



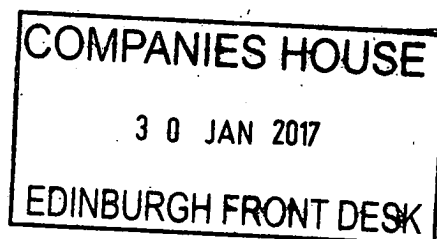
Scott-Moncrieff
business advisers and accountants

ALLIED VEHICLES LIMITED

Company registration number SC147093

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2016



MONDAY



S5Z7HDPT

SCT

30/01/2017

#15

COMPANIES HOUSE

ALLIED VEHICLES LIMITED

COMPANY INFORMATION

Directors	G Facenna M Facenna K Facenna P Facenna S Pryor D Facenna
Registered number	SC147093
Registered office	230 Balmore Road Glasgow G22 6LJ
Independent auditor	Scott-Moncrieff Chartered Accountants 25 Bothwell Street Glasgow G2 6NL
Bankers	Bank of Scotland plc 701 Great Western Road Glasgow G12 8RB

ALLIED VEHICLES LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditor's Report	5 - 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9 - 10
Notes to the Financial Statements	11 - 30

ALLIED VEHICLES LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2016

Introduction

The directors present their strategic report and the audited financial statements for the year ended 30 April 2016.

Business review and future developments

In the year ended April 2016 Allied Vehicles continued to grow, with turnover rising by 13% to £120m and operating profit increasing by 34% from £4,083,388 to £5,468,957.

Our taxi division continues to maintain its market share. We have moved to larger premises in Edinburgh, to provide after sales care for East of Scotland taxi drivers. We continue to develop relationships with manufacturers and have agreed a preferential deal with Ford to develop a new hackney taxi. Finance income continues to grow and additional finance companies are wishing to place some of our business.

During the year we launched our new Ford Tourneo Connect WAV, and have now developed a range of WAVs based on the Ford Tourneo Custom. The Motability Scheme introduced changes regarding carrying out visits to customers after delivery and visiting customers every 12 months to carry out WAV inspections. These new processes have increased profit and enhanced the level of service to customers.

Our fleet business has expanded during the year gaining many new patient transport customers and we are currently developing a new non-emergency ambulance to further develop this market. A welfare vehicle has recently been launched, together with a range of lightweight minibuses. Both are sizeable markets and we have high hopes about gaining a large slice of the market in a short space of time.

International - The post-Brexit exchange rate is encouraging Eurozone based converters to take advantage and order complete WAVs from us and we will shortly be able to offer a range of Ford WAVs in left hand drive. The international side of our business is growing and the signs are very positive that this will continue.

Vehicle Hire - Vehicle hire saw substantial growth throughout the financial year and we were able to maintain our high levels of customer satisfaction through this growth.

Aftersales - Aftersales divisions performed well during the year picking up additional insurance contracts in the accident repair centre. We have opened a Peugeot Parts Hub for Scotland and are in the process of becoming a Ford aftersales centre.

The outlook is very positive and the new models that we have recently launched and will continue to launch over the next few months will have a major positive impact within our markets and will move us even further ahead of our competitors.

Results and dividends

The profit for the year, after taxation, amounted to £2,780,472 (2015: £3,381,706).

A dividend of £600,000 was distributed for the year ended 30 April 2016 (2015: £440,000).

Principal risks and uncertainties

The impact of the vote for Brexit has inevitably caused uncertainty in the industry and all UK converters are experiencing higher costs from overseas suppliers due to the drop in value of the pound. Allied is better positioned than its competitors due to the close relationships built up over many years with its principal suppliers. As mentioned above, we are taking full advantage of currency differentials by marketing our WAVs in Europe. The directors are aware of the contribution made by our large work force and have a dedicated H R team who help to identify suitable recruits for the ever expanding business.

ALLIED VEHICLES LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2016**

Financial key performance indicators

The key indicators which are monitored closely by the board and senior management are: sales order intake; weekly build of vehicles; gross margins and cash flow.

Other key performance indicators

The directors believe that non-financial indicators are as important as the financial ones. These are the performance and stability of the work-force; the marketing of the business and its products; the quality of its products and its general reputation.

This report was approved by the board on 19 January 2017 and signed on its behalf by:



**P Facenna
Director**

ALLIED VEHICLES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2016

The directors present their report and the financial statements for the year ended 30 April 2016.

The information regarding principal activity, business review and future developments, results and dividends, principal risks and uncertainties, financial key performance indicators and other key performance indicators is shown in the Strategic Report and not in the Director's Report.

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 judgements 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.

Directors

The directors who served during the year and up to the date of approval of these financial statements were:

G Facenna
M Facenna
P Nelson (resigned 5 May 2016)
K Facenna
P Facenna
A Russell (resigned 31 August 2016)
S Pryor (appointed 31 August 2016)
D Facenna (appointed 2 December 2016)

Employee involvement

It is the company's policy that employees should be kept as fully informed as possible about the activities of the company. This is achieved through internal communications such as the staff newsletter, notice boards and regular briefings.

ALLIED VEHICLES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2016**

Disabled employees

The company recognises its obligation towards disabled persons and endeavours to provide as many employment, training and career opportunities as the demand of the company's operations and the abilities of the disabled persons allow.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Post balance sheet events

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

Auditor

The auditor, Scott-Moncrieff, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 January 2017 and signed on its behalf by:



**P Facenna
Director**

ALLIED VEHICLES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIED VEHICLES LIMITED

We have audited the financial statements of Allied Vehicles Limited for the year ended 30 April 2016, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 102 'The Financial Reporting Standard in the UK and Republic of Ireland' (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 Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement set out in page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 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 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.

ALLIED VEHICLES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIED VEHICLES LIMITED

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.



Bernadette Higgins (Senior Statutory Auditor)
for and on behalf of
Scott-Moncrieff, Statutory Auditor
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

19 January 2017

ALLIED VEHICLES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2016

	Note	2016 £	2015 £
Turnover	5	119,573,782	106,009,263
Cost of sales		(96,629,844)	(85,479,227)
Gross profit		22,943,938	20,530,036
Administrative expenses		(17,918,763)	(16,864,779)
Other operating income	6	443,782	418,131
Operating profit	7	5,468,957	4,083,388
Debt waiver	8	(1,853,785)	-
Interest receivable and similar income	11	25,886	45,229
Interest payable and expenses	12	(90,129)	(97,419)
Research and development expenditure credit		179,746	-
Profit on ordinary activities before taxation		3,730,675	4,031,198
Tax on profit	13	(950,203)	(649,492)
Profit for the year		2,780,472	3,381,706
Unrealised surplus on revaluation of tangible fixed assets		5,700,648	-
Other comprehensive income for the year		5,700,648	-
Total comprehensive income for the year		8,481,120	3,381,706

The notes on pages 11 to 30 form part of these financial statements.

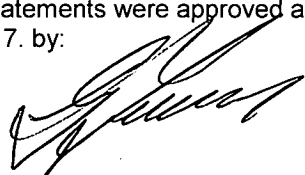
ALLIED VEHICLES LIMITED
REGISTERED NUMBER: SC147093

BALANCE SHEET
AS AT 30 APRIL 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible fixed assets	15	1,209,215	592,143
Tangible assets	16	13,245,704	7,121,623
Investments	17	1	1
Investment property	18	960,000	960,000
		<u>15,414,920</u>	<u>8,673,767</u>
Current assets			
Stocks	20	9,309,792	7,524,868
Debtors: amounts falling due within one year	21	8,787,007	9,856,053
Cash at bank and in hand	22	74,166	83,660
		<u>18,170,965</u>	<u>17,464,581</u>
Creditors: amounts falling due within one year	23	(14,871,857)	(15,127,037)
Net current assets		<u>3,299,108</u>	<u>2,337,544</u>
Total assets less current liabilities		<u>18,714,028</u>	<u>11,011,311</u>
Creditors: amounts falling due after more than one year	24	(640,000)	(1,134,953)
Deferred taxation	26	(316,550)	-
		<u>(316,550)</u>	<u>-</u>
Net assets		<u><u>17,757,478</u></u>	<u><u>9,876,358</u></u>
Capital and reserves			
Called up share capital	27	56,667	56,667
Share premium account	28	1,663,343	1,663,343
Revaluation reserve	28	5,700,648	-
Capital redemption reserve	28	20,001	20,001
Profit and loss account	28	10,316,819	8,136,347
		<u><u>17,757,478</u></u>	<u><u>9,876,358</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 January 2017. by:

G Facenna
Director



The notes on pages 11 to 30 form part of these financial statements.

ALLIED VEHICLES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2016

	Share capital £	Share premium £	Revaluation reserve £	Other reserves £	Retained earnings £	Total equity £
At 1 May 2015	56,667	1,663,343	-	20,001	8,136,347	9,876,358
Comprehensive income for the year						
Profit for the year	-	-	-	-	2,780,472	2,780,472
Surplus on revaluation of freehold property	-	-	5,700,648	-	-	5,700,648
Total comprehensive income for the year	-	-	5,700,648	-	2,780,472	8,481,120
Dividends: Equity capital	-	-	-	-	(600,000)	(600,000)
At 30 April 2016	<u>56,667</u>	<u>1,663,343</u>	<u>5,700,648</u>	<u>20,001</u>	<u>10,316,819</u>	<u>17,757,478</u>

The notes on pages 11 to 30 form part of these financial statements.

ALLIED VEHICLES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2015

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
At 1 May 2014	56,667	1,663,343	20,001	5,194,641	6,934,652
Comprehensive income for the year					
Profit for the year	-	-	-	3,381,706	3,381,706
Total comprehensive income for the year	-	-	-	3,381,706	3,381,706
Dividends: Equity capital	-	-	-	(440,000)	(440,000)
At 30 April 2015	56,667	1,663,343	20,001	8,136,347	9,876,358

The notes on pages 11 to 30 form part of these financial statements.

ALLIED VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 30 April 2016.

The continuing activities of Allied Vehicles Limited ('the company') is that of the sales and repair of motor vehicles and other ancillary vehicles.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of the financial statements. The company's registered number is SC147093.

2. Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) (FRS 102) and the Companies Act 2006.

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention subject to the valuation of land and buildings and investment properties held at fair value and in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 35. The company's date of transition is 1 May 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 4).

The following principal accounting policies have been applied:

3.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c); and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Allied Holdings (UK) 2014 Limited as at 30 April 2016 and these financial statements may be obtained from 230 Balmore Road, Glasgow, G22 6LJ.

ALLIED VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

3. Accounting policies (continued)

3.3 Going concern

The Directors anticipate that a profit will be generated in the year to 30 April 2017. The company has a healthy reserves position and thus the Board of Directors is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3.4 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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

ALLIED VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

3. Accounting policies (continued)

Revenue (continued)

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.

3.5 Intangible assets

Research and developments costs for projects with a defined term and which meet the criteria for recognition as development costs are capitalised and are stated at cost less accumulated amortisation. Amortisation is provided to write off the cost of the intangible fixed assets as follows:

The estimated useful lives range:

Development expenditure	-	between 3 and 5 years over the term of the project
-------------------------	---	--

Research and development costs that do not meet the criteria for recognition as development costs are charged to the Statement of Comprehensive Income as they occur.

3.6 Tangible fixed assets

Tangible fixed assets under the cost model, other than land and buildings and investment properties, 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.

ALLIED VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

3. Accounting policies (continued)

3.6 Tangible fixed assets (continued)

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 basis and on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 2-4% straight line
Plant and machinery	- 15-20% reducing balance & 10-33% straight line
Motor vehicles	- 25% reducing balance & 33% 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 in the Other Comprehensive Income.

3.7 Revaluation of tangible fixed assets

Individual freehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in Other Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

3.8 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

3.9 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

3.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

ALLIED VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

3. Accounting policies (continued)

3.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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 the Statement of Comprehensive Income.

3.12 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.

3.13 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.

3.14 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 the 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.

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 Statement of Comprehensive Income.

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 of the amount recoverable, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

ALLIED VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

3. Accounting policies (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

3.15 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.

3.16 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

3.17 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

ALLIED VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

3. Accounting policies (continued)

3.18 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

3.19 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.

3.20 Pensions

The company operates two defined contribution pension schemes in respect of its employees. The assets of the schemes are held separately from those of the company. The pension cost charge represents the amount of the contributions payable to the schemes in respect of the period.

3.21 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

3.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge 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 corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ALLIED VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

4. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors are satisfied that accounting policies are appropriate and applied consistently. Key sources of accounting estimation have been applied to the depreciation rates which are deemed to be appropriate for the class of assets, and the provision for losses on vehicle stock which are reasonable based on the directors' expectations of net realisable value.

5. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Sale and repair of vehicles	119,573,782	106,009,263
	<u>119,573,782</u>	<u>106,009,263</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	117,144,952	104,161,383
Rest of European Union	2,363,154	1,847,880
Rest of world	65,676	-
	<u>119,573,782</u>	<u>106,009,263</u>

6. Other operating income

	2016 £	2015 £
Other operating income	21,776	32,498
Net rents receivable	130,913	163,519
Management charge income - group	60,000	60,000
Security income	31,093	95,448
Government grants receivable	200,000	66,666
	<u>443,782</u>	<u>418,131</u>

ALLIED VEHICLES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

7. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Research & development charged as an expense	25,229	124,995
Depreciation of tangible fixed assets	649,796	879,301
Amortisation of intangible assets	392,410	162,473
Auditor's remuneration - audit fee	25,500	25,100
Auditor's remuneration - non-audit fees	3,000	3,000
Other operating lease rentals	251,589	222,217
Defined contribution pension cost	329,209	223,356
	<u>1,853,785</u>	<u>1,540,342</u>

8. Debt waiver

	2016 £	2015 £
Waiver of loan to Glasgow Tigers Speedway Limited	617,189	-
Waiver of loan to Ashfield Allied Limited	1,236,596	-
	<u>1,853,785</u>	<u>-</u>

9. Employees

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

	2016 £	2015 £
Wages and salaries	12,801,085	11,775,817
Social security costs	1,213,116	1,121,735
Cost of defined contribution scheme	329,209	223,356
	<u>14,343,410</u>	<u>13,120,908</u>

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

	2016 No.	2015 No.
Manufacturing	245	220
Sales	98	88
After sales	121	102
Group administration	81	64
	<u>545</u>	<u>474</u>

ALLIED VEHICLES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

10. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	930,798	1,299,800
Directors pension costs - defined contribution scheme	183,203	133,522
	<u>1,114,001</u>	<u>1,433,322</u>

During the year retirement benefits were accruing to 6 directors (2015 - 6) in respect of defined contribution pension schemes.

The emoluments of the highest paid director were £260,825 (2015: £728,828). £105,500 (2015: £5,792) was paid into the pension scheme of the highest paid director.

Key management personnel are defined as the directors of the company only.

11. Interest receivable

	2016 £	2015 £
Loan interest receivable	25,199	40,984
Group interest receivable	-	4,245
Other interest receivable	687	-
	<u>25,886</u>	<u>45,229</u>

12. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	65,494	72,921
Finance charges	24,635	24,498
	<u>90,129</u>	<u>97,419</u>

ALLIED VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

13. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	839,031	928,635
Adjustments in respect of previous periods	(205,378)	(135,161)
Total current tax	633,653	793,474
Deferred tax		
Short term timing differences	316,550	(143,982)
Total deferred tax	316,550	(143,982)
Taxation on profit on ordinary activities	950,203	649,492

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.92%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	3,730,675	4,031,198
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.92%)	746,135	843,327
Effects of:		
Expenses not deductible for tax purposes	379,980	18,287
Depreciation in excess of capital allowances	-	18,949
Adjustments to tax charge in respect of prior periods	(205,378)	(135,161)
Adjustments to tax charge in respect of previous periods - deferred tax	3,685	-
Adjust closing deferred tax to average rate of 20.00%	(35,172)	-
Other short term timing differences	-	163,508
Income not taxable for tax purposes	(179)	-
Additional deduction for R&D expenditure	-	(146,937)
R&D expenditure credits	(15,480)	-
Chargeable gains/(losses)	68,783	-
Fixed asset differences	7,829	31,501
Other differences leading to a decrease in the tax charge	-	(143,982)
Total tax charge for the year	950,203	649,492

ALLIED VEHICLES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

13. Taxation (continued)

Factors that may affect future tax charges

Following Budget 2015 announcement, there will be a reduction in the main rate of corporation tax for each year from the financial year beginning 1 April 2017 to the financial year beginning 1 April 2020, reducing the main rate by 2% by 2020.

14. Dividends

	2016 £	2015 £
Dividend in respect of the year ended 30 April 2016 of £10.59 (2015: £7.76) per share	600,000	440,000
	<u>600,000</u>	<u>440,000</u>

15. Intangible assets

	Research and development £
Cost	
At 1 May 2015	754,616
Additions	1,009,482
At 30 April 2016	<u>1,764,098</u>
Amortisation	
At 1 May 2015	162,473
Charge for the year	392,410
At 30 April 2016	<u>554,883</u>
Net book value	
At 30 April 2016	<u>1,209,215</u>
At 30 April 2015	<u>592,143</u>

ALLIED VEHICLES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

16. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 May 2015	7,036,309	7,019,616	255,524	14,311,449
Additions	-	1,170,410	-	1,170,410
Disposals	-	(1,883,337)	-	(1,883,337)
Revaluations	3,813,691	-	-	3,813,691
At 30 April 2016	10,850,000	6,306,689	255,524	17,412,213
Depreciation				
At 1 May 2015	1,743,604	5,200,945	245,277	7,189,826
Charge owned for the period	143,353	500,026	6,417	649,796
Disposals	-	(1,786,156)	-	(1,786,156)
On revalued assets	(1,886,957)	-	-	(1,886,957)
At 30 April 2016	-	3,914,815	251,694	4,166,509
Net book value				
At 30 April 2016	10,850,000	2,391,874	3,830	13,245,704
At 30 April 2015	5,292,705	1,818,671	10,247	7,121,623

The freehold land and buildings was independently valued on an open market existing use basis by David Allison & Company, Chartered Surveyors in June 2016. The property was valued at £10,850,000 and the directors consider the fair value at 30 April 2016 is in line with the valuation in June 2016.

The net book value of land and building may be further analysed as follows:

	2016 £	2015 £
Freehold property	10,787,657	5,230,362
Leasehold improvements	62,343	62,343
	<u>10,850,000</u>	<u>5,292,705</u>

ALLIED VEHICLES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

17. Fixed asset investments

	2016	2015
	£	£
Shares in group undertakings	1	1
	<u>1</u>	<u>1</u>

The company owns 100% of the ordinary share capital of Ashfield Motors Limited, a dormant company with capital and reserves of £1 as at 30 April 2016.

18. Investment property

	Freehold investment property £
Valuation	
At 1 May 2015	960,000
At 30 April 2016	<u><u>960,000</u></u>

The investment property was valued at 30 April 2014 by Savills, RICS Registered Valuers. It is considered that the fair value of the investment property at 30 April 2016 is in line with the valuation of 30 April 2014.

19. Future operating lease income

At 30 April 2016 the company was due future minimum lease income under non-cancellable operating leases as follows:

	2016	2015
	£	£
Land and buildings		
Not later than one year	120,282	107,482
Later than 1 year and not later than 2 years	87,082	44,000
Later than 2 years and not later than 5 years	175,082	132,000
Later than 5 years	3,667	47,667
	<u><u>386,113</u></u>	<u><u>331,149</u></u>

ALLIED VEHICLES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

20. Stocks

	2016 £	2015 £
Raw materials and consumables	2,151,472	1,662,223
Work in progress	720,413	804,031
Finished goods and goods for resale	6,437,907	5,058,614
	<u>9,309,792</u>	<u>7,524,868</u>

Stock recognised in cost of sales during the year as an expense was £95,653,745 (2015: £84,737,314).

21. Debtors

	2016 £	2015 £
Trade debtors	2,669,999	3,961,040
Amounts owed by group undertakings	2,087,015	1,738,094
Amounts owed by related undertakings	1,242,583	1,318,917
Other debtors	1,084,316	1,161,900
Prepayments and accrued income	1,703,094	1,676,102
	<u>8,787,007</u>	<u>9,856,053</u>

22. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	74,166	83,660
Bank overdraft (Note 22)	(723,848)	(403,180)
	<u>(649,682)</u>	<u>(319,520)</u>

ALLIED VEHICLES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

23. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	723,848	403,180
Bank loans	490,000	490,000
Trade creditors	9,666,693	10,688,617
Amounts owed to group undertakings	431,994	-
Corporation tax	72,087	509,224
Taxation and social security	1,039,460	705,527
Other creditors	493,807	571,288
Accruals and deferred income	1,953,968	1,759,201
	<u>14,871,857</u>	<u>15,127,037</u>

Bank borrowings of £1,853,848 (2015: £2,023,180) are secured by standard securities over certain properties of the company and by a bond and floating charge over the whole assets of the company.

Included within other taxation and social security are outstanding pension contributions of £30,549 (2015: £23,560).

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

	2016 £	2015 £
Bank loans	640,000	1,130,000
Other creditors	-	4,953
	<u>640,000</u>	<u>1,134,953</u>

ALLIED VEHICLES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

25. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	490,000	490,000
	<u>490,000</u>	<u>490,000</u>
Amounts falling due 1-2 years		
Bank loans	490,000	490,000
	<u>490,000</u>	<u>490,000</u>
Amounts falling due 2-5 years		
Bank loans	150,000	640,000
	<u>150,000</u>	<u>640,000</u>

26. Deferred taxation

	Deferred tax £
Charged to the profit or loss	316,550
At 30 April 2016	<u><u>316,550</u></u>

The deferred taxation balance is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	257,213	-
Capital gains	61,905	-
Other short term timing differences	(2,568)	-
	<u><u>316,550</u></u>	<u><u>-</u></u>

ALLIED VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

27. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
56,667 Ordinary shares of £1 each	<u>56,667</u>	<u>56,667</u>

The ordinary shareholders are entitled to dividends and shares rank equally for voting purposes.

28. Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Revaluation reserve

This reserves records the amount above historic costs for the revaluation of assets.

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 year retained profits or losses.

29. Capital commitments

At 30 April 2016 the company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	292,500
	<u>-</u>	<u>292,500</u>

30. 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. The pension cost and charge represents contributions payable by the company to the scheme in the year and amounted to £329,209 (2015: £223,356). No contributions were payable to the fund at 30 April 2016 (2015: £nil).

ALLIED VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

31. Commitments under operating leases

At 30 April 2016 the company had total minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Land and buildings		
Not later than 1 year	219,940	224,470
Later than 1 year and not later than 2 years	278,630	377,080
Later than 2 years and not later than 5 years	70,227	175,317
	<u>568,797</u>	<u>776,867</u>
	2016 £	2015 £
Other operating leases		
Not later than 1 year	104,314	102,600
	<u>104,314</u>	<u>102,600</u>

32. Related party transactions

The company has taken advantage of the disclosure exemption from the requirement of FRS 102 Section 33 Related Party Disclosures paragraph 33.7 from disclosing transactions with group undertakings on the basis that consolidated financial statements are available.

During the year contributions of £66,800 (2015: £116,800) and rent of £108,000 (2015: £108,000) were paid by the company to the Facenna Family Trust.

During the year, the company recharged expenses it had paid on behalf of the Facenna Family Trust amounting to £nil (2015: £3,290). At the balance sheet date, a balance of £nil is included within trade debtors as owed to the company (2015: £3,290).

During the year, the company received sums from Glasgow Tigers Speedway Limited, a company related by common control, amounting to £557,430 (2015: £1,174,619). In view of continuing losses, the directors decided to waive the loans due of £617,189 (2015: £nil). At the balance sheet date, a balance of £nil is included within amounts owed by related undertakings (2015: £1,174,619).

During the year, the company paid expenses on behalf of Ashfield Allied Limited, a company related by common control, amounting to £1,092,298 (2015: £144,298). In view of continuing losses, the directors decided to waive the loans due of £1,236,596 (2015: £nil). At the balance sheet date, a balance of £nil is included within amounts owed by related undertakings (2015: £144,298).

During the year, the company paid expenses on behalf of Lemac Propco Limited, a company related by common control, amounting to £1,242,583 (2015: £nil). At the balance sheet date, a balance of £1,242,583 is included within amounts owed by related undertakings (2015: £nil).

ALLIED VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

33. Transactions with directors

M Facenna had an overdrawn loan account in the year with a maximum balance outstanding in the year of £116,382. A repayment of £200,000 was received during the year (2015: £220,000). At the year end, the balance was £37,457 owed from the company (2015: £2,900). Interest payable of £nil (2015: £6,834) is calculated at the HMRC beneficial loan interest rate of 3%.

G Facenna had an overdrawn loan account in the year with a maximum balance outstanding in the year of £973,470. A repayment of £200,000 was received during the year (2015: £220,000). At the year end, the balance was £814,038 (2015: £864,926). Interest payable of £23,710 (2015: £34,150) is calculated at the HMRC beneficial loan interest rate of 3%.

During the year, the company paid expenses on behalf of the directors totalling £314,555 (2015: £729,073) which have been charged against the respective director's loan account.

34. Controlling party

The immediate parent company is Allied Holdings (UK) Limited, a company registered within the UK. The ultimate parent company is Allied Holdings (UK) 2014 Limited, a company registered within the UK. There is no ultimate controlling party. Copies of the consolidated financial statements of Allied Holdings (UK) 2014 Limited can be obtained from the company's registered office.

35. First time adoption of FRS 102

The accounting policies applied under the company's previous accounting framework are not materially different to FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and have not impacted on equity or profit or loss.