

**AMENDED**

**Baylis (Gloucester) Limited**

**Directors' Report and Financial Statements  
For the Year Ended 31 December 2015**



**Baylis (Gloucester) Limited**

**Company Information**

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<b>Directors</b>	J Bowman D Jones A Robbins Motors Directors Limited F D Lord Motors Secretaries Limited
<b>Company secretary</b>	Motors Secretaries Limited
<b>Registered number</b>	02877066
<b>Registered office</b>	10 Chiswell Street London EC1Y 4UQ
<b>Independent auditors</b>	ASE Audit LLP Chartered Accountants & Statutory Auditors Rowan Court Concord Business Park Manchester Greater Manchester M22 0RR
<b>Solicitors</b>	Duane Morris 10 Chiswell Street London EC1Y 4UQ

## **Baylis (Gloucester) Limited**

### **Company Information**

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These amended accounts:

- Replace the original accounts
- Are now the statutory accounts
- Are prepared as they were at the date of the original accounts
- Are amended due to casting errors on pages 33 and 34 which do not impact either the Statement of Comprehensive Income or the Statement of Financial Position

## **Baylis (Gloucester) Limited**

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**Baylis (Gloucester) Limited**  
**Strategic Report**  
**For the Year Ended 31 December 2015**

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**Introduction**

The directors present their strategic report for the year ended 31 December 2015.

**Principal activity**

The principal activity of the company in the year under review was that of purchasing, selling and repairing of motor vehicles and other ancillary services.

**Business review**

Turnover for the year ended 31 December 2015 was £70,843,329, an increase of 3.2% on last year (2014 : £68,618,853). There was a profit for the year after taxation amounting to £357,908 (2014 : £508,592) excluding the impact of FRS102 paras 22.13 and 22.14 in respect of compound financial instruments. On 2 December 2015, the company acquired the business and trading assets of the Evesham Vauxhall site from the Receiver of Bridge Motors (Banbury) Limited. This increased the number of Vauxhall sites operated by the company to 8. The acquisition has not been disclosed separately in the financial statements, since the amount involved was not material to the company as a whole.

In managing the business, the directors review the results and position excluding the impact of FRS102 in respect of compound financial instruments. Those results in respect of profit for the year after taxation are noted above.

The company's trading results for the year and the financial position at the end of the year are shown in the following financial statements.

**Strategy**

The strategy adopted during the year has been to build continually on the local market position established by the company, together with the strong Vauxhall brand nationally.

**Environmental policy**

Management continue to work towards the development of the company's environmental policy. It is the managements' objective to continually improve performance in this area. When assessing the environmental performance of the company, management consider various measures, including waste, recycling and CO2 emissions from the company's vehicles.

**Principal risks and uncertainties**

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

**Manufacturer supply of new and improved products**

The company is reliant on new vehicle products from Vauxhall. This exposes the company to risks in a number of areas as the company is dependent on Vauxhall in respect of:

- availability of new vehicle products
- quality of new vehicle products
- pricing of new vehicle products

The directors are confident that future new products from it's manufacturer/supplier will continue to be competitively priced and of high quality and therefore consider that this "manufacturer risk" is minimal, it is, in any case, mitigated by other core business areas of the company, including used vehicle sales, parts sales, service and repair work.

**Baylis (Gloucester) Limited**  
**Strategic report (continued)**

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**Financial key performance indicators**

The directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to gross margin and operating profit which are set out in the attached accounts

**Other key performance indicators**

A key non financial key performance indicator is new vehicle units which were 1,937 (2014: 2,007) in the year. The decrease was more than offset by used vehicle sales which increased to 6,445 (2014: 5,747) whilst retail service hours sold remained broadly constant at 48,567 (2014: 48,950).

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

  
**D Jones**  
Director

Date: 29/7/16

**Baylis (Gloucester) Limited**  
**Directors' Report**  
**For the Year Ended 31 December 2015**

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

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, 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 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 satisfied that they give a true and fair view of the state of affairs of the Company and of 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

**Results and dividends**

The profit for the year, after taxation, amounted to £40,466 (2014: £150,478).

There were no dividends paid on the ordinary shares during the year (2014: £Nil).

**Directors**

The directors who served during the year were:

J Bowman  
D Jones  
A Robbins  
Motors Directors Limited  
F D Lord  
Motors Secretaries Limited

**Baylis (Gloucester) Limited**  
**Directors' Report**  
**For the Year Ended 31 December 2015**

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**Financial risk management policies and objectives**

The company uses various financial instruments, which include bank, financial institution and stocking loans, cash and various items, such as consignment stock, trade debtors and trade creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for the company's operations. Their existence exposes the company to a number of financial risks.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The directors review and agree policies for managing each of these risks which are summarised below. These policies have remained unchanged from previous years.

**Interest rate risk**

The company finances its operations through a mixture of bank, other external borrowings and preference shares. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities. The balance sheet includes trade debtors and creditors which do not attract interest and are therefore subject to fair value interest rate risk.

The company policy throughout the year has been to achieve its objective of managing interest rate risk through day to day involvement of management in business decisions rather than through setting maximum or minimum levels for the level of fixed interest rate borrowings.

**Liquidity risk**

The company seeks to manage risk by ensuring sufficient liquidity is available to meet foreseeable needs to invest cash assets safely and profitably.

The company's policy throughout the year has been to achieve this objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum liquidity ratios.

**Credit risk**

The company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparts have high credit ratings assigned by international credit-rating agencies. The principle credit risk therefore arises from its trade debtors.

In order to manage credit risk, the directors set credit limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the finance director on a regular basis in conjunction with debt ageing and collection history.

**Future developments**

The directors focus going forward is to work towards improving the profit within the existing business, together with developing the sites currently making losses and turning them into profit making sites. The directors will concentrate on growth, either by acquisition, should the relevant opportunity present itself, or organically with an aim to increase the turnover to approximately £100M and also striving to increase return on sales to 1%.

The focus in the coming year will be to increase sustainable profitability whilst continuing to maintain a stable balance sheet and positive cash flow position.

**Employee involvement**

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.



**Baylis (Gloucester) Limited**  
**Directors' Report**  
**For the Year Ended 31 December 2015**

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**Disabled employees**

Applications for employment of disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the group may continue.

It is the policy of the group that training, career development and promotion opportunities should be available to all employees.

**Disclosure of information to auditors**

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

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

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

In line with best corporate practice, the company proposes to undertake a tender for the provision of the independent audit. The auditors for the year ended 31 December 2016 will be appointed in advance of that date.

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



**D Jones**  
Director

Date: 29/7/16

## **Baylis (Gloucester) Limited**

### **Independent Auditors' Report to the Shareholders of Baylis (Gloucester) Limited**

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We have audited the financial statements of Baylis (Gloucester) Limited for the year ended 31 December 2015, set out on pages 8 to 34. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

#### **Respective responsibilities of Directors and Auditors**

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 Financial Reporting Council's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the 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 and the directors' report has been prepared in accordance with applicable legal requirements.

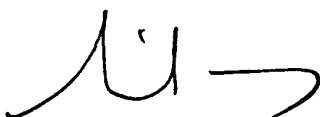
**Baylis (Gloucester) Limited**  
**Independent Auditors' Report to the Shareholders of Baylis (Gloucester) Limited**

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**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.



Michael Jones BSc FCA (Senior Statutory Auditor)  
for and on behalf of

**ASE Audit LLP**  
Chartered Accountants  
Statutory Auditors  
Rowan Court  
Concord Business Park  
Manchester  
Greater Manchester  
M22 0RR

Date: 29.7.16

**Baylis (Gloucester) Limited**  
**Statement of Comprehensive Income**  
**For the Year Ended 31 December 2015**

	Note	2015 £	2014 £
Turnover	4	70,843,329	68,618,853
Cost of sales		<u>(58,695,816)</u>	<u>(56,846,940)</u>
<b>Gross profit</b>		<b>12,147,513</b>	<b>11,771,913</b>
Administrative expenses		(11,623,990)	(10,750,537)
Other operating income	5	<u>236,904</u>	<u>-</u>
<b>Operating profit</b>	6	<b>760,427</b>	<b>1,021,376</b>
Amounts written off investments		-	-
Interest receivable and similar income	10	430	1,903
Interest payable and expenses	11	<u>(604,089)</u>	<u>(767,404)</u>
<b>Profit before tax</b>		<b>156,768</b>	<b>255,875</b>
Tax on profit	12	<u>(116,302)</u>	<u>(105,397)</u>
<b>Profit for the year</b>		<u><b>40,466</b></u>	<u><b>150,478</b></u>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<u><b>40,466</b></u>	<u><b>150,478</b></u>

There were no recognised gains and losses for 2015 other than those included in the income statement.

The notes on pages 13 to 34 form part of these financial statements.

All amounts relate to continuing operations.

**Baylis (Gloucester) Limited**  
Registered number:02877066

**Statement of Financial Position**  
**As at 31 December 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	14	7,754,372	7,761,619
		<u>7,754,372</u>	<u>7,761,619</u>
<b>Current assets</b>			
Stocks	15	12,610,631	9,909,777
Debtors: amounts falling due within one year	16	2,343,833	2,183,266
Cash at bank and in hand	17	115,497	85,376
		<u>15,069,961</u>	<u>12,178,419</u>
Creditors: amounts falling due within one year	18	(14,068,153)	(10,866,140)
<b>Net current assets</b>		<u>1,001,808</u>	<u>1,312,279</u>
<b>Total assets less current liabilities</b>		<u>8,756,180</u>	<u>9,073,898</u>
Creditors: amounts falling due after more than one year	19	(3,475,739)	(3,829,514)
<b>Provisions for liabilities</b>			
Deferred tax	23	(255,236)	(259,645)
		<u>(255,236)</u>	<u>(259,645)</u>
<b>Net assets</b>		<u>5,025,205</u>	<u>4,984,739</u>
<b>Capital and reserves</b>			
Called up share capital	24	218,161	218,161
Share premium account	25	88,680	88,680
Capital redemption reserve	25	1,380,224	1,236,368
Other reserves	25	848,338	919,512
Profit and loss account	25	2,489,802	2,522,018
		<u>5,025,205</u>	<u>4,984,739</u>

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

D Jones

Director

Date:

29/7/16

T Patrick, for and on behalf of Motors Directors  
Limited  
Director

*T Patrick*

The notes on pages 13 to 34 form part of these financial statements.

**Baylis (Gloucester) Limited**  
**Statement of Changes in Equity**  
**As at 31 December 2015**

	Share capital £	Share premium £	Capital redemption reserve £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2015	218,161	88,680	1,236,368	919,512	2,522,018	4,984,739
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	40,466	40,466
<b>Total comprehensive income for the year</b>	-	-	-	-	40,466	40,466
Purchase of own shares	-	-	-	-	(143,856)	(143,856)
Transfer to/from profit and loss account	-	-	143,856	-	71,174	215,030
Transfer between other reserves	-	-	-	(71,174)	-	(71,174)
<b>Total transactions with owners</b>	-	-	143,856	(71,174)	(72,682)	-
<b>At 31 December 2015</b>	<b>218,161</b>	<b>88,680</b>	<b>1,380,224</b>	<b>848,338</b>	<b>2,489,802</b>	<b>5,025,205</b>

**Baylis (Gloucester) Limited**  
**Statement of Changes in Equity**  
**As at 31 December 2014**

	Share capital £	Share premium £	Capital redemption reserve £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2014	218,161	88,680	1,236,368	919,512	2,371,540	4,834,261
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	150,478	150,478
<b>Total comprehensive income for the year</b>	-	-	-	-	150,478	150,478
<b>Total transactions with owners</b>	-	-	-	-	-	-
<b>At 31 December 2014</b>	<b>218,161</b>	<b>88,680</b>	<b>1,236,368</b>	<b>919,512</b>	<b>2,522,018</b>	<b>4,984,739</b>

The notes on pages 13 to 34 form part of these financial statements.

**Baylis (Gloucester) Limited**  
**Statement of Cash Flows**  
**For the Year Ended 31 December 2015**

	2015 £	2014 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	40,466	150,478
<b>Adjustments for:</b>		
Depreciation of tangible assets	307,496	268,826
Increase in stocks	(2,700,854)	(1,086,916)
Interest paid	604,089	767,403
Interest received	(430)	(1,903)
Taxation	116,302	105,397
Increase in debtors	(231,804)	(85,942)
Increase in creditors	3,179,740	1,035,972
Corporation tax	(49,474)	(188,993)
<b>Net cash generated from operating activities</b>	<b>1,265,531</b>	<b>964,322</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(307,964)	(122,732)
Sale of tangible fixed assets	7,716	1,425
Interest received	430	1,903
HP interest paid	(5,228)	(2,171)
<b>Net cash from investing activities</b>	<b>(305,046)</b>	<b>(121,575)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(307,309)	(230,608)
Repayment of/new finance leases	18,364	(19,744)
Shares treated as debt - issued	(360,000)	-
Interest paid	(281,419)	(365,119)
<b>Net cash used in financing activities</b>	<b>(930,364)</b>	<b>(615,471)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>30,121</b>	<b>227,276</b>
Cash and cash equivalents at beginning of year	85,376	(141,900)
<b>Cash and cash equivalents at the end of year</b>	<b>115,497</b>	<b>85,376</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	115,497	85,376
	<b>115,497</b>	<b>85,376</b>

The notes on pages 13 to 34 form part of these financial statements.



**Baylis (Gloucester) Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

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**1. General Information**

Baylis (Gloucester) Limited is a private company limited by shares and is incorporated in England. The registered office address is 10 Chisewell Street, London, EC1Y 4UQ. There is no single principal place of business. Details of the principal activity of the company is noted in the Strategic Report.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 32.

The Company's functional and presentation currency in these financial statements is Sterling.

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

The following principal accounting policies have been applied:

**Baylis (Gloucester) Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

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**2. Accounting policies (continued)**

**2.2 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company will receive the consideration due under the transaction;
- 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 Company 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.

**Commissions receivable**

Revenue from commissions receivable is recognised when the amount can be reliably measured and it is probable that the company will receive consideration.

**2.3 Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised over its useful life up to a maximum of 10 years. This length of time is presumed to be a maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable. Goodwill has been fully amortised.

**Baylis (Gloucester) Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

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**2. Accounting policies (continued)**

**2.4 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Freehold property	-	50 years
Long-term leasehold property	-	Period of the lease
Plant and machinery	-	2 - 10 years
Motor vehicles	-	4 years
Fixtures and fittings	-	3 - 10 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 within 'other operating income' in the Statement of Comprehensive Income.

**2.5 Operating leases: Lessee**

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

**Baylis (Gloucester) Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

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**2. Accounting policies (continued)**

**2.6 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving stock.

At each reporting 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.

**Consignment stock**

Under supply agreements with General Motors, the company has access to 'consignment stock' during a consignment period. Where the nature of these supply agreements transfers risks and rewards to the company, which in substance gives the company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with the equivalent liability.

Where supply agreements do not provide risks and rewards to the company until such time as legal title actually passes at the end of the consignment period, these stocks are not included in the balance sheet. Both the terms under which the stocks are held and the financial commitment in respect of these stocks are disclosed in the notes to the financial statements.

**2.7 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.

**2.8 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 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 Company's cash management.

**2.9 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable 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 payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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**2. Accounting policies (continued)**

**2.9. Financial instruments (continued)**

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) at fair value with changes recognised in the Income Statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- i) 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 Income Statement.

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, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

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.

**2.10 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.

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**2. Accounting policies (continued)**

**2.11 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.12 Provisions for Liabilities**

Provisions are made where an event has taken place that gives the Company 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 Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

**2.13 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change 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 reporting date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is not discounted.

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**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 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:

**Consignment stock**

Vehicles held on consignment have been included in 'finished goods' within 'inventories' on the basis that the company has determined that it holds the significant risks and rewards attached to these vehicles.

**Stock valuation**

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including Glass' and CAP valuation guides. The directors maintain oversight of ageing stock profiles and a monthly review of any provision required is performed.

**Goodwill and Intangible Assets**

The group reviews the goodwill arising on the acquisition of subsidiaries or businesses and any intangible assets with an indefinite life for impairment at least annually or when events or changes in economic circumstances indicate that impairment may have taken place. The impairment review is performed by projecting the future cash flows, excluding finance and tax, based upon budgets and plans and making appropriate assumptions about rates of growth and discounting these using a rate that takes into account prevailing market interest rates and the risks inherent in the business. If the present value of the projected cash flows is less than the carrying value of the underlying net assets and related goodwill, an impairment charge would be required in the Income Statement.

This calculation requires the exercise of significant judgement by management; if the estimates made prove to be incorrect or changes in the performance of the subsidiaries affect the amount and timing of future cash flows, goodwill may become impaired in future periods.

In respect of acquisitions, at the point of acquisition the group is required to assess whether intangible assets need to be separately identified and measured. The measurement and assessment of the useful economic lives of intangible assets requires the use of judgement by management.

**Property, plant and equipment assets**

Property, plant and equipment are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows.

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**Incentives and other rebates from brand partners**

The company receives income in the form of various incentives which are determined by our brand partners. The amount received is generally based on achieving specific objectives such as a specified sales volume, as well as other objectives including maintaining brand partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Objectives are generally set and measured on either a quarterly or annual basis.

Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned. This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain that the related target will be met. Where incentives are linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

The company may also receive contributions towards advertising, promotional and rent expenditure. Where such contributions are received they are recognised as a reduction in the related expenditure in the period to which they relate.

**4. Analysis of turnover**

	2015 £	2014 £
Sale of goods	64,289,369	62,340,457
Rendering of services	5,212,664	5,101,997
Commissions receivable	1,341,295	1,176,398
	<u>70,843,328</u>	<u>68,618,852</u>

All turnover arose within the United Kingdom.

**5. Other operating income**

	2015 £	2014 £
Other operating income	236,904	-
	<u>236,904</u>	<u>-</u>



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**6. Operating profit**

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	307,495	268,826
Plant and Equipment - operating lease costs	25,568	8,415
Other operating lease rentals	314,000	314,000
	<u>647,063</u>	<u>591,241</u>

**7. Auditors' remuneration**

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	25,760	24,890
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
All other non-audit services not included above	<u>2,240</u>	<u>2,250</u>

**8. Employees**

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

	2015 £	2014 £
Wages and salaries	6,811,237	6,439,109
Social security costs	647,162	611,791
Cost of defined contribution scheme	70,231	49,293
	<u>7,528,630</u>	<u>7,100,193</u>

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

	2015 No.	2014 No.
Total	<u>299</u>	<u>267</u>

**Baylis (Gloucester) Limited**  
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**9. Directors' remuneration**

	2015 £	2014 £
Directors' emoluments	297,797	268,490
	<u>297,797</u>	<u>268,490</u>

The highest paid director received remuneration of £97,026 (2014 - £85,314).

The directors consider themselves to be the key management within the company.

**10. Interest receivable**

	2015 £	2014 £
Other interest receivable	430	1,903
	<u>430</u>	<u>1,903</u>

**11. Interest payable and similar charges**

	2015 £	2014 £
Bank interest payable	81,466	88,067
Other loan interest payable	7,500	7,500
Finance leases and hire purchase contracts	5,228	2,171
Finance charges on shares classed as liabilities	317,442	400,114
Vehicle funding charges	192,453	269,552
	<u>604,089</u>	<u>767,404</u>

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**12. Taxation**

	2015 £	2014 £
<b>Corporation tax</b>		
Current tax on profits for the year	121,429	163,938
Adjustments in respect of previous periods	(718)	(48,971)
	<u>120,711</u>	<u>114,967</u>
<b>Total current tax</b>	<u>120,711</u>	<u>114,967</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(4,409)	(9,570)
<b>Total deferred tax</b>	<u>(4,409)</u>	<u>(9,570)</u>
<b>Taxation on profit on ordinary activities</b>	<u>116,302</u>	<u>105,397</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.247% (2014 - 21.493%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>156,768</u>	<u>255,875</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.247% (2014 - 21.493%)	31,741	54,995
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,142	4,981
Capital allowances for year in excess of depreciation	22,274	26,992
Adjustments to tax charge in respect of prior periods	(718)	(48,971)
FRS102 adjustment	-	(9,027)
Deferred tax movement	(4,409)	(9,570)
Finance charge on share classed as liabilities	64,272	85,997
<b>Total tax charge for the year</b>	<u>116,302</u>	<u>105,397</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

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**13. Intangible assets**

	Goodwill £
<b>Cost</b>	
At 1 January 2015	431,310
At 31 December 2015	<u>431,310</u>
<b>Amortisation</b>	
At 1 January 2015	431,310
At 31 December 2015	<u>431,310</u>
<b>Net book value</b>	
At 31 December 2015	<u><u>-</u></u>
At 31 December 2014	<u><u>-</u></u>

**14. Tangible fixed assets**

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Other fixed assets £	Total £
<b>Cost or valuation</b>					
At 1 January 2015	8,505,493	135,000	2,014,899	1,528,310	12,183,702
Additions	-	-	107,513	200,451	307,964
Disposals	-	-	(317,923)	(342,295)	(660,218)
At 31 December 2015	<u>8,505,493</u>	<u>135,000</u>	<u>1,804,489</u>	<u>1,386,466</u>	<u>11,831,448</u>
<b>Depreciation</b>					
At 1 January 2015	1,322,493	135,000	1,644,696	1,319,894	4,422,083
Charge owned for the period	128,948	-	94,716	83,831	307,495
Disposals	-	-	(317,924)	(334,578)	(652,502)
At 31 December 2015	<u>1,451,441</u>	<u>135,000</u>	<u>1,421,488</u>	<u>1,069,147</u>	<u>4,077,076</u>
At 31 December 2015	<u><u>7,054,052</u></u>	<u><u>-</u></u>	<u><u>383,001</u></u>	<u><u>317,319</u></u>	<u><u>7,754,372</u></u>
At 31 December 2014	<u><u>7,183,000</u></u>	<u><u>-</u></u>	<u><u>370,203</u></u>	<u><u>208,416</u></u>	<u><u>7,761,619</u></u>

Included in freehold property is land at a cost of £2,276,088 (2014: £2,276,088) which is not depreciated.

All the freehold property and assets of the company are pledged as security for the bank loans and overdraft.

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

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Plant and machinery	33,911	9,029
Other fixed assets	69,906	53,675
	<u>103,817</u>	<u>62,704</u>

**15. Stocks**

	2015 £	2014 £
Vehicle stock	11,767,128	9,014,566
Parts stock	843,503	895,211
	<u>12,610,631</u>	<u>9,909,777</u>

Stock recognised in cost of sales during the year as an expense was £58,681,258 (2014 : £55,642,300).

An impairment loss of £4,001 (2014: £21,465) was recognised in cost of sales against stock during the year due to slow-moving and obsolete vehicle stock.

An impairment loss of £3,226 (2014 : £19,987) was recognised in cost of sales against stock during the year due to slow-moving and obsolete parts stock.

The total carrying amount of stock is pledged as security for the vehicle funding and bank loan.

**16. Debtors**

	2015 £	2014 £
Trade debtors	1,240,907	1,377,138
Other debtors	321,905	153,677
Called up share capital not paid	144,105	144,105
Prepayments and accrued income	636,916	508,346
	<u>2,343,833</u>	<u>2,183,266</u>

An impairment loss of £11,979 (2014 : £10,834 - reversed) was recognised against trade debtors.

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**17. Cash and cash equivalents**

	2015 £	2014 £
Cash at bank and in hand	115,497	85,376
	<u>115,497</u>	<u>85,376</u>

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

	2015 £	2014 £
Bank loans	307,646	307,478
Trade creditors	12,018,909	9,119,327
Amounts owed to group undertakings	285,367	290,416
Taxation and social security	725,242	600,605
Obligations under finance lease and hire purchase contracts	57,447	35,344
Accruals and deferred income	673,542	512,970
	<u>14,068,153</u>	<u>10,866,140</u>

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

	2015 £	2014 £
Bank loans	1,921,735	2,229,213
Net obligations under finance leases and hire purchase contracts	47,800	51,539
Amounts owed to group undertakings	375,000	375,000
Share capital treated as debt	1,131,204	1,173,762
	<u>3,475,739</u>	<u>3,829,514</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 24.

**Secured loans**

The bank loans and overdraft are secured by way of a debenture, together with a mix of fixed charges and floating charges over certain properties and other assets of the company, an unlimited inter-company guarantee between Baylis (Gloucester) Limited, H.S.H Limited and Haines & Stange Limited and a letter of comfort from General Motors UK Limited.

The loan is with Royal Bank of Scotland of £2,229,381 (2014 : £2,536,691). The loan has an interest rate of 2.75% above LIBOR.

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**20. Loans**

Analysis of the maturity of loans is given below:

	2015 £	2014 £
<b>Amounts falling due within one year</b>		
Bank loans	307,646	307,478
	<u>307,646</u>	<u>307,478</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	307,478	307,478
	<u>307,478</u>	<u>307,478</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	1,614,257	1,921,735
	<u>1,614,257</u>	<u>1,921,735</u>

**21. Hire purchase & finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2015 £	2014 £
Within one year	57,447	35,344
Between 1-2 years	30,746	35,344
Between 2-5 years	17,054	16,195
	<u>105,247</u>	<u>86,883</u>

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**22. Financial instruments**

	2015 £	2014 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	1,562,813	1,530,815
	<u>1,562,813</u>	<u>1,530,815</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(16,642,915)	(13,924,591)
	<u>(16,642,915)</u>	<u>(13,924,591)</u>

Financial assets measured at amortised cost comprise trade and other debtors as well as items of accrued income included within prepayments.

Financial liabilities measured at amortised cost comprise trade creditors, accruals where a cash settlement will take place, bank loans and other loans.

**23. Deferred taxation**

	Deferred tax £
At 1 January 2015	(259,645)
Charged to the profit or loss	4,409
<b>At 31 December 2015</b>	<u><u>(255,236)</u></u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	257,693	261,854
Short term timing differences	(2,457)	(2,209)
	<u>(255,236)</u>	<u>(259,645)</u>



**Baylis (Gloucester) Limited**  
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**24. Share capital**

	2015 £	2014 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
130,897 Ordinary A shares of £1 each	130,897	130,897
87,264 Ordinary B shares of £1 each	87,264	87,264
	<u>218,161</u>	<u>218,161</u>
 <b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
1,714,657 (2014 - 1,858,513) Preference shares of £1 (par value) each	1,131,204	1,173,762
	<u>1,131,204</u>	<u>1,173,762</u>

Included in shares classified as capital are £55,425 Ordinary B shares which are not fully paid. All other Ordinary B and Ordinary A shares are fully paid.

**Rights**

**Preference shares**

The redeemable preference shares are non-equity shares. The basic entitlement to a dividend at the rate of 1% net per share is waived, and instead these shares are entitled to be a balance of any post tax profits remaining after redemption of the preference shares in accordance with the formula included in the company's Articles of Association. The redemption is made quarterly. Holders of the shares have one vote for every share held. The rights of participating preference shareholders on winding up are dependent upon a calculation determining funds in excess of 86% of the original total share capital, and such rights are ranked before those of the ordinary shareholders.

**Ordinary shares**

Since 16 December 2002 the ordinary shares have carried voting rights which rank pari passu with all other classes of shares in the company. Holders of the shares have one vote for every share held. On 2 August 2013 the Ordinary shares were redesignated A Ordinary shares and B Ordinary shares.

**A Ordinary shares**

Since 2 August 2013 the A Ordinary shares have had voting rights that rank pari passu with Preference shares but are not dividend bearing until A Ordinary and Preference shares are 60% or less of issued share capital.

**B Ordinary shares**

Since 2 August 2013 the B Ordinary shares have had no voting rights and no rights to dividends until A Ordinary and Preference shares are 60% or less of issued share capital. B Ordinary shares are subordinated to A Ordinary and Preference shares on winding up, subject to drag along rights.

**Baylis (Gloucester) Limited**  
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**Dividends and redemption**

During the year, the company paid a preference share dividend of £216,144 (2014 : £Nil). During the year 143,856 (2014 : Nil) £1 preference shares have been redeemed.

**25. Reserves**

**Share premium**

Share premium reserve - includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Capital redemption reserve**

Capital redemption reserve - includes the nominal value of preference shares when they have been redeemed by the company.

**Other reserves**

Other reserves - includes the adjustment made to share capital for the transfer relating to the redemption of shares.

**Profit and loss account**

Profit and loss account - includes all current and prior period retained profit and losses.

**26. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions during the year totalled £70,231 (2014 : £49,293). At the balance sheet date an amount of £12,286 (2014 : £10,908) was owed to the pension scheme, which is included within creditors due within one year.

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**27. Commitments under operating leases**

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
<b>Land and buildings</b>		
Not later than 1 year	381,000	314,000
Later than 1 year and not later than 5 years	1,461,000	1,214,000
Later than 5 years	1,677,500	1,233,500
<b>Total</b>	<u>3,519,500</u>	<u>2,761,500</u>
	2015 £	2014 £
<b>Other</b>		
Not later than 1 year	32,892	8,415
Later than 1 year and not later than 5 years	43,167	19,781
<b>Total</b>	<u>76,059</u>	<u>28,196</u>

**28. Transactions with directors**

The following advances and credits to directors subsisted during the years ended 31 December 2015 and 31 December 2014:

	J Bowman £	D Jones £	A Robbins £
Balance outstanding at start of the year	4,176	4,176	4,176
Amounts advanced	-	-	-
Amounts repaid	(2,100)	(2,100)	(2,100)
	<u>2,076</u>	<u>2,076</u>	<u>2,076</u>

**29. Related party transactions**

General Motors UK Limited is related due to its holding of preference shares, and is also the main supplier / manufacturer to the company. Transactions between the parties have not been disclosed as in accordance with FRS102 they are not considered to be material to General Motors UK Limited.

Included within creditors due within one year is £285,367 (2014: £290,416) due to fellow subsidiaries of General Motors UK Limited.

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**30. Controlling party**

The directors consider that the ultimate parent undertaking of this company is General Motors Company, incorporated in the United States of America.

General Motors UK Limited is this company's controlling related party by virtue of its holding of redeemable participating preference shares. The ultimate controlling related party is General Motors Company as a result of General Motors UK Limited being one of its subsidiary companies.

On the grounds of materiality, no group accounts have been drawn up which include this company's results.

**31. FRS102 Presentation and disclosure of preference shares**

In accordance with FRS102, the company's preference shares are termed compound instruments and consist of both debt and equity components. The debt component of the shares is classed as a financial liability, and disclosed within creditors. The equity component is treated as "Other equity reserves" and forms part of the shareholders funds.

		2015 £	2014 £
Creditors: amounts falling due within 1 year		-	-
Creditors: amounts falling due after more than 1 year	19	1,131,204	1,173,762
		<u>1,131,204</u>	<u>1,173,762</u>
Less: notional finance charge - current year		(317,442)	(400,114)
Less: cumulative notional finance charges relating to prior periods		(234,761)	165,353
Add: equity reserve transfer		71,174	-
Add: dividends in current year		216,144	-
		<u>(264,885)</u>	<u>(234,761)</u>
Other equity reserve		848,338	919,512
<b>Preference shares in issue</b>		<u><u>1,714,657</u></u>	<u><u>1,858,513</u></u>

**Baylis (Gloucester) Limited**

**Notes to the Financial Statements For the Year Ended 31 December 2015**

**32. First time adoption of FRS 102**

		As previously stated 1 January 2014 £	Effect of transition 1 January 2014 £	<b>FRS 102 (as restated) 1 January 2014 £</b>	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	<b>FRS 102 (as restated) 31 December 2014 £</b>
	<b>Note</b>						
Fixed assets	1	8,640,103	(837,592)	<b>7,802,511</b>	8,557,211	(795,592)	<b>7,761,619</b>
Current assets		11,050,246	-	<b>11,050,246</b>	12,178,419	-	<b>12,178,419</b>
Creditors: amounts falling due within one year		(12,600,634)	-	<b>(12,600,634)</b>	(10,866,141)	-	<b>(10,866,141)</b>
<b>Net current assets</b>		<b>(1,550,388)</b>	<b>-</b>	<b>(1,550,388)</b>	<b>1,312,278</b>	<b>-</b>	<b>1,312,278</b>
<b>Total assets less current liabilities</b>		<b>7,089,715</b>	<b>(837,592)</b>	<b>6,252,123</b>	<b>9,869,489</b>	<b>(795,592)</b>	<b>9,073,897</b>
Creditors: amounts falling due after more than one year	2	(1,992,680)	844,032	<b>(1,148,648)</b>	(4,673,546)	844,032	<b>(3,829,514)</b>
Provisions for liabilities		(269,215)	-	<b>(269,215)</b>	(259,645)	-	<b>(259,645)</b>
<b>Net assets</b>		<b>4,827,820</b>	<b>6,440</b>	<b>4,834,260</b>	<b>4,936,298</b>	<b>48,440</b>	<b>4,984,738</b>
Capital and reserves		<b>4,827,820</b>	<b>6,440</b>	<b>4,834,260</b>	<b>4,936,298</b>	<b>48,440</b>	<b>4,984,738</b>

**Baylis (Gloucester) Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**32. First time adoption of FRS 102 (continued)**

	<b>Note</b>	<b>As previously stated 31 December 2014 £</b>	<b>Effect of transition 31 December 2014 £</b>	<b>FRS 102 (as restated) 31 December 2014 £</b>
Turnover		68,618,853	-	<b>68,618,853</b>
Cost of sales		(56,846,940)	-	<b>(56,846,940)</b>
		<u>11,771,913</u>	<u>-</u>	<u><b>11,771,913</b></u>
Administrative expenses	1	(10,792,537)	42,000	<b>(10,750,537)</b>
		<u>979,376</u>	<u>42,000</u>	<u><b>1,021,376</b></u>
<b>Operating profit</b>				
Interest receivable and similar income		1,903	-	<b>1,903</b>
Interest payable and similar charges		(767,404)	-	<b>(767,404)</b>
Taxation		(105,397)	-	<b>(105,397)</b>
		<u>108,478</u>	<u>42,000</u>	<u><b>150,478</b></u>
<b>Profit on ordinary activities after taxation and for the financial year</b>				

Explanation of changes to previously reported profit and equity:

- 1 Write off of investment in dormant subsidiaries, and impairment of goodwill relating to those trades.
- 2 Waive intercompany loans in respect of dormant subsidiaries.