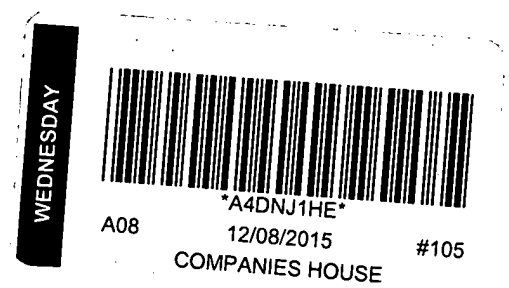


06 Ormskirk Limited

Directors' report and financial statements

For the year ended 31 December 2014



06 Ormskirk Limited
Company Information

| | |
|-----------------------------|--|
| Directors | Mr P Byron (appointed 1 July 2014) Mr J Dickson Motors Directors Limited |
| Company secretary | Motors Secretaries Limited |
| Registered number | 05540164 |
| Registered office | 10 Chiswell Street London EC1Y 4UQ |
| Independent auditors | ASE Audit LLP Chartered Accountants & Statutory Auditors Rowan Court Concord Business Park Manchester Greater Manchester M22 0RR |
| Solicitors | 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 2014

Introduction

The directors present their strategic report for the year ended 31 December 2014.

Business review

Turnover for the year ended 31 December 2014 was £16.5 million (2013 - £16.5 million). Profit before tax was £174,253 (2013 - £31,792), although this is after notional FRS25 interest of £30,759 (2013 - £159,003). A proforma profit and loss account to present the company's performance before FRS25 adjustments has also been included.

The directors are pleased with the performance during the year and believe the company is well placed for 2015.

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.

06 Ormskirk Limited
Strategic report (continued)
For the year ended 31 December 2014

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 FRS25 adjustments, which are set out in the attached accounts:

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

- new units - 700 (2013 - 679)
- used units - 777 (2013 - 859)

This report was approved by the board on 30/1/15

and signed on its behalf.



Mr J Dickson
Director

06 Ormskirk Limited
Directors' report
For the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Results and dividends

The profit for the year, after taxation, amounted to £191,464 (2013 - loss £3,798).

During the year the company paid the interim dividends on the ordinary shares in the sum of £82,000 (2013 £Nil).

In addition during the year the directors paid a preference share dividend in the sum of £8,440 (2013 £48,681).

Directors

The directors who served during the year were:

Mr P Byron (appointed 1 July 2014)
Mr J Dickson
Motors Directors Limited

Purchase of own shares

77,002 of the company's £1 Preference Shares have been redeemed during the year, for cash of £77,002. The balance of 2,020 Preference Shares were converted into Ordinary A shares on a 1 for 1 basis. Further details can be found at note 15.

Financial risk management objectives and policies

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.

06 Ormskirk Limited
Directors' report
For the year ended 31 December 2014

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.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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;
- 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.

Auditors

The auditors, ASE Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



Mr J Dickson
Director

Date: 30/07/2015

Independent auditors' report to the shareholders of 06 Ormskirk Limited

We have audited the financial statements of 06 Ormskirk Limited for the year ended 31 December 2014, set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditing Practices Board'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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

ASE Audit LLP

Antony Sassen (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: 10/8/16

06 Ormskirk Limited
Profit and loss account
For the year ended 31 December 2014

| Memo 2014 | | Note | 2014 £ | 2013 £ |
|----------------------|--|-------------|---------------------|-------------------|
| 16,548,218 | Turnover | 1,2 | 16,548,218 | 16,543,991 |
| (14,779,379) | Cost of sales | | (14,778,494) | (14,741,927) |
| 1,768,839 | Gross profit | | 1,769,724 | 1,802,064 |
| (1,468,909) | Administrative expenses | | (1,468,909) | (1,517,086) |
| 299,930 | Operating profit | 3 | 300,815 | 284,978 |
| (94,917) | Interest payable and similar charges | 6 | (126,562) | (253,186) |
| 205,013 | Profit on ordinary activities before taxation | | 174,253 | 31,792 |
| 17,211 | Tax on profit on ordinary activities | 7 | 17,211 | (35,590) |
| 222,224 | Profit for the financial year | 16 | 191,464 | (3,798) |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes of pages 10 to 22 form part of these financial statements.

06 Ormskirk Limited
Registered number: 02876229

Balance sheet
As at 31 December 2014

| Memo 2014 | | Note | 2014 £ | 2013 £ |
|--------------------|--|------|--------------------|-------------|
| 2,061,448 | Fixed assets | | | |
| - | Tangible assets | 8 | 2,061,448 | 2,089,205 |
| | Current assets | | | |
| 2,582,928 | Stocks | 9 | 2,582,928 | 1,875,721 |
| 451,459 | Debtors | 10 | 451,459 | 327,280 |
| 4,399 | Cash at bank and in hand | | 4,399 | 360 |
| 3,038,786 | | | 3,038,786 | 2,203,361 |
| (3,516,966) | Creditors: amounts falling due within one year | 11 | (3,516,966) | (2,687,094) |
| (478,180) | Net current liabilities | | (478,180) | (483,733) |
| 1,583,268 | Total assets less current liabilities | | 1,583,268 | 1,605,472 |
| (511,111) | Creditors: amounts falling due after more than one year | 12 | (511,111) | (642,779) |
| 1,072,157 | Net assets | | 1,072,157 | 962,693 |
| | Capital and reserves | | | |
| 202,020 | Called up share capital | 15 | 202,020 | 200,000 |
| 597,980 | Capital redemption reserve | 16 | 597,980 | 520,978 |
| - | Other reserves | 16 | - | 38,050 |
| 272,157 | Profit and loss account | 16 | 272,157 | 203,665 |
| 1,072,157 | Shareholders' funds | 17 | 1,072,157 | 962,693 |

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

Mr J Dickson

Director

Date: 30/07/2015

J Swinnerton, For and on behalf of
Motors Directors Limited
Director

The notes on pages 10 to 22 form part of these financial statements.

06 Ormskirk Limited
Cash flow statement
For the year ended 31 December 2014

| | Note | 2014 £ | 2013 £ |
|---|------|------------------|----------------|
| Net cash flow from operating activities | 19 | 69,569 | 634,107 |
| Returns on investments and servicing of finance | 20 | (126,562) | (142,864) |
| Taxation | | (16,086) | (44,530) |
| Capital expenditure and financial investment | 20 | (19,963) | (64,856) |
| Equity dividends paid | | (80,200) | - |
| Cash (outflow)/inflow before financing | | (173,242) | 381,857 |
| Financing | 20 | (136,899) | (244,176) |
| (Decrease)/Increase in cash in the year | | (310,141) | 137,681 |

Reconciliation of net cash flow to movement in net funds/debt
For the year ended 31 December 2014

| | 2014 £ | 2013 £ |
|--|--------------------|------------------|
| (Decrease)/Increase in cash in the year | (310,141) | 137,681 |
| Cash outflow from decrease in debt and lease financing | 136,899 | 244,176 |
| Movement in net debt in the year | (173,242) | 381,857 |
| Net debt at 1 January 2014 | (927,758) | (1,309,615) |
| Net debt at 31 December 2014 | (1,101,000) | (927,758) |

The notes on pages 10 to 23 form part of these financial statements.

06 Ormskirk Limited
Notes to the financial statements
For the year ended 31 December 2014

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The profit and loss account and balance sheet include a memorandum illustrating the financial performance and position prior to the application of Finance Reporting Standard 25 under United Kingdom Generally Accepted Accounting Practice

On the basis of forecasts prepared by the directors the going concern basis is considered to be appropriate.

1.2 Turnover

Turnover represents amounts receivable for goods supplied and service provided, including finance commission earned, net of trade discounts, VAT and other sales related taxes.

Sales of motor vehicles are recognised on the earlier of full payment by, or delivery to, the customer together with the associated manufacturer vehicle bonus income. Any other manufacturer income in relation to achieving targets is recognised on an accruals basis. Service revenue is recognised on completion of the agreed work.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives 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 |

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

06 Ormskirk Limited
Notes to the financial statements
For the year ended 31 December 2014

1. Accounting policies (continued)

1.6 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, 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.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

06 Ormskirk Limited
Notes to the financial statements
For the year ended 31 December 2014

1. Accounting policies (continued)

1.8 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

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

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

In accordance with FRS 25, the company's preference shares are shown as compound instruments. The equity element of the compound instrument, representing the extent to which the present value of the preference investor's return, at market rates, is less than the par value of the original investment, has been shown in the accounts as an "other equity reserve".

The annual calculation of the debt element of the compound financial instrument, being the present value of the preference investor's return, and the associated finance charge has been carried out in accordance with paragraph AG8 of FRS 26.

This states that if an entity revises its estimates of future payments to the investor, the entity shall adjust the carrying amount of the financial liability to reflect actual and revised estimated cash flows. The entity recalculates the carrying amount by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. The adjustment is recognised as an interest income or expense amount in the profit and loss account.

2. Turnover

The whole of the turnover is attributable to the purchasing, selling and repairing of motor vehicles and other ancillary services.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

| | 2014 £ | 2013 £ |
|--|--------------|--------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the company | 37,505 | 39,740 |
| - held under finance leases | 10,215 | 669 |
| Auditors' remuneration | 8,391 | 8,581 |
| Auditors' remuneration - non-audit | 1,800 | 1,750 |
| Operating lease rentals: | | |
| - plant and machinery | 5,392 | 3,085 |
| | <u>5,392</u> | <u>3,085</u> |

06 Ormskirk Limited
Notes to the financial statements
For the year ended 31 December 2014

4. Staff costs

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

| | 2014 £ | 2013 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,257,544 | 1,324,911 |
| Social security costs | 119,321 | 132,144 |
| | <u>1,376,865</u> | <u>1,457,055</u> |

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

| | 2014 No. | 2013 No. |
|----------------|-------------|-------------|
| Production | 31 | 31 |
| Administrative | 30 | 30 |
| | <u>61</u> | <u>61</u> |

5. Directors' remuneration

| | 2014 £ | 2013 £ |
|--------------|---------------|---------------|
| Remuneration | <u>43,623</u> | <u>91,312</u> |

6. Interest payable

| | 2014 £ | 2013 £ |
|---|----------------|----------------|
| On bank loans and overdrafts | 12,687 | 14,613 |
| FRS 25 finance charges | 30,759 | 159,003 |
| On finance leases and hire purchase contracts | 886 | - |
| Vehicle fundinf charges | 82,230 | 79,570 |
| | <u>126,562</u> | <u>253,186</u> |

06 Ormskirk Limited
Notes to the financial statements
For the year ended 31 December 2014

7. Taxation

| | 2014 £ | 2013 £ |
|--|-------------------------|-------------------------|
| Analysis of tax (credit)/charge in the year | | |
| Current tax (see note below) | | |
| UK corporation tax charge on profit for the year | 31,190 | 46,628 |
| Adjustments in respect of prior periods | (39,411) | - |
| Total current tax | (8,221) | 46,628 |
| Deferred tax (see note 14) | | |
| Origination and reversal of timing differences | (8,990) | (11,038) |
| Tax on profit on ordinary activities | (17,211) | 35,590 |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 20% (2013 - 23.50%). The differences are explained below:

| | 2014 £ | 2013 £ |
|---|-------------------------|-------------------------|
| Profit on ordinary activities before tax | 174,253 | 31,792 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 23.50%) | 34,851 | 7,471 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 6,607 | 36,921 |
| Capital allowances for year in excess of depreciation | (10,268) | 2,236 |
| Adjustments to tax charge in respect of prior periods | (39,411) | - |
| Current tax (credit)/charge for the year (see note above) | (8,221) | 46,628 |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

06 Ormskirk Limited
Notes to the financial statements
For the year ended 31 December 2014

8. Tangible fixed assets

| | Freehold property £ | Plant and machinery £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-----------------------|---------------------------|-----------------------------|-------------------------------|----------------------------|------------|
| Cost | | | | | |
| At 1 January 2014 | 2,067,780 | 159,645 | 144,905 | 78,843 | 2,451,173 |
| Additions | - | 19,047 | (164) | 1,080 | 19,963 |
| At 31 December 2014 | 2,067,780 | 178,692 | 144,741 | 79,923 | 2,471,136 |
| Depreciation | | | | | |
| At 1 January 2014 | 95,769 | 134,186 | 53,923 | 78,090 | 361,968 |
| Charge for the year | 12,294 | 7,915 | 26,646 | 865 | 47,720 |
| At 31 December 2014 | 108,063 | 142,101 | 80,569 | 78,955 | 409,688 |
| Net book value | | | | | |
| At 31 December 2014 | 1,959,717 | 36,591 | 64,172 | 968 | 2,061,448 |
| At 31 December 2013 | 1,972,011 | 25,459 | 90,982 | 753 | 2,089,205 |

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

| | 2014 £ | 2013 £ |
|-----------------------------------|-----------|-----------|
| Furniture, fittings and equipment | 32,164 | 31,442 |

Included in land and buildings is freehold land at cost of £1,405,000 (2013 £1,405,000) which is not depreciated.

9. Stocks

| | 2014 £ | 2013 £ |
|-----------------|-----------|-----------|
| Vehicles stocks | 2,517,580 | 1,817,537 |
| Parts stocks | 65,348 | 58,184 |
| | 2,582,928 | 1,875,721 |

Within vehicle stock is consignment stock of £387,251 (2013 £Nil).

06 Ormskirk Limited
Notes to the financial statements
For the year ended 31 December 2014

10. Debtors

| | 2014 | 2013 |
|----------------------------------|----------------|----------|
| | £ | £ |
| Trade debtors | 245,775 | 239,154 |
| Other debtors | 48,697 | - |
| Prepayments and accrued income | 136,516 | 76,645 |
| Deferred tax asset (see note 14) | 20,471 | 11,481 |
| | 451,459 | 327,280 |

11. Creditors:
Amounts falling due within one year

| | 2014 | 2013 |
|--|------------------|-----------|
| | £ | £ |
| Bank loans and overdrafts | 582,228 | 268,048 |
| Net obligations under finance leases and hire purchase contracts | 12,060 | 17,291 |
| Trade creditors | 2,817,062 | 2,117,996 |
| Corporation tax | 2,868 | 27,176 |
| Other taxation and social security | 28,481 | 175,582 |
| Other creditors | 1,800 | - |
| Accruals and deferred income | 72,467 | 81,001 |
| | 3,516,966 | 2,687,094 |

Included within trade creditors are creditors in respect of consignment vehicles in the sum of £387,251 (2013 £Nil). The corresponding amount is included in stock.

Details of secured creditors are included in note 13.

06 Ormskirk Limited
Notes to the financial statements
For the year ended 31 December 2014

12. Creditors:
Amounts falling due after more than one year

| | 2014 | 2013 |
|--|-----------------------|----------------|
| | £ | £ |
| Bank loans | 495,239 | 588,096 |
| Net obligations under finance leases and hire purchase contracts | 15,872 | - |
| Share capital treated as debt (Note 15) | - | 54,683 |
| | <u>511,111</u> | <u>642,779</u> |

Disclosure of the terms and conditions attached to the non-equity shares is made in note 15.

Included within the above are amounts falling due as follows:

| | 2014 | 2013 |
|-----------------------------------|-----------------------|----------------|
| | £ | £ |
| Between one and two years | | |
| Bank loans | 92,857 | 92,857 |
| | <u>92,857</u> | <u>92,857</u> |
| Between two and five years | | |
| Bank loans | 278,571 | 278,571 |
| | <u>278,571</u> | <u>278,571</u> |
| Over five years | | |
| Bank loans | 123,811 | 216,668 |
| | <u>123,811</u> | <u>216,668</u> |

Creditors include amounts not wholly repayable within 5 years as follows:

| | 2014 | 2013 |
|--------------------------|-----------------------|----------------|
| | £ | £ |
| Repayable by instalments | 123,811 | 271,351 |
| | <u>123,811</u> | <u>271,351</u> |

The bank loan is subject to interest at 1.5% above the bank base rate. The bank loan termination is expected to be 2021.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

| | 2014 | 2013 |
|----------------------------|----------------------|----------|
| | £ | £ |
| Between one and five years | 15,872 | - |
| | <u>15,872</u> | <u>-</u> |

Details of secured creditors are included in note 13.

06 Ormskirk Limited
Notes to the financial statements
For the year ended 31 December 2014

13. Secured creditors

The following secured balances are included within creditors:

| | 2014 £ | 2013 £ |
|--|------------------|------------------|
| Bank overdrafts | 489,371 | 175,191 |
| Bank loans | 588,096 | 680,953 |
| Vehicle funding included in trade creditors | 2,665,703 | 1,936,251 |
| Net obligations under finance leases and hire purchase contracts | 27,932 | 17,291 |
| Total | <u>3,771,102</u> | <u>2,809,686</u> |

The bank loans and overdrafts are secured by fixed and floating charges over all the assets of the company.

Amounts due under vehicle funding are secured by way of debenture, together with a mixture of fixed and floating charges over certain assets of the company and against the vehicle they relate to.

Amounts due under finance leases and hire purchase contracts are secured on the assets to which they relate.

14. Deferred tax asset

| | 2014 £ | 2013 £ |
|----------------------------|---------------|---------------|
| At beginning of year | 11,481 | - |
| Increase during year (P&L) | 8,990 | 11,481 |
| At end of year | <u>20,471</u> | <u>11,481</u> |

The deferred tax asset is made up as follows:

| | 2014 £ | 2013 £ |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | <u>20,471</u> | <u>11,481</u> |

15. Share capital

| | 2014 £ | 2013 £ |
|--|----------------|----------------|
| Shares classified as capital | | |
| Allotted, called up and fully paid | | |
| 100,000 (2013 - 110,000) Ordinary shares of £1 each | 100,000 | 110,000 |
| 100,000 (2013 - 90,000) Ordinary B shares of £1 each | 100,000 | 90,000 |
| 2,020 Ordinary A shares of £1 each | 2,020 | - |
| | <u>202,020</u> | <u>200,000</u> |

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15. Share capital (continued)

Shares classified as debt

Allotted, called up and fully paid

| | | |
|--|-------------------|-------------------|
| Nil (2013 - 79,002) Preference shares of £1 each | - | 54,683 |
| | <u> </u> | <u> </u> |

Movements in share capital

The company issued a written resolution on 27 June 2014 whereby 10,000 of the Ordinary shares were redesignated as Ordinary B shares. In addition, on the same date, 2,020 of the redeemable Preference Shares were redesignated as Ordinary A shares.

FRS 25 - presentation & disclosure of preference shares

In accordance with FRS 25, the company's Preference Shares are termed compound instruments and consist of both debt and equity components. The debt component of the share is classed as a financial liability and disclosed within creditors. The equity component is treated as "Other reserves" and forms part of shareholders' funds.

Rights

Preference shares

The redeemable Preference Shares are non-equity shares. The redeemable Preference Shares carry the right to be paid a dividend out of the profits of the company, in priority to any other class of share, equal to the percentage of the distributable profits of the company represented by the proportion of Preference Shares issued in relation to the equity share capital issued.

The balance of distributable profits remaining after any such preference dividend is declared shall then be applied to the redemption of Preference Shares at par, except where the Preference Shares have been rounded to 1% or less of the issued share capital of the company or converted into Ordinary A shares. The Preference Shares also carry the right to attend and vote at all general meetings of the company.

During the year the company paid Preference Share dividend of £8,440 (2013 £48,681).

During the year the company redeemed 79,002 (2013 151,319) of the redeemable participating £1 Preference shares at par.

The balance of 2,020 Preference Shares were converted to Ordinary A shares on a 1 for 1 basis.

Ordinary shares

The Ordinary, the A Ordinary and the B Ordinary shares are each entitled to one vote in all circumstances save those that affect the class rights, entitled parri passu to the payment of any dividend or distribution and entitled parri passu to participate in any distribution on the winding up of the company.

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16. Reserves

| | Capital redempt'n reserve £ | Other reserves £ | Profit and loss account £ |
|------------------------------------|--------------------------------------|------------------------|---------------------------------|
| At 1 January 2014 | 520,978 | 38,050 | 203,665 |
| Profit for the financial year | - | - | 191,464 |
| Dividends: Equity capital | - | - | (82,000) |
| Purchase of own shares | - | - | (77,002) |
| Transfer on purchase of own shares | 77,002 | - | - |
| Conversion to equity shares | - | (2,020) | - |
| Transfer between reserves | - | (36,030) | 36,030 |
| At 31 December 2014 | <u>597,980</u> | <u>-</u> | <u>272,157</u> |

17. Reconciliation of movement in shareholders' funds

| | 2014 £ | 2013 £ |
|--------------------------------------|------------------|----------------|
| Opening shareholders' funds | 962,693 | 966,491 |
| Profit/(loss) for the financial year | 191,464 | (3,798) |
| Dividends (Note 18) | (82,000) | - |
| Closing shareholders' funds | <u>1,072,157</u> | <u>962,693</u> |

18. Dividends

| | 2014 £ | 2013 £ |
|----------------------------------|---------------|-----------|
| Dividends paid on equity capital | <u>82,000</u> | <u>-</u> |

In addition to the above amounts, a dividend of £8,440 was paid on the Preference Shares as analysed in note 26.

19. Net cash flow from operating activities

| | 2014 £ | 2013 £ |
|---|---------------|----------------|
| Operating profit | 300,815 | 284,978 |
| Depreciation of tangible fixed assets | 47,720 | 40,409 |
| Increase in stocks | (707,208) | (29,526) |
| Increase in debtors | (115,189) | (94,330) |
| Increase in creditors | 543,431 | 432,576 |
| Net cash inflow from operating activities | <u>69,569</u> | <u>634,107</u> |

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20. Analysis of cash flows for headings netted in cash flow statement

| | 2014 £ | 2013 £ |
|--|------------------|------------------|
| Returns on investments and servicing of finance | | |
| Interest paid | (125,676) | (94,183) |
| Hire purchase interest | (886) | - |
| Finance costs | - | (48,681) |
| | <u>(126,562)</u> | <u>(142,864)</u> |
| Net cash outflow from returns on investments and servicing of finance | | |
| | <u>(126,562)</u> | <u>(142,864)</u> |
| | 2014 £ | 2013 £ |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (19,963) | (64,856) |
| | <u>(19,963)</u> | <u>(64,856)</u> |
| | 2014 £ | 2013 £ |
| Financing | | |
| Repayment of loans | (92,857) | (92,857) |
| New finance leases | 10,641 | - |
| Shares treated as debt - Redeemed | (54,683) | (151,319) |
| | <u>(136,899)</u> | <u>(244,176)</u> |
| Net cash outflow from financing | | |
| | <u>(136,899)</u> | <u>(244,176)</u> |

21. Analysis of changes in net debt

| | 1 January 2014 £ | Cash flow £ | Other non-cash changes £ | 31 December 2014 £ |
|--|------------------------|------------------|-----------------------------------|--------------------------|
| Cash at bank and in hand | 360 | 4,039 | - | 4,399 |
| Bank overdraft | (175,191) | (314,180) | - | (489,371) |
| | <u>(174,831)</u> | <u>(310,141)</u> | <u>-</u> | <u>(484,972)</u> |
| Debt: | | | | |
| Finance leases | (17,291) | (10,641) | - | (27,932) |
| Debts due within one year | (92,857) | 147,540 | (147,540) | (92,857) |
| Debts falling due after more than one year | (642,779) | - | 147,540 | (495,239) |
| | <u>(927,758)</u> | <u>(173,242)</u> | <u>-</u> | <u>(1,101,000)</u> |
| Net debt | | | | |
| | <u>(927,758)</u> | <u>(173,242)</u> | <u>-</u> | <u>(1,101,000)</u> |

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22. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

| | 2014 £ | 2013 £ |
|-----------------------|---------------|-----------|
| Expiry date: | | |
| Within 1 year | - | 16,084 |
| Between 2 and 5 years | <u>16,016</u> | <u>-</u> |

23. Directors' benefits: advances, credit and guarantees

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

24. Related party transactions

During the year the company redeemed Preference shares of £77,002 (2013: £151,319) from, and paid a dividend on the Preference shares of £8,440 (2013: £48,681) to, General Motors UK Limited.

In addition the company paid a dividend on the Ordinary shares of £40,590 to J Dickson, director, a dividend on the A Ordinary shares of £820 to General Motors UK Limited, and a dividend on the B Ordinary shares to P Byron, director, of £40,590.

General Motors UK Limited is related due to it's 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 FRS 8 they are not considered to be material to General Motors UK Limited.

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25. FRS 25 Presentation and disclosure of preference shares

In accordance with FRS 25, the company's Preference shares are termed compound instruments and consist of both debt and equity components. The debt component of the share is classed as a financial liability and disclosed within creditors. The equity component is treated as "Other reserves" and forms part of the shareholders' funds.

| | 2014 | 2013 |
|---|----------------------|---------------------------|
| | £ | £ |
| Creditors: amounts falling due within 1 year (see note 11) | - | - |
| Creditors: amounts falling due after more than 1 year (see note 12) | - | 54,683 |
| | <hr/> | <hr/> |
| | | 54,683 |
| Less: notional finance charge - current year (see note 6) | (30,759) | (159,003) |
| Less: cumulative notional finance charges relating to prior periods | (13,711) | 23,748 |
| Add: equity reserve transfer | 36,030 | 72,863 |
| Add: dividends current year | 8,440 | 48,681 |
| | <hr/> | <hr/> |
| | | 40,972 |
| Other reserve (see note 16) | - | 38,050 |
| | <hr/> | <hr/> |
| Preference shares in issue (see note 12) | <hr/> - <hr/> | <hr/> 79,022 <hr/> |