UK

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.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 24.

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.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assumptions have been made around the useful life of fixed assets. These estimations have been made in accordance with the usual replacement period for these assets.

Revenue recognition

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the year in the normal course of business, net of trade discounts, VAT and other sales and related taxes, and includes all bonuses and contributions received from manufacturers.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been 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.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

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.

ALLAM MOTOR SERVICES LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

3. ACCOUNTING POLICIES *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

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 & Machinery	-	10% to 20% on cost
Fixtures & Fittings	-	10% to 20% on cost
Motor Vehicles	-	20% to 25% on cost
Office Equipment	-	20% to 25% on cost

The residual value of the freehold property is equal to its carrying value, therefore there is no depreciation charged. In the opinion of the directors, the estimated remaining useful economic life of the tangible fixed asset exceeds 50 years.

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 are largely independent of the cash inflows from other assets or groups of assets.

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 valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stocks held on consignment are accounted for in the balance sheet when the terms of a consignment agreement and commercial practice indicate that the principal benefit of owning the stock, including the ability to sell it and principal risks of ownership rest with the company.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

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.

ALLAM MOTOR SERVICES LIMITED

Notes to the Financial Statements (continued)

Year ended 31 December 2015

3. ACCOUNTING POLICIES (continued)

Defined contribution plans (continued)

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

4. TURNOVER

Turnover arises from:

	2015 £	2014 £
Sale of goods	11,588,938	12,066,272
Rendering of services	871,207	834,960
	<u>12,460,145</u>	<u>12,901,232</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible assets	22,789	19,994
Loss on disposal of tangible assets	1,979	1,055
Defined contribution plans expense	<u>8,368</u>	<u>7,334</u>

6. AUDITOR'S REMUNERATION

	2015 £	2014 £
Fees payable for the audit of the financial statements	<u>7,875</u>	<u>7,700</u>

ALLAM MOTOR SERVICES LIMITED

Notes to the Financial Statements (continued)

Year ended 31 December 2015

7. STAFF COSTS

The average number of persons employed by the company during the year, including the directors, amounted to:

	2015 No.	2014 No.
Production staff	24	24
Management staff	11	8
	<u>35</u>	<u>32</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2015 £	2014 £
Wages and salaries	979,477	927,466
Social security costs	92,990	85,342
Other pension costs	8,368	7,334
	<u>1,080,835</u>	<u>1,020,142</u>

8. DIRECTORS' REMUNERATION

The directors aggregate remuneration in respect of qualifying services was:

	2015 £	2014 £
Remuneration	72,754	78,769
Company contributions to defined contribution pension plans	5,806	6,800
	<u>78,560</u>	<u>85,569</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2015 No.	2014 No.
Defined contribution plans	<u>2</u>	<u>2</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Interest on banks loans and overdrafts	24,331	22,934
Other interest payable and similar charges	49,862	57,599
	<u>74,193</u>	<u>80,533</u>

The total of the interest payable is on financial liabilities measured at amortised cost.

10. TAX ON PROFIT ON ORDINARY ACTIVITIES

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2014: 20%).

	2015 £	2014 £
Profit on ordinary activities before taxation	101,971	34,117
Profit on ordinary activities by rate of tax	20,394	6,823
Effect of expenses not deductible for tax purposes	396	211
Effect of capital allowances and depreciation	(1,878)	(1,000)
Utilisation of tax losses	(18,912)	(6,034)
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

ALLAM MOTOR SERVICES LIMITED

Notes to the Financial Statements (continued)

Year ended 31 December 2015

11. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2015 £	2014 £
Equity dividends on ordinary shares	<u>39,996</u>	<u>39,996</u>

12. TANGIBLE ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Jan 2015	2,720,000	97,152	73,180	4,928	81,045	2,976,305
Additions	7,250	2,450	1,350	–	3,690	14,740
Disposals	–	(14,050)	(12,592)	–	–	(26,642)
At 31 Dec 2015	<u>2,727,250</u>	<u>85,552</u>	<u>61,938</u>	<u>4,928</u>	<u>84,735</u>	<u>2,964,403</u>
Depreciation						
At 1 Jan 2015	–	76,390	57,697	4,428	72,172	210,687
Charge for the year	–	11,599	7,252	400	3,538	22,789
Disposals	–	(13,289)	(11,373)	–	–	(24,662)
At 31 Dec 2015	<u>–</u>	<u>74,700</u>	<u>53,576</u>	<u>4,828</u>	<u>75,710</u>	<u>208,814</u>
Carrying amount						
At 31 Dec 2015	<u>2,727,250</u>	<u>10,852</u>	<u>8,362</u>	<u>100</u>	<u>9,025</u>	<u>2,755,589</u>
At 31 Dec 2014	<u>2,720,000</u>	<u>20,762</u>	<u>15,483</u>	<u>500</u>	<u>8,873</u>	<u>2,765,618</u>

Freehold property was revalued on the 8 March 2012 by B P Watkins BA MRICS FCI Arb of Stiles Harold Williams on an open market basis, which includes directly attributable acquisition costs and estimated selling costs where relevant.

13. STOCKS

	2015 £	2014 £
Raw materials and consumables	<u>1,066,717</u>	<u>1,367,054</u>

The amount of stock recognised as an expense in the income statement during the year was £10,494,313 (2014: £10,969,374)

At 31 December 2015 the company held vehicles on consignment from manufacturers with a value of £537,038 (2014: £662,850) which are included within the motor vehicle stock.

14. DEBTORS

	2015 £	2014 £
Trade debtors	69,529	156,913
Prepayments and accrued income	56,048	21,832
Other debtors	–	400
	<u>125,577</u>	<u>179,145</u>

ALLAM MOTOR SERVICES LIMITED

Notes to the Financial Statements (continued)

Year ended 31 December 2015

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2015 £	2014 £
Cash at bank and in hand	810	625
Bank overdrafts	(269,607)	(208,235)
	<u>(268,797)</u>	<u>(207,610)</u>

16. CREDITORS: amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts	330,079	266,289
Trade creditors	243,896	326,091
Accruals and deferred income	48,570	137,436
Social security and other taxes	102,024	75,314
Stocking loans	1,028,081	1,261,494
Directors loan accounts	341,355	349,253
Other creditors	107,787	150,609
	<u>2,201,792</u>	<u>2,566,486</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2015 £	2014 £
Bank loans and overdrafts	330,079	266,289
Stocking loans	1,028,081	1,261,494
	<u>1,358,160</u>	<u>1,527,783</u>

Stocking loans are secured by retention of title to the relevant motor vehicle.

17. CREDITORS: amounts falling due after more than one year

	2015 £	2014 £
Bank loans and overdrafts	<u>147,141</u>	<u>208,171</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2015 £	2014 £
Bank loans and overdrafts	<u>147,141</u>	<u>208,171</u>

The bank loans and overdrafts were secured at the balance sheet date by a first charge over the freehold properties.

The terms of repayment are annual payments of £65,049, which includes interest and capital. Interest is calculated at 2.6% over Barclays' Bank base rate.

18. DEFERRED TAXATION

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows:

	2015 £	2014 £
Tax losses available	<u>310,232</u>	<u>366,119</u>

Deferred tax asset in respect of trading losses has not been recognised as their future recovery is uncertain. If the freehold property was sold at the revalued amount, there will be a potential liability of £nil.

ALLAM MOTOR SERVICES LIMITED

Notes to the Financial Statements (continued)

Year ended 31 December 2015

19. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £8,368 (2014: £7,334).

20. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>70,339</u>	<u>157,938</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,300,363)</u>	<u>(2,637,221)</u>

21. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2015		2014	
	No.	£	No.	£
A Ordinary shares of £1 each	100	100	100	100
B Ordinary shares of £1 each	<u>49,900</u>	<u>49,900</u>	<u>49,900</u>	<u>49,900</u>
	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

Each ordinary share class A and B carries voting rights and there are no restriction on the distributions of dividends.

22. RESERVES

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account - This reserve records retained earnings and accumulated losses.

23. RELATED PARTY TRANSACTIONS

The company is under the control of Mr J F Allam and Mr P P Earle.

During the year the company incurred accountancy and associated charges of £11,212 (2014: £9,525) payable to Menzies LLP, a practice in which Mr P P Earle is a partner.

Included within other creditors falling due within one year is an amount of £185,332 (2014: £185,332) due to Mr P P Earle and £156,023 (2014: £163,921) due to Mr J F Allam. The loans are interest free and unsecured.

Included within other creditors falling due within one year is an amount of £103,562 (2014: £103,562) due to Mr P Earle who is the father of Mr P P Earle. £100,000 of the amount due to Mr P Earle is unsecured, without fixed term of repayment. Interest is charged at the higher of 6% or 3% over Barclays Bank Plc base rate. Interest of £6,000 (2014: £6,000) was paid on this loan in the year. The current account balance of £3,562 (2014: £3,562), due to Mr P Earle, is unsecured and lent interest free.

During the year dividends of £39,996 (2014: £39,996) were paid to Mr J F Allam.

Amounts due to directors are disclosed as due within one year. Comparative amounts for the previous year of £349,253 have been adjusted to show directors loan falling due after one year as falling due within one year.

24. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.

ALLAM MOTOR SERVICES LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

24. TRANSITION TO FRS 102 *(continued)*

The comparative figures for directors and related party loans have been reclassified from due greater than one year to due within one year.