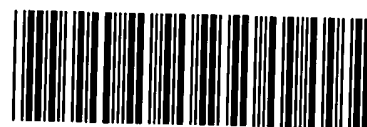


REGISTERED NUMBER: 00852710 (England and Wales)

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 December 2016  
for  
Sutton Park Motor Company Limited

TUESDAY



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**Contents of the Financial Statements**  
**for the Year Ended 31 December 2016**

	<b>Page</b>
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9

**Sutton Park Motor Company Limited**

**Company Information**  
**for the Year Ended 31 December 2016**

**DIRECTORS:**

D J A Fulton  
Mrs J Fulton  
Mrs J L Shannon  
M P Yarwood  
Mrs C Thomas

**REGISTERED OFFICE:**

37 Lichfield Street  
Burton on Trent  
Staffordshire  
DE14 3RH

**REGISTERED NUMBER:**

00852710 (England and Wales)

**AUDITORS:**

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

**Strategic Report**  
**for the Year Ended 31 December 2016**

The directors present their strategic report for the year ended 31 December 2016.

**REVIEW OF BUSINESS**

The directors have monitored the progress of the company strategy by reference to gross margin and operating profit, which is set out in the attached accounts.

The directors remain confident that the company can sustain the vehicle volumes and continue to be pro-active in its trading approach.

The new property purchased in 2015 is performing in line with expectations, and with the completion of the refurbishment works to the property purchased in 2016, the directors are confident in improving both the turnover and the overall net profit.

**PRINCIPAL RISKS AND UNCERTAINTIES**

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

**MANUFACTURER SUPPLY OF NEW AND IMPROVED PRODUCTS**

The company is reliant on new vehicle products from its franchise partners. This exposes the company to risks in a number of areas as the company is dependent on its manufacturer/supplier in respect of:

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

The directors are confident that the future new products from its manufacturer/suppliers 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.

**KEY PERFORMANCE INDICATORS**

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin and return on capital employed.

**ON BEHALF OF THE BOARD:**

  
.....  
D J A Fulton - Director

Date: 22/9/17

**Report of the Directors**  
**for the Year Ended 31 December 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the operation of franchised motor dealerships involving the sale, maintenance and repair of motor vehicles and the supply of related accessories.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2016 will be £5,000.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

D J A Fulton  
Mrs J Fulton  
Mrs J L Shannon  
M P Yarwood  
Mrs C Thomas

**FINANCIAL INSTRUMENTS**

The company uses various financial instruments including credit risk, interest risk and liquidity risk. The company does not use derivatives to manage these risks.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

**Liquidity risk**

The company makes efforts to manage the financial risk by the monitoring of cashflow to ensure that the company is able to meet its foreseeable debts as they fall due and to invest any cash assets profitably.

**Interest rate risk**

The company sometimes uses bank borrowings to finance its operations during peak periods.

Due to the limited use of this facility the directors do not deem it necessary to hedge against interest rate fluctuations.

**Credit risk**

The company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is minimal. The principal credit risk therefore arises from its trade debtors.

In order to manage credit risk, the directors have implemented processes to ensure receipt of cleared funds for vehicle sales before the vehicle is released. The bonuses due from the manufacturer are paid by direct debit.

Other trade debtors require approved credit in advance which is supported by references and payment is required within the company's credit terms and hence credit risk is minimised.

**POST BALANCE SHEET EVENTS**

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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), 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**Report of the Directors**  
**for the Year Ended 31 December 2016**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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.

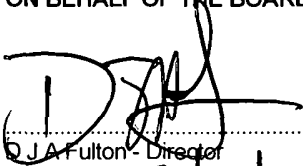
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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.

**AUDITORS**

The auditors, ASE Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



D J A Fulton - Director

Date:

22/9/17

**Report of the Independent Auditors to the Members of  
Sutton Park Motor Company Limited**

We have audited the financial statements of Sutton Park Motor Company Limited for the year ended 31 December 2016 on pages six to sixteen. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 pages three and four, 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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, based on the work undertaken in the course of our audit, 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, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

**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.

*Ass A LLP*

Michael Jones BSc FCA (Senior Statutory Auditor)  
for and on behalf of ASE Audit LLP  
Statutory Auditors & Chartered Accountants  
Rowan Court  
Concord Business Park  
Manchester  
Greater Manchester  
M22 0RR

Date: 22.9.17

**Sutton Park Motor Company Limited (Registered number: 00852710)**

**Statement of Comprehensive Income**  
**for the Year Ended 31 December 2016**

	Notes	2016 £	2015 £
<b>TURNOVER</b>	3	<b>86,248,164</b>	<b>72,809,734</b>
Cost of sales		<b>82,517,271</b>	<b>69,048,403</b>
<b>GROSS PROFIT</b>		<b>3,730,893</b>	<b>3,761,331</b>
Administrative expenses		<b>3,788,354</b>	<b>7,694,512</b>
		<b>(57,461)</b>	<b>(3,933,181)</b>
Other operating income	4	<b>549,487</b>	<b>389,117</b>
<b>OPERATING PROFIT/(LOSS)</b>	6	<b>492,026</b>	<b>(3,544,064)</b>
Interest payable and similar expenses	8	<b>168,821</b>	<b>155,249</b>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>323,205</b>	<b>(3,699,313)</b>
Tax on profit/(loss)	9	<b>(45,066)</b>	<b>125,560</b>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>368,271</b>	<b>(3,824,873)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>368,271</b>	<b>(3,824,873)</b>

The notes form part of these financial statements

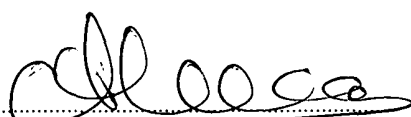


**Sutton Park Motor Company Limited (Registered number: 00852710)**

**Statement of Financial Position**  
**31 December 2016**

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	11	819,494	2,383,399
<b>CURRENT ASSETS</b>			
Stocks	12	8,416,302	6,573,681
Debtors	13	4,465,140	2,646,730
Cash in hand		3,625	3,340
		<u>12,885,067</u>	<u>9,223,751</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	(11,882,304)	(10,134,999)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>1,002,763</u>	<u>(911,248)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,822,257</u>	<u>1,472,151</u>
<b>PROVISIONS FOR LIABILITIES</b>	17	(27,556)	(40,721)
<b>NET ASSETS</b>		<u><u>1,794,701</u></u>	<u><u>1,431,430</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	1,000	1,000
Retained earnings	19	1,793,701	1,430,430
<b>SHAREHOLDERS' FUNDS</b>		<u><u>1,794,701</u></u>	<u><u>1,431,430</u></u>

The financial statements were approved by the Board of Directors on 22/09/17 and were signed on its behalf by:

  
Mrs C Thomas - Director

The notes form part of these financial statements

**Sutton Park Motor Company Limited (Registered number: 00852710)**

**Statement of Changes in Equity**  
**for the Year Ended 31 December 2016**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2015</b>	1,000	5,255,303	5,256,303
<b>Changes in equity</b>			
Total comprehensive income	-	(3,824,873)	(3,824,873)
<b>Balance at 31 December 2015</b>	<u>1,000</u>	<u>1,430,430</u>	<u>1,431,430</u>
<b>Changes in equity</b>			
Dividends	-	(5,000)	(5,000)
Total comprehensive income	-	368,271	368,271
<b>Balance at 31 December 2016</b>	<u><u>1,000</u></u>	<u><u>1,793,701</u></u>	<u><u>1,794,701</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2016**

**1. STATUTORY INFORMATION**

Sutton Park Motor Company Limited ("the company") is a limited company domiciled and incorporated in England.

The address of the company's registered office is 37 Lichfield Street, Burton on Trent, Staffordshire, DE14 3RH, the company has no one single place of business.

The company's principal activity is disclosed in the Report of the Director's.

**2. ACCOUNTING POLICIES**

**Basis of preparation of financial statements**

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

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 judgements in applying accounting policies and key sources of estimation uncertainty below).

Both the functional and presentational currency is Pound Sterling (£).

**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 UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of 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);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Sutton Park Holdings Limited as at 31 December 2016 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**2. ACCOUNTING POLICIES - continued**

**Judgements in applying accounting policies and key sources of estimation**

The preparation of the financial statements require management to make judgements, estimates and assumptions that effect the amounts reported for assets and liabilities at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have been made by the directors in applying the company's accounting policies:

**Consignment stock**

Consignment stock has been included within the company's statement of financial position on the grounds that the company considerably bears the risks and regards of ownership attached to these vehicles. As such, the consignment stock is considered to be under control of the company.

**Property, plant and machinery**

At each reporting date property, plant and machinery is assessed for any indication of impairment. If such indication exists the recoverable amount of the asset is determined based on value in use calculations which require estimates to be made of future cash flows. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**Brand incentives**

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

Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned.

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

The company may also receive contributions towards advertising and promotional expenditure.

**Turnover**

**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.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

**Commissions**

Commissions are accounted for on a receivable basis, and are recognised as and when the criteria has been achieved.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold Improvements	- 20% on cost and 5% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 10% - 33% on cost

Freehold property was transferred during the year, prior to this no depreciation was charged.

**Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, inventories are assessed for impairment. If inventory 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.

**Consignment stock**

Consignment vehicles which bear considerably more of the risks and responsibilities of ownership are regarded effectively as being under the control of the company and, in accordance with FRS102 are included in stocks on the Statement of Financial Position, although legal title has not passed to the company. The corresponding liability is included as new vehicle funding in creditors and is secured directly on these vehicles.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Current or deferred taxation assets and liabilities are not discounted.

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**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.

**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.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2016**

**2. ACCOUNTING POLICIES - continued**

**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.

**Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when they are approved by the shareholders.

**3. TURNOVER**

The turnover and profit (2015 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2016 £	2015 £
Sale of goods	79,269,098	66,673,482
Rendering of services	3,270,395	3,014,520
Commissions	3,708,671	3,121,732
	<u>86,248,164</u>	<u>72,809,734</u>

An analysis of turnover by geographical market is given below:

	2016 £	2015 £
United Kingdom	86,248,164	72,809,734
	<u>86,248,164</u>	<u>72,809,734</u>

**4. OTHER OPERATING INCOME**

	2016 £	2015 £
Other operating income	549,487	389,117
	<u>549,487</u>	<u>389,117</u>

**5. EMPLOYEES AND DIRECTORS**

	2016 £	2015 £
Wages and salaries	4,786,252	3,938,345
Social security costs	489,211	420,348
Other pension costs	44,342	69,654
	<u>5,319,805</u>	<u>4,428,347</u>

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

	2016	2015
Sales, servicing and parts	129	126
Administration	46	44
	<u>175</u>	<u>170</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2016**

**5. EMPLOYEES AND DIRECTORS - continued**

	2016 £	2015 £
Directors' emoluments etc	<u>491,059</u>	<u>412,570</u>

	2016 £	2015 £
Highest paid director	<u>169,581</u>	<u>101,243</u>

During the year retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

**6. OPERATING PROFIT/(LOSS)**

	2016 £	2015 £
Rent - operating leases	795,081	746,210
Depreciation - owned assets	114,781	111,849
Loss on disposal of fixed assets	<u>86,458</u>	<u>86,458</u>

**7. AUDITORS' REMUNERATION**

	2016 £	2015 £
Fees payable to the company's auditors for the audit of the company's financial statements	21,400	14,067
Auditors' remuneration for non audit work	<u>5,350</u>	<u>3,517</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2016 £	2015 £
Bank interest	15,837	28,121
Stocking loan interest	<u>152,984</u>	<u>127,128</u>
	<u>168,821</u>	<u>155,249</u>

**9. TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	78,638	110,538
Prior period adjustment	<u>(110,539)</u>	<u>-</u>
Total current tax	<u>(31,901)</u>	<u>110,538</u>
Deferred tax	<u>(13,165)</u>	<u>15,022</u>
Tax on profit/(loss)	<u>(45,066)</u>	<u>125,560</u>

**Sutton Park Motor Company Limited (Registered number: 00852710)**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**9. TAXATION - continued**

**Reconciliation of total tax (credit)/charge included in profit and loss**

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

	2016 £	2015 £
Profit/(loss) before tax	<u>323,205</u>	<u>(3,699,313)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.246%)	64,641	(748,963)
Effects of:		
Expenses not deductible for tax purposes	17,226	710
Depreciation in excess of capital allowances	-	13,232
Marginal relief	-	(125)
Deferred tax	(13,165)	15,022
Other differences leading to an increase (decrease) in the tax charge	(1,079)	845,684
Prior year adjustment	<u>(112,689)</u>	<u>-</u>
Total tax (credit)/charge	<u>(45,066)</u>	<u>125,560</u>

A reduction in the corporation tax rate from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020 was substantively enacted on 18 November 2015 and 6 September 2016 respectively. Future tax liabilities will reduce accordingly and deferred tax has been provided at 17% in these financial statements.

**10. DIVIDENDS**

	2016 £	2015 £
Final	<u>5,000</u>	<u>-</u>

**11. TANGIBLE FIXED ASSETS**

	Freehold property £	Leasehold Improvements £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>					
At 1 January 2016	1,730,974	697,372	273,249	444,974	3,146,569
Additions	-	29,323	64,013	188,276	281,612
Disposals	-	(24,146)	(16,603)	(144,007)	(184,756)
Transfer to ownership	<u>(1,730,974)</u>	<u>-</u>	<u>-</u>	<u>493</u>	<u>(1,730,481)</u>
At 31 December 2016	<u>-</u>	<u>702,549</u>	<u>320,659</u>	<u>489,736</u>	<u>1,512,944</u>
<b>DEPRECIATION</b>					
At 1 January 2016	-	262,510	179,774	320,886	763,170
Charge for year	-	50,926	18,909	44,946	114,781
Eliminated on disposal	-	(24,146)	(16,603)	(144,007)	(184,756)
Transfer to ownership	<u>-</u>	<u>-</u>	<u>-</u>	<u>255</u>	<u>255</u>
At 31 December 2016	<u>-</u>	<u>289,290</u>	<u>182,080</u>	<u>222,080</u>	<u>693,450</u>
<b>NET BOOK VALUE</b>					
At 31 December 2016	<u>-</u>	<u>413,259</u>	<u>138,579</u>	<u>267,656</u>	<u>819,494</u>
At 31 December 2015	<u>1,730,974</u>	<u>434,862</u>	<u>93,475</u>	<u>124,088</u>	<u>2,383,399</u>

All fixed assets, are pledged as security for the company's bank overdraft and other loan.



**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2016**

**12. STOCKS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Vehicle stock	8,126,701	6,412,915
Parts stock	289,601	160,766
	<b>8,416,302</b>	<b>6,573,681</b>

Stock recognised in cost of sales during the year as an expense amounted to £76,475,685 (2015 : £64,691,127).

An impairment loss of £71,611 (2015 : £75,935) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

All stock is pledged as security for vehicle funding and group loans.

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,566,233	1,498,931
Amounts owed by group undertakings	1,889,906	-
Other debtors	687,806	857,461
Tax	31,901	-
Prepayments	289,294	290,338
	<b>4,465,140</b>	<b>2,646,730</b>

An impairment loss of £Nil (2015 : £Nil) was recognised against trade debtors.

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 15)	908,300	911,568
Trade creditors	8,341,263	7,185,253
Tax	-	110,538
Social security and other taxes	897,656	184,097
Other creditors	528,717	614,359
Other loans	1,000,000	1,000,000
Accruals	206,368	129,184
	<b>11,882,304</b>	<b>10,134,999</b>

Bank overdrafts and other loans are secured by a fixed and floating debenture over the assets of the company.

**15. LOANS**

An analysis of the maturity of loans is given below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:		
Bank overdrafts	<b>908,300</b>	<b>911,568</b>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2016**

**16. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016 £	2015 £
Within one year	691,000	582,000
Between one and five years	2,334,833	1,867,833
In more than five years	3,343,500	1,921,500
	<u>6,369,333</u>	<u>4,371,333</u>

**17. PROVISIONS FOR LIABILITIES**

	2016 £	2015 £
Deferred tax	<u>27,556</u>	<u>40,721</u>

	<b>Deferred tax £</b>
Balance at 1 January 2016	40,721
Provided during year	<u>(13,165)</u>
Balance at 31 December 2016	<u>27,556</u>

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2016 £	2015 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

**19. RESERVES**

**Retained earnings**

This reserve includes all current and prior period retained profits and losses less dividends paid.

**20. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £24,356 (2015 : £53,693). Contributions totalling £Nil (2015 : £Nil) were payable to the fund at the reporting date.

**21. RELATED PARTY DISCLOSURES**

During the year, total dividends of £5,000 were paid to the directors.

**22. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party during the year of review, and the previous year, was D J A Fulton by virtue of his 100% shareholding in the parent company, Sutton Park Holdings Limited.