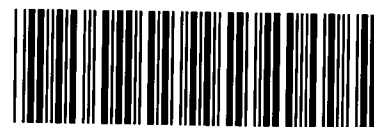


REGISTERED NUMBER: SC378869 (Scotland)

**Strategic Report, Report of the Directors and  
Audited Financial Statements for the Year Ended 31 December 2014**  
**for**  
**AEP (Scotland) Ltd.**

WEDNESDAY



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COMPANIES HOUSE

**The**  
**Collins Partnership**  
**Chartered Accountants and Business Advisers**

**AEP (Scotland) Ltd.**

**Contents of the Financial Statements  
for the Year Ended 31 December 2014**

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**AEP (Scotland) Ltd.**

**Company Information  
for the Year Ended 31 December 2014**

**DIRECTORS:**

Ms K McAdam  
C McAdam  
Mrs A McAdam

**SECRETARY:**

C McAdam

**REGISTERED OFFICE:**

Unit 2  
1 Alleysbank Road  
Rutherglen  
Glasgow  
G73 1LX

**REGISTERED NUMBER:**

SC378869 (Scotland)

**AUDITORS:**

The Collins Counting Company Ltd.  
Westburn Business Centre  
McNee Road  
Prestwick  
Ayrshire  
KA9 2PB

**Strategic Report  
for the Year Ended 31 December 2014**

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

**REVIEW OF BUSINESS**

As a consequence of the strengthening of the Euro against the Pound Sterling, the company has experienced challenges in the export market. During the year the company tightened internal controls over prices being quoted to customers and in turn the margins being achieved. Whilst business has been lost as a consequence, reducing the level of turnover achieved, the gross margin has improved from 18.30% in 2013 to 20.03% in 2014. This strategy over margin control should stand the company in good stead for the future.

During the year the company invested into the development of 'all car part' sales to the local garage network. This is still at an early stage but early signs are showing that the company will be in a strong position to grow sales revenues in this department as the local area, to which it is providing this service, expands.

During the year the company invested in the development of a new website providing customers with online access to buy all car parts stocked by the company. This is anticipated to bring sales growth to the company towards the end of 2015.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors monitor performance against the following key performance indicators:

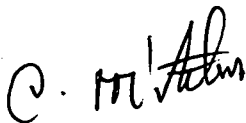
- gross margin
- profit and cash collection
- bank and cash in hand balances
- turnover
- overhead control
- compliance with all relevant rules and regulatory requirements

The company finances its business through retained profits and a mixture of fixed and variable rate bank loans. The company also enters into financial arrangements from time to time to forward buy both Euro and Dollar currencies. Other financial instruments including trade debtors and trade creditors arise in the course of company operations.

As at 31 December 2014 the principal risk affecting the company is the competitive nature of the industry in which the company operates. In addition, the company faces risk from foreign currency exposure, pricing pressures and availability of product.

The company's cash flow requirements are projected a year in advance. The directors monitor cash flow as part of the company's day to day control procedures and adjust this to take account of actual trading performance to ensure that appropriate facilities are available as necessary. The company's Bank continue to provide invaluable support and assistance with all of its banking arrangements.

**ON BEHALF OF THE BOARD:**



C McAdam - Director

30 September 2015

**Report of the Directors  
for the Year Ended 31 December 2014**

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

**PRINCIPAL ACTIVITY**

The company's principal activity is the sale and distribution of automotive parts to the motor industry.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2014.

**FUTURE DEVELOPMENTS**

Given the continuing challenges of the export market, the directors are continuing to diversify into new markets through the development of the 'all car part' sales to the UK garage network and the launch of the new company website giving an improved online sales presence. Whilst turnover is forecast to fall in the next 12 months, the Directors continued focus on margin control should ensure profitability is maintained. With the growth anticipated from new revenue streams in the short to medium term, turnover is anticipated to rise back up to recent levels and an overall improvement in net profitability considered achievable, especially given the reduction in risk from the exposure to fluctuating exchange rates.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

Ms K McAdam

C McAdam

Mrs A McAdam

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 judgements 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

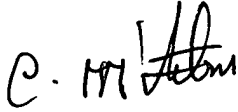
**AEP (Scotland) Ltd.**

**Report of the Directors  
for the Year Ended 31 December 2014**

**AUDITORS**

The auditors, The Collins Counting Company Ltd., will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'C. McAdam', is written over the printed name.

C McAdam - Director

30 September 2015

## **Report of the Independent Auditors to the Members of AEP (Scotland) Ltd.**

We have audited the financial statements of AEP (Scotland) Ltd. for the year ended 31 December 2014 on pages six to twenty one. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 Report of the Directors 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.

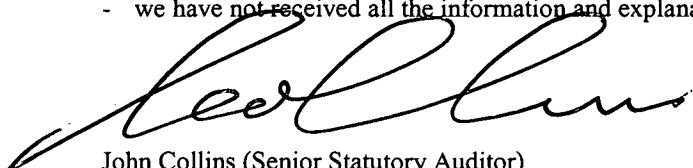
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Report of the Directors 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.



John Collins (Senior Statutory Auditor)  
for and on behalf of The Collins Counting Company Ltd. (Statutory Auditor)  
Westburn Business Centre  
McNee Road  
Prestwick  
Ayrshire  
KA9 2PB

30 September 2015

**AEP (Scotland) Ltd.**

**Profit and Loss Account  
for the Year Ended 31 December 2014**

		<b>Year Ended 31.12.14</b>		<b>Period 1.6.13 to 31.12.13</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>TURNOVER</b>	2		<b>8,007,017</b>		<b>5,663,577</b>
Continuing operations		<b>8,007,017</b>		-	
Acquisitions		<u>-</u>		<u>5,663,577</u>	
		<u><b>8,007,017</b></u>		<u><b>5,663,577</b></u>	
 Cost of sales	3		<u><b>6,233,509</b></u>		<u><b>4,478,211</b></u>
<b>GROSS PROFIT</b>	3		<b>1,773,508</b>		<b>1,185,366</b>
 Net operating expenses	3		<u><b>1,597,323</b></u>		<u><b>994,507</b></u>
<b>OPERATING PROFIT</b>	6		<b>176,185</b>		<b>190,859</b>
Continuing operations		<b>176,185</b>		-	
Acquisitions		<u>-</u>		<u>190,859</u>	
		<u><b>176,185</b></u>		<u><b>190,859</b></u>	
 Interest payable and similar charges	7		<u><b>94,665</b></u>		<u><b>44,809</b></u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			<b>81,520</b>		<b>146,050</b>
 Tax on profit on ordinary activities	8		<u><b>31,407</b></u>		<u><b>34,031</b></u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<u><u><b>50,113</b></u></u>		<u><u><b>112,019</b></u></u>

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous period.



**Balance Sheet**  
**31 December 2014**

		2014		2013	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	9		1,072,713		1,126,074
Tangible assets	10		<u>122,545</u>		<u>85,190</u>
			1,195,258		1,211,264
<b>CURRENT ASSETS</b>					
Stocks	11	823,135		902,830	
Debtors	12	1,048,138		1,226,489	
Cash at bank		<u>4,639</u>		<u>15,151</u>	
		1,875,912		2,144,470	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>1,580,808</u>		<u>1,817,700</u>	
<b>NET CURRENT ASSETS</b>			<u>295,104</u>		<u>326,770</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,490,362		1,538,034
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(1,319,397)		(1,426,014)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>(8,832)</u>		<u>-</u>
<b>NET ASSETS</b>			<u>162,133</u>		<u>112,020</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		1		1
Profit and loss account	20		<u>162,132</u>		<u>112,019</u>
<b>SHAREHOLDERS' FUNDS</b>	26		<u>162,133</u>		<u>112,020</u>

The notes form part of these financial statements

**AEP (Scotland) Ltd. (Registered number: SC378869)**

**Balance Sheet - continued**  
**31 December 2014**

The financial statements were approved by the Board of Directors on 30 September 2015 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'C. McAdam', is written over the printed name.

C McAdam - Director

The notes form part of these financial statements

**AEP (Scotland) Ltd.**

**Cash Flow Statement  
for the Year Ended 31 December 2014**

		<b>Year Ended 31.12.14</b>		<b>Period 1.6.13 to 31.12.13</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash inflow/(outflow) from operating activities</b>	1		<b>384,408</b>		<b>(1,149,279)</b>
<b>Returns on investments and servicing of finance</b>	2		<b>(94,665)</b>		<b>(44,809)</b>
<b>Taxation</b>			<b>(19,000)</b>		<b>-</b>
<b>Capital expenditure</b>	2		<b>(72,609)</b>		<b>(1,257,226)</b>
			<b>198,134</b>		<b>(2,451,314)</b>
<b>Financing</b>	2		<b>(212,488)</b>		<b>1,645,751</b>
<b>Decrease in cash in the period</b>			<b>(14,354)</b>		<b>(805,563)</b>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Decrease in cash in the period			<b>(14,354)</b>		<b>(805,563)</b>
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing			<b>212,488</b>		<b>(1,645,751)</b>
Change in net debt resulting from cash flows			<b>198,134</b>		<b>(2,451,314)</b>
<b>Movement in net debt in the period</b>			<b>198,134</b>		<b>(2,451,314)</b>
<b>Net (debt)/funds at 1 January</b>			<b>(2,451,313)</b>		<b>1</b>
<b>Net debt at 31 December</b>			<b>(2,253,179)</b>		<b>(2,451,313)</b>

The notes form part of these financial statements

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2014**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	<b>Year Ended 31.12.14 £</b>	<b>Period 1.6.13 to 31.12.13 £</b>
Operating profit	176,185	190,859
Depreciation charges	88,615	45,962
Decrease/(increase) in stocks	79,695	(902,830)
Decrease/(increase) in debtors	178,351	(1,226,489)
(Decrease)/increase in creditors	<u>(138,438)</u>	<u>743,219</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>384,408</u></b>	<b><u>(1,149,279)</u></b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	<b>Year Ended 31.12.14 £</b>	<b>Period 1.6.13 to 31.12.13 £</b>
<b>Returns on investments and servicing of finance</b>		
Interest paid	(92,739)	(44,166)
Interest element of hire purchase payments	<u>(1,926)</u>	<u>(643)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(94,665)</u></b>	<b><u>(44,809)</u></b>
<b>Capital expenditure</b>		
Purchase of intangible fixed assets	(4,863)	(1,159,618)
Purchase of tangible fixed assets	<u>(67,746)</u>	<u>(97,608)</u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(72,609)</u></b>	<b><u>(1,257,226)</u></b>
<b>Financing</b>		
Movement in bank loans	(101,176)	1,522,189
Movement in other loans	(100,000)	100,000
Hire purchase inception	9,000	29,208
Hire purchase repayments	<u>(20,312)</u>	<u>(5,646)</u>
<b>Net cash (outflow)/inflow from financing</b>	<b><u>(212,488)</u></b>	<b><u>1,645,751</u></b>

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2014**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.14 £	Cash flow £	At 31.12.14 £
Net cash:			
Cash at bank	15,151	(10,512)	4,639
Bank overdrafts	<u>(820,713)</u>	<u>(3,842)</u>	<u>(824,555)</u>
	<u>(805,562)</u>	<u>(14,354)</u>	<u>(819,916)</u>
Debt:			
Hire purchase	(23,562)	11,312	(12,250)
Debts falling due within one year	(201,175)	94,309	(106,866)
Debts falling due after one year	<u>(1,421,014)</u>	<u>106,867</u>	<u>(1,314,147)</u>
	<u>(1,645,751)</u>	<u>212,488</u>	<u>(1,433,263)</u>
Total	<u>(2,451,313)</u>	<u>198,134</u>	<u>(2,253,179)</u>

**Notes to the Financial Statements  
for the Year Ended 31 December 2014**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

Since 31 December 2014 the company meets its day to day working capital and long-term financing requirements through an overdraft facility, repayable on demand, and term loans. The company expects to operate within the facility currently agreed and to be agreed in October 2015 for the next 12 months of operation. These views are based on the company's plans and on the successful outcome of discussions with the company's bankers.

The directors continue to support the company through their financial commitment in the form of loan advances to the company's parent. KCM Holdings (Scotland) Limited.

On the basis of all of the above, the directors consider it appropriate to prepare the financial statements on the going concern basis.

**Turnover/revenue recognition**

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Company's activities.

Sales are presented, net of value-added tax, rebates and discounts.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met.

**Goodwill**

Goodwill arising on an acquisition of a trade is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the director's estimate of its useful economic life which is 20 years. Impairment tests on the carrying value of goodwill are undertaken;

- at the end of the first full financial year following acquisition;
- in other period if events or changes in circumstances indicate that the carrying value may not be recoverable.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 20% on reducing balance

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on an average cost basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014**

**1. ACCOUNTING POLICIES - continued**

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the terms of the lease.

**2. TURNOVER**

An analysis of turnover by geographical location has not been included, as the directors believe that to do so would be seriously prejudicial to the interests of the company.

**3. ANALYSIS OF OPERATIONS**

	Continuing £	2014 Acquisitions £	Total £
Cost of sales	<u>6,233,509</u>	<u>-</u>	<u>6,233,509</u>
Gross profit	<u>1,773,508</u>	<u>-</u>	<u>1,773,508</u>
Net operating expenses:			
Distribution costs	169,335	-	169,335
Administrative expenses	<u>1,427,988</u>	<u>-</u>	<u>1,427,988</u>
	<u>1,597,323</u>	<u>-</u>	<u>1,597,323</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2014**

**3. ANALYSIS OF OPERATIONS - continued**

	Continuing £	2013 Acquisitions £	Total £
Cost of sales	<u>-</u>	<u>4,478,211</u>	<u>4,478,211</u>
Gross profit	<u>-</u>	<u>1,185,366</u>	<u>1,185,366</u>
Net operating expenses:			
Distribution costs	-	148,641	148,641
Administrative expenses	<u>-</u>	<u>845,866</u>	<u>845,866</u>
	<u>-</u>	<u>994,507</u>	<u>994,507</u>

**4. STAFF COSTS**

	Year Ended 31.12.14 £	Period 1.6.13 to 31.12.13 £
Wages and salaries	879,701	508,076
Social security costs	<u>86,525</u>	<u>51,570</u>
	<u>966,226</u>	<u>559,646</u>

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

	Year Ended 31.12.14	Period 1.6.13 to 31.12.13
Employees	<u>36</u>	<u>31</u>

**5. DIRECTORS' EMOLUMENTS**

	Year Ended 31.12.14 £	Period 1.6.13 to 31.12.13 £
Directors' remuneration	<u>42,242</u>	<u>22,764</u>

For the year ended 31 December 2014, the highest paid director received emoluments totalling £32,242 (period ended 31 December 2013 - £16,764).



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2014**

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>Year Ended</b> <b>31.12.14</b>	Period 1.6.13 to 31.12.13
	<b>£</b>	<b>£</b>
Other operating leases	45,000	26,250
Depreciation - owned assets	26,542	9,195
Depreciation - assets on hire purchase contracts	3,849	3,223
Goodwill amortisation	58,224	33,544
Auditors' remuneration	<u>3,000</u>	<u>3,000</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>Year Ended</b> <b>31.12.14</b>	Period 1.6.13 to 31.12.13
	<b>£</b>	<b>£</b>
Bank interest	2,920	1,600
Bank loan interest	89,819	42,566
Hire purchase	<u>1,926</u>	<u>643</u>
	<u>94,665</u>	<u>44,809</u>

**8. TAXATION****Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	<b>Year Ended</b> <b>31.12.14</b>	Period 1.6.13 to 31.12.13
	<b>£</b>	<b>£</b>
Current tax:		
UK corporation tax	22,575	34,031
Deferred tax	<u>8,832</u>	<u>-</u>
Tax on profit on ordinary activities	<u>31,407</u>	<u>34,031</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2014**

**8. TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>Year Ended</b> <b>31.12.14</b> <b>£</b>	<b>Period</b> <b>1.6.13</b> <b>to</b> <b>31.12.13</b> <b>£</b>
Profit on ordinary activities before tax	<u><b>81,520</b></u>	<u><b>146,050</b></u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.493% (2013 - 23%)	<b>17,521</b>	<b>33,592</b>
Effects of:		
Expenses not deductible for tax purposes	<b>3,782</b>	<b>678</b>
Capital allowances in excess of depreciation	<b>(9,793)</b>	<b>-</b>
Depreciation in excess of capital allowances	<b>-</b>	<b>323</b>
Marginal relief	<b>(1,449)</b>	<b>(1,055)</b>
Group relief	<b>-</b>	<b>(7,222)</b>
Goodwill amortisation	<u><b>12,514</b></u>	<u><b>7,715</b></u>
Current tax charge	<u><b>22,575</b></u>	<u><b>34,031</b></u>

**9. INTANGIBLE FIXED ASSETS**

	<b>Goodwill</b> <b>£</b>
<b>COST</b>	
At 1 January 2014	<b>1,159,618</b>
Additions	<u><b>4,863</b></u>
At 31 December 2014	<u><b>1,164,481</b></u>
<b>AMORTISATION</b>	
At 1 January 2014	<b>33,544</b>
Amortisation for year	<u><b>58,224</b></u>
At 31 December 2014	<u><b>91,768</b></u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<u><b>1,072,713</b></u>
At 31 December 2013	<u><b>1,126,074</b></u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

## 10. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2014	11,580	18,217	32,298	35,513	97,608
Additions	-	-	9,000	58,746	67,746
At 31 December 2014	<u>11,580</u>	<u>18,217</u>	<u>41,298</u>	<u>94,259</u>	<u>165,354</u>
<b>DEPRECIATION</b>					
At 1 January 2014	1,687	2,653	3,276	4,802	12,418
Charge for year	<u>1,979</u>	<u>3,113</u>	<u>8,756</u>	<u>16,543</u>	<u>30,391</u>
At 31 December 2014	<u>3,666</u>	<u>5,766</u>	<u>12,032</u>	<u>21,345</u>	<u>42,809</u>
<b>NET BOOK VALUE</b>					
At 31 December 2014	<u>7,914</u>	<u>12,451</u>	<u>29,266</u>	<u>72,914</u>	<u>122,545</u>
At 31 December 2013	<u>9,893</u>	<u>15,564</u>	<u>29,022</u>	<u>30,711</u>	<u>85,190</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
<b>COST</b>	
At 1 January 2014	31,938
Additions	9,000
Transfer to ownership	(20,938)
At 31 December 2014	<u>20,000</u>
<b>DEPRECIATION</b>	
At 1 January 2014	3,223
Charge for year	3,849
Transfer to ownership	(1,619)
At 31 December 2014	<u>5,453</u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<u>14,547</u>
At 31 December 2013	<u>28,715</u>

## 11. STOCKS

	2014 £	2013 £
Goods for resale	<u>823,135</u>	<u>902,830</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2014**

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Trade debtors	623,714	848,514
Amounts owed by group undertakings	396,260	227,090
VAT	4,784	105,759
Prepayments and accrued income	23,380	45,126
	<u>1,048,138</u>	<u>1,226,489</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Bank loans and overdrafts (see note 15)	931,421	921,888
Other loans (see note 15)	-	100,000
Hire purchase contracts (see note 16)	7,000	18,562
Trade creditors	415,194	567,226
Tax	37,606	34,031
Social security and other taxes	26,606	29,098
Accruals and deferred income	162,981	146,895
	<u>1,580,808</u>	<u>1,817,700</u>

Included in bank overdrafts is the sum of £437,639 (2013: £561,284) in respect of a debtor factoring account. The debtor factoring account is secured over specific trade debtors and by the personal guarantee of Mr & Mrs Colin McAdam.

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014	2013
	£	£
Bank loans (see note 15)	1,314,147	1,421,014
Hire purchase contracts (see note 16)	5,250	5,000
	<u>1,319,397</u>	<u>1,426,014</u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	2014	2013
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	824,555	820,713
Bank loans	106,866	101,175
Other loans	-	100,000
	<u>931,421</u>	<u>1,021,888</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>112,490</u>	<u>106,866</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2014**

**15. LOANS - continued**

	2014 £	2013 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>532,851</u>	<u>547,614</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>668,806</u>	<u>766,534</u>

On 17 December 2013, a loan for the principal sum of £851,629.20 was drawn down by the company from The Clydesdale Bank PLC. Interest is charged at 7.7% per annum with the final repayment due to be paid on 10 June 2020.

On 27 November 2013, a loan for the principal sum of £324,732.00 was drawn down by the company from The Clydesdale Bank PLC. Interest is charged at 3.98813% per annum with the final repayment due to be paid on 29 September 2025.

On 27 November 2013, a loan for the principal sum of £350,000.00 was drawn down by the company from The Clydesdale Bank PLC. Interest is charged at 3.98813% per annum with the final repayment due to be paid on 27 November 2018.

**16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	<b>Hire purchase contracts</b>	
	2014 £	2013 £
Net obligations repayable:		
Within one year	7,000	18,562
Between one and five years	<u>5,250</u>	<u>5,000</u>
	<u>12,250</u>	<u>23,562</u>

The following operating lease payments are committed to be paid within one year:

	<b>Land and buildings</b>	
	2014 £	2013 £
Expiring:		
Between one and five years	45,000	-
In more than five years	<u>-</u>	<u>45,000</u>
	<u>45,000</u>	<u>45,000</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014**

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	2014	2013
	£	£
Bank overdrafts	824,555	820,713
Bank loans	1,421,013	1,522,189
Hire purchase contracts	<u>12,250</u>	<u>23,562</u>
	<u><b>2,257,818</b></u>	<u><b>2,366,464</b></u>

Bank loans are secured by way of a floating charge over the assets of the company, cross company guarantee and a personal guarantee of £750,000 by Mr & Mrs Colin McAdam.

Hire purchase liabilities are secured over the assets being financed.

**18. PROVISIONS FOR LIABILITIES**

	2014	2013
	£	£
Deferred tax		
Accelerated capital allowances	<u>8,832</u>	<u>-</u>

	Deferred tax £
Charge to Profit and Loss Account during year	<u>8,832</u>
Balance at 31 December 2014	<u><b>8,832</b></u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014	2013
			£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

**20. RESERVES**

	Profit and loss account £
At 1 January 2014	112,019
Profit for the year	<u>50,113</u>
At 31 December 2014	<u><b>162,132</b></u>

**21. ULTIMATE PARENT COMPANY**

KCM Holdings (Scotland) Limited is regarded by the directors as being the company's ultimate parent company.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014**

**22. CONTINGENT LIABILITIES**

The company has granted a corporate guarantee in favour of the bank in respect of all borrowings of its parent company, KCM Holdings (Scotland) Limited. As at 31 December 2014 these liabilities amounted to £Nil (2013: £Nil).

The company has granted a further corporate guarantee, in favour of the bank, in respect of all bank borrowings of CAM Autos Limited. As at 31 December 2014 these liabilities amounted to £169,287 (2013: £163,217).

**23. CAPITAL COMMITMENTS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Contracted but not provided for in the financial statements	<u><b>2,700</b></u>	<u><b>8,590</b></u>

**24. OTHER FINANCIAL COMMITMENTS**

Prior to the year end the company made a commitment to purchase €100,000 at a spot rate of €1.2715 (2013: €62,000 at a spot rate of €1.1950), €10,000 of which was satisfied on 24 December 2014. The balance was satisfied post year end on or before 23 January 2015.

**25. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with other group companies on the basis that 90 percent or more of the company's voting rights are controlled within the group.

**26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<u><b>50,113</b></u>	<u><b>112,019</b></u>
<b>Net addition to shareholders' funds</b>	<b>50,113</b>	<b>112,019</b>
Opening shareholders' funds	<u><b>112,020</b></u>	<u><b>1</b></u>
<b>Closing shareholders' funds</b>	<u><b>162,133</b></u>	<u><b>112,020</b></u>