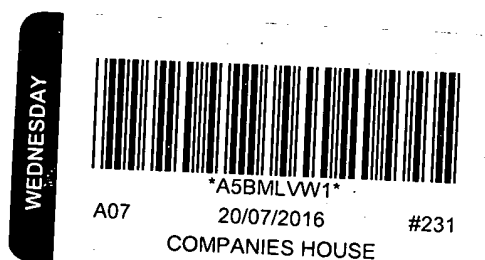


Registered number: 05540164

## 06 Ormskirk Limited

### Abbreviated accounts

For the Year Ended 31 December 2015



**06 Ormskirk Limited**  
**Company Information**

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<b>Directors</b>	Mr P Byron Mr J Dickson Motors Directors Limited
<b>Company secretary</b>	Motors Secretaries Limited
<b>Registered number</b>	05540164
<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

## 06 Ormskirk Limited

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**06 Ormskirk Limited**  
**Strategic report**  
**For the Year Ended 31 December 2015**

---

## **Introduction**

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

## **Business review**

Turnover for the year ended 31 December 2015 was £18.0 million (2014 : £16.5 million). Profit before tax was £268,468 (2014 : £174,253), although this is after notional interest in respect of the redeemable preference shares of £Nil (2014 : £30,759).

The directors are pleased with the performance during the year and believe the company is well placed for 2016.

## **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.

### **Manufacturers 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 it's manufacturer/supplier 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 high quality and therefore consider that this "manufacturer risk" is minimal. It is, in any case, mitigated by the other core business areas of the company, including used vehicle sales, parts sales and service work.

### **Economic downturn**

The success of the business is reliant on consumer spending. An economic downturn, resulting in a reduction of consumer spending power, will have a direct impact on the income achieved by the company.

In response to this risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies are modified to reflect the new market conditions.

## **Development and performance**

The strategy remains as previous years to build on the market position established by the company, together with a strong manufacturer brand nationally. This strategy is based largely on well established models (including Adam, Corsa and Astra) and the development of new models to be launched.

## **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 before any adjustment relating to the notional interest relating to the redeemable preference shares, which are set out in the attached accounts.

**06 Ormskirk Limited**  
**Strategic report (continued)**

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**Other key performance indicators**

A key non-financial key performance indicator is new and used vehicle units sold which were:

- new units - 657 (2014 : 700)
- used units - 935 (2014 : 777)

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



**Mr J Dickson**  
Director

Date: 20/06/16

**06 Ormskirk Limited**  
**Directors' report**  
**For the Year Ended 31 December 2015**

---

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

**Results and dividends**

The profit for the year, after taxation, amounted to £209,434 (2014 : £191,464).

During the year the company voted interim dividends on the ordinary shares in the sum of £156,000 (2014 : £82,000) and a final dividend on the ordinary shares in the sum of £101,010 (2014 : £Nil).

The directors who served during the year were:

Mr P Byron  
Mr J Dickson  
Motors Directors Limited

**Principal risks and uncertainties**

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 directors on a regular basis in conjunction with debt ageing and collection history.

**06 Ormskirk Limited**  
**Directors' report**  
**For the Year Ended 31 December 2015**

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**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 they are 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; 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.

**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.



**Mr J Dickson**  
Director

Date: 20/06/16

**06 Ormskirk Limited**

**Independent auditors' report to the members of 06 Ormskirk Limited  
Under Section 449 of the Companies Act 2006**

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We have examined the abbreviated accounts set out on pages 6 to 27, together with the financial statements of 06 Ormskirk Limited for the year ended 31 December 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the Company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of Directors and Auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the Company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

**Opinion**

In our opinion the Company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 6 to 27 have been properly prepared in accordance with the regulations made under that section.



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: 20.6.16



**06 Ormskirk Limited**  
**Abbreviated statement of comprehensive income**  
**For the Year Ended 31 December 2015**

	Note	2015 £	2014 £
Turnover		18,048,682	16,548,218
Cost of sales		(16,126,236)	(14,778,494)
<b>Gross profit</b>		<b>1,922,446</b>	<b>1,769,724</b>
Administrative expenses		(1,564,818)	(1,468,909)
<b>Operating profit</b>		<b>357,628</b>	<b>300,815</b>
Interest receivable and similar income	7	279	-
Interest payable and expenses	8	(89,439)	(126,562)
<b>Profit before tax</b>		<b>268,468</b>	<b>174,253</b>
Tax on profit	9	(59,034)	17,211
<b>Profit for the year</b>		<b>209,434</b>	<b>191,464</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>209,434</b>	<b>191,464</b>

There were no recognised gains and losses for 2015 or 2014 other than those included in the abbreviated income statement.

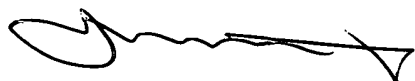
The notes on pages 11 to 27 form part of these financial statements.

06 Ormskirk Limited  
Registered number:05540164

Abbreviated statement of financial position  
As at 31 December 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	11	2,020,733	2,061,448
		<u>2,020,733</u>	<u>2,061,448</u>
<b>Current assets</b>			
Stocks	12	2,183,528	2,582,928
Debtors: amounts falling due within one year	13	406,822	451,461
Cash at bank and in hand	14	41,459	4,399
		<u>2,631,809</u>	<u>3,038,788</u>
Creditors: amounts falling due within one year	15	(3,223,126)	(3,516,967)
<b>Net current liabilities</b>		<u>(591,317)</u>	<u>(478,179)</u>
<b>Total assets less current liabilities</b>		<u>1,429,416</u>	<u>1,583,269</u>
Creditors: amounts falling due after more than one year	16	(404,834)	(511,111)
<b>Net assets</b>		<u><u>1,024,582</u></u>	<u><u>1,072,158</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	202,020	202,020
Capital redemption reserve	22	597,980	597,980
Profit and loss account	22	224,582	272,158
		<u><u>1,024,582</u></u>	<u><u>1,072,158</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by:



Mr J Dickson

Director

Date: 20/06/16



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

The notes on pages 11 to 27 form part of these financial statements.

**06 Ormskirk Limited**  
**Statement of changes in equity**  
**As at 31 December 2015**

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	Share capital £	Capital redemption reserve £	Retained earnings £	Total equity £
At 1 January 2015	202,020	597,980	272,158	1,072,158
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	209,434	209,434
<b>Total comprehensive income for the year</b>	-	-	209,434	209,434
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(257,010)	(257,010)
<b>Total transactions with owners</b>	-	-	(257,010)	(257,010)
<b>At 31 December 2015</b>	<b>202,020</b>	<b>597,980</b>	<b>224,582</b>	<b>1,024,582</b>

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06 Ormskirk Limited

Statement of changes in equity  
As at 31 December 2014

	Share capital £	Capital redemption reserve £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2014	202,020	520,978	38,050	203,666	964,714
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	191,464	191,464
<b>Total comprehensive income for the year</b>	-	-	-	191,464	191,464
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(82,000)	(82,000)
Purchase of own shares	-	77,002	-	(77,002)	-
Transfer to/from profit and loss account	-	-	-	36,030	36,030
Transfer between other reserves	-	-	(38,050)	-	(38,050)
<b>Total transactions with owners</b>	-	77,002	(38,050)	(122,972)	(84,020)
<b>At 31 December 2014</b>	<b>202,020</b>	<b>597,980</b>	<b>-</b>	<b>272,158</b>	<b>1,072,158</b>

The notes on pages 11 to 27 form part of these financial statements.

**06 Ormskirk Limited**  
**Abbreviated 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	209,434	191,464
<b>Adjustments for:</b>		
Depreciation of tangible assets	45,198	47,720
Decrease / (Increase) in stocks	399,401	(707,208)
Interest paid	89,439	126,562
Interest received	(279)	-
Taxation	59,034	(17,211)
Decrease / (Increase) in debtors	45,164	(115,189)
(Decrease) / Increase in creditors	(257,742)	545,232
Corporation tax	(9,695)	(16,086)
<b>Net cash generated from operating activities</b>	<b>579,954</b>	<b>55,284</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(4,555)	(19,964)
Sale of tangible fixed assets	71	-
Interest received	279	-
HP interest paid	-	(886)
<b>Net cash from investing activities</b>	<b>(4,205)</b>	<b>(20,850)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(92,857)	(92,857)
Repayment of/new finance leases	(9,687)	10,641
Shares treated as debt - issued	-	(54,683)
Dividends paid	(257,010)	(82,000)
Interest paid	(89,439)	(125,676)
<b>Net cash used in financing activities</b>	<b>(448,993)</b>	<b>(344,575)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>126,756</b>	<b>(310,141)</b>
Cash and cash equivalents at beginning of year	(484,972)	(174,831)
<b>Cash and cash equivalents at the end of year</b>	<b>(358,216)</b>	<b>(484,972)</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	41,459	4,399
Bank overdrafts	(399,675)	(489,371)
	<b>(358,216)</b>	<b>(484,972)</b>

The notes on pages 11 to 27 form part of these financial statements.

**06 Ormskirk Limited**  
**Notes to the abbreviated accounts**  
**For the Year Ended 31 December 2015**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated financial statements have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 27.

The functional and presentation currency of 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 2).

The following principal accounting policies have been applied:

**1.2 Going concern**

At the balance sheet date the company had net current liabilities in the sum of £591,317 (2014 : £478,179). The directors have reviewed the cashflows of the company and consider that the company has sufficient working capital to settle its liabilities as they fall due. The directors consider it appropriate to prepare the accounts on a going concern basis.

**1.3 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.

**06 Ormskirk Limited**  
**Notes to the abbreviated accounts**  
**For the Year Ended 31 December 2015**

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**1. Accounting policies (continued)**

**1.4 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.

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

Depreciation is provided on the following bases:

Freehold property	-	50 years straight line
Plant and machinery	-	3 - 10 years straight line
Fixtures and fittings	-	3 - 10 years straight line
Computer equipment	-	3 - 10 years straight line

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.

**1.5 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.

**1.6 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 items.

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.

**06 Ormskirk Limited**  
**Notes to the abbreviated accounts**  
**For the Year Ended 31 December 2015**

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**1. Accounting policies (continued)**

**1.7 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.

**1.8 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.



**06 Ormskirk Limited**  
**Notes to the abbreviated accounts**  
**For the Year Ended 31 December 2015**

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**1. Accounting policies (continued)**

**1.9 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.

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;
- ii) 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.

**1.10 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.

**06 Ormskirk Limited**  
**Notes to the abbreviated accounts**  
**For the Year Ended 31 December 2015**

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**1. Accounting policies (continued)**

**1.11 Finance costs**

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

**1.12 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**1.13 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.

**1.14 Interest income**

Interest income is recognised in the Income statement using the effective interest method.

**1.15 Borrowing costs**

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

**06 Ormskirk Limited**  
**Notes to the abbreviated accounts**  
**For the Year Ended 31 December 2015**

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**1. Accounting policies (continued)**

**1.16 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.

**06 Ormskirk Limited**  
**Notes to the abbreviated accounts**  
**For the Year Ended 31 December 2015**

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

The Directors have made a number of estimates and assumptions regarding the future, and made some significant judgements in applying the company's accounting policies. These are discussed below:

**Consignment stock**

Vehicles held on consignment have been included in 'finished goods' within 'inventories' on the basis that the Group 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.

**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.

**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 we receive 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.

**3. Operating profit**

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	45,197	47,720
Operating lease rentals	5,339	5,339
	<u>          </u>	<u>          </u>

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**4. Auditors' remuneration**

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	12,914	8,391
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Other services relating to taxation	2,645	1,800
	<u>15,559</u>	<u>10,191</u>

**5. Employees**

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

	2015 £	2014 £
Wages and salaries	1,360,119	1,257,544
Social security costs	125,544	119,321
Cost of defined contribution scheme	7,021	-
	<u>1,492,684</u>	<u>1,376,865</u>

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

	2015 No.	2014 No.
Production	34	31
Administrative	24	30
	<u>58</u>	<u>61</u>

**6. Directors' remuneration**

	2015 £	2014 £
Directors' emoluments	21,995	43,623
	<u>21,995</u>	<u>43,623</u>

**7. Interest receivable**

	2015 £	2014 £
Other interest receivable	279	-
	<u>279</u>	<u>-</u>

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**8. Interest payable and similar charges**

	2015 £	2014 £
Bank interest payable	11,203	12,687
Finance charge on shares classed as liabilities	-	30,759
Finance leases and hire purchase contracts	-	886
Vehicle funding charges	78,236	82,230
	<u>89,439</u>	<u>126,562</u>

**9. Taxation**

	2015 £	2014 £
<b>Corporation tax</b>		
Current tax on profits for the year	52,734	31,190
Adjustments in respect of previous periods	6,827	(39,411)
	<u>59,561</u>	<u>(8,221)</u>
<b>Total current tax</b>	<u>59,561</u>	<u>(8,221)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(527)	(8,990)
<b>Total deferred tax</b>	<u>(527)</u>	<u>(8,990)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>59,034</u>	<u>(17,211)</u>

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**9. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<b>268,468</b>	174,254
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	<b>53,694</b>	34,851
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,172	6,607
Capital allowances for year in excess of depreciation	(2,132)	(10,268)
Adjustments to tax charge in respect of prior periods	6,827	(39,411)
Deferred tax movement	(527)	(8,990)
<b>Total tax charge for the year</b>	<b>59,034</b>	(17,211)

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**10. Dividends**

	2015 £	2014 £
Ordinary	127,220	40,590
Ordinary B	127,220	40,590
Ordinary A	2,570	820
	<b>257,010</b>	82,000

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**11. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2015	2,067,780	178,692	144,741	79,923	2,471,136
Additions	-	3,718	420	417	4,555
Disposals	-	-	(48,963)	-	(48,963)
<b>At 31 December 2015</b>	<b>2,067,780</b>	<b>182,410</b>	<b>96,198</b>	<b>80,340</b>	<b>2,426,728</b>
<b>Depreciation</b>					
At 1 January 2015	108,063	142,101	80,569	78,955	409,688
Charge owned for the period	12,293	10,237	11,802	650	34,982
Charge financed for the period	-	-	10,215	-	10,215
Disposals	-	-	(48,891)	-	(48,891)
<b>At 31 December 2015</b>	<b>120,356</b>	<b>152,338</b>	<b>53,695</b>	<b>79,605</b>	<b>405,994</b>
<b>At 31 December 2015</b>	<b>1,947,424</b>	<b>30,072</b>	<b>42,503</b>	<b>735</b>	<b>2,020,734</b>
At 31 December 2014	1,959,717	36,591	64,172	968	2,061,448

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

	2015 £	2014 £
Furniture, fittings and equipment	21,949	32,164
	<b>21,949</b>	<b>32,164</b>

Included in freehold property is land at cost of £1,405,000 (2014 : £1,405,000) which is not depreciated.

Tangible fixed assets with a carrying value of £2,020,734 (2014 : £2,061,448) are pledged as security for the company's bank overdraft and loan.



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**12. Stocks**

	2015 £	2014 £
Vehicles	2,124,957	2,517,580
Parts	58,571	65,348
	<u>2,183,528</u>	<u>2,582,928</u>

Within vehicle stock is consignment stock of £363,569 (2014 : £387,251).

Stock recognised in cost of sales during the year as an expense was £14,861,828 (2014 : £13,603,958).

An impairment loss of £12,338 (2014 : £14,150) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Stock to the value of £1,713,898 (2014 : £1,915,700) is pledged as security for the vehicle funding.

**13. Debtors**

	2015 £	2014 £
Trade debtors	133,427	245,775
Other debtors	-	48,697
Prepayments and accrued income	252,397	136,518
Deferred taxation	20,998	20,471
	<u>406,822</u>	<u>451,461</u>

An impairment loss of £152 (2014 : £555) was recognised against trade debtors.

**14. Cash and cash equivalents**

	2015 £	2014 £
Cash at bank and in hand	41,459	4,399
Less: bank overdrafts	(399,676)	(489,371)
	<u>(358,217)</u>	<u>(484,972)</u>

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

	2015 £	2014 £
Bank overdrafts	399,676	489,371
Bank loans	92,857	92,857
Trade creditors	2,315,133	2,817,062
Corporation tax	52,734	2,868
Taxation and social security	140,659	28,481
Obligations under finance lease and hire purchase contracts	15,792	12,060
Other creditors	107,909	1,800
Accruals and deferred income	98,366	72,468
	<u>3,223,126</u>	<u>3,516,967</u>

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

	2015 £	2014 £
Bank loans	402,382	495,239
Net obligations under finance leases and hire purchase contracts	2,452	15,872
	<u>404,834</u>	<u>511,111</u>

**Secured loans**

The bank overdraft and loans are secured by a fixed charge over the property of the company together with a fixed and floating charge over all the assets of the company.

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**17. Loans**

Analysis of the maturity of loans is given below:

	2015 £	2014 £
<b>Amounts falling due within one year</b>		
Bank loans	92,857	92,857
	<u>92,857</u>	<u>92,857</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	92,857	92,857
	<u>92,857</u>	<u>92,857</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	278,571	278,571
	<u>278,571</u>	<u>278,571</u>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	30,954	123,811
	<u>30,954</u>	<u>123,811</u>

The bank facilities are secured by a charge over the property of the company and a third party guarantee.

The bank loan amounting to £495,239 (2014: £588,096) bears interest at a rate of 1.5% above the bank base rate and is due to be repaid by August 2021.

**18. Hire purchase & finance leases**

	2015 £	2014 £
Within one year	15,792	12,060
Between 1-2 years	2,452	12,790
Between 2-5 years	-	3,082
	<u>18,244</u>	<u>27,932</u>

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**19. Financial instruments**

	2015 £	2014 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>133,427</u>	<u>294,473</u>
	<u><u>133,427</u></u>	<u><u>294,473</u></u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(3,309,424)</u>	<u>(3,966,997)</u>
	<u><u>(3,309,424)</u></u>	<u><u>(3,966,997)</u></u>

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

Financial Liabilities measured at amortised cost comprise of trade creditors, accruals where a cash settlement will take place, bank loans, other loans, and the debt element of compound preference shares.

**20. Deferred taxation**

	Deferred tax £
At 1 January 2015	20,471
Charged to the profit or loss	<u>527</u>
<b>At 31 December 2015</b>	<u><u>20,998</u></u>

The deferred tax asset is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>20,998</u>	<u>20,471</u>
	<u><u>20,998</u></u>	<u><u>20,471</u></u>

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**21. Share capital**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
100,000 Ordinary shares of £1 each	100,000	100,000
100,000 Ordinary B shares of £1 each	100,000	100,000
2,020 Ordinary A shares of £1 each	2,020	2,020
	<u>202,020</u>	<u>202,020</u>

The shares all have equal rights.

**22. Reserves**

**Capital redemption reserve**

This reserve records the nominal value of shares repurchased by the company.

**Profit and loss account**

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

**23. 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 £7,021 (2014 : £Nil).

**24. 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>Other</b>		
Not later than 1 year	14,681	16,016
Later than 1 year and not later than 5 years	-	14,681
<b>Total</b>	<u>14,681</u>	<u>30,697</u>

**25. Transactions with directors**

At 31 December 2015 each of the directors, J Dickson and P Byron, had £52,640 (2014 : £900) each included in other creditors in respect of undrawn dividends. These amounts are interest free and repayable within 1 year.

In addition the company paid total dividends on the Ordinary shares of £127,220 (2014 : £40,590) to J Dickson, director, total dividends on the A Ordinary shares of £2,570 (2014 : £820) to General Motors UK Limited, and total dividends on the B Ordinary shares to P Byron, director, of £127,220 (2014 : £40,590).

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**26. Related party transactions**

General Motors UK Limited is related due to it's holding of B Ordinary 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.

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

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.