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Shephall Way Service Station Limited

Annual report

30 June 2015

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Shephall Way Service Station Limited

Annual report

Year ended 30 June 2015

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Shephall Way Service Station Limited

Company information

The director

P K Brown

Company secretary

S Stracey

Registered office

Shephall Way Service Station
Shephall Way
Stevenage
Hertfordshire
SG2 9RW

Auditor

Moore Stephens Northern Home Counties Limited
Chartered Accountants and Statutory Auditor
First Floor
73-75 High Street
Stevenage
Hertfordshire
SG1 3HR

Bankers

Lloyds Bank plc
3-5 Town Square
Stevenage
Hertfordshire
SG1 1BG

Shephall Way Service Station Limited

Strategic report

Year ended 30 June 2015

Principal activity and Business Review

The principal activity of the group during the year was motor sales, service and maintenance.

I am pleased to report a profit for the year after taxation of £260,935; down from £329,455 in the 2014 year end.

New car volume increased in the year and a further increase is expected in the year ahead.

The increased workshop capacity within the group has allowed both a further improvement to customer service and satisfaction but also an increase in retail sales.

Going concern basis

The year saw an increase of 14.2% in retained reserves and based upon the forecast activity for the year ahead, I am confident that the group will be able to build upon its year end position and that the 2016 year end will produce both a profit and a positive cash flow. I am not aware of any significant issues which would materially affect the group's ability to continue as a going concern and the financial statements have accordingly been prepared on this basis.

Staff

The group has a good and committed team of employees and it is recognised that their training and development is of the utmost importance and we will be continuing further investment in this area.

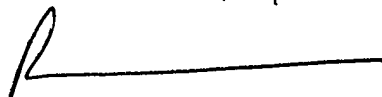
Principle risks and uncertainties

Principal risks applicable to the business are considered on a regular basis and the internal procedures and checks in place eliminate these as far as possible, however I am mindful of the risks associated with the fragility of the economic recovery.



Signed by order of the director
S Stracey
Company Secretary

Approved by the director on 3/2/2016



Shephall Way Service Station Limited

Director's report

Year ended 30 June 2015

The director presents his report and the audited financial statements of the group for the year ended 30 June 2015.

Results and dividends

The profit for the year, after taxation, amounted to £260,935. Particulars of dividends paid are detailed in note 9 to the financial statements.

Director

The director who served the company during the year was as follows:

P K Brown

Director's responsibilities

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 the group and of the profit or loss of the group for that year.

In preparing these financial statements, the director is 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 group will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic report

A separate strategic report has been prepared by the director and is included on page 2 of these financial statements.

Auditor

Part of the business of the former Chantrey Vellacott DFK LLP merged with Moore Stephens Northern Home Counties Limited during the year and now practises under that name. Moore Stephens Northern Home Counties Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The director at the date of approval of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the group's auditor is unaware; and
- he has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed by order of the director

S Stracey
Company Secretary



Approved by the director on 3.2.16



Shephall Way Service Station Limited

Independent auditor's report to the shareholders of Shephall Way Service Station Limited

Year ended 30 June 2015

We have audited the group and parent company financial statements ("the financial statements") of Shephall Way Service Station Limited for the year ended 30 June 2015 which comprise the profit and loss account, group balance sheet and company balance sheet, group cash flow and the related notes. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the director's responsibilities statement set out on page 3, the director is 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2015 and of the group's 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Moore Stephens Northern Home Counties Limited

MARK STEVENS (Senior Statutory Auditor)

for and on behalf of MOORE STEPHENS NORTHERN HOME COUNTIES LIMITED

Chartered Accountants and Statutory Auditor

Stevenage

11/2/2016

Shephall Way Service Station Limited

Profit and loss account

Year ended 30 June 2015

	Note	2015 £	2014 £
Group turnover	2	18,292,136	17,854,969
Cost of sales		<u>17,279,655</u>	<u>16,781,702</u>
Gross profit		1,012,481	1,073,267
Administrative expenses		<u>665,325</u>	<u>644,691</u>
Operating profit	3	347,156	428,576
Interest receivable and similar income		85	44
Interest payable and similar charges	6	<u>(11,061)</u>	<u>(12,499)</u>
Profit on ordinary activities before taxation		336,180	416,121
Tax on profit on ordinary activities	7	<u>75,245</u>	<u>86,666</u>
Profit for the financial year	8	<u>260,935</u>	<u>329,455</u>

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

The notes on pages 9 to 19 form part of these financial statements.

Shephall Way Service Station Limited

Group balance sheet

As at 30 June 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	10	<u>1,184,755</u>	<u>1,200,987</u>
Current assets			
Stocks	12	2,116,524	1,897,617
Debtors	13	429,392	863,211
Cash at bank and in hand	-	<u>614,415</u>	<u>213,315</u>
		<u>3,160,331</u>	<u>2,974,143</u>
Creditors: amounts falling due within one year	14	<u>2,176,766</u>	<u>2,183,718</u>
Net current assets		<u>983,565</u>	<u>790,425</u>
Total assets less current liabilities		<u>2,168,320</u>	<u>1,991,412</u>
Creditors: amounts falling due after more than one year	15	<u>196,076</u>	<u>265,642</u>
Provisions for liabilities			
Deferred taxation	16	<u>44,440</u>	<u>37,901</u>
		<u>1,927,804</u>	<u>1,687,869</u>
Capital and reserves			
Called up equity share capital	20	72,991	72,991
Profit and loss account	21	<u>1,854,813</u>	<u>1,614,878</u>
Shareholders' funds	22	<u>1,927,804</u>	<u>1,687,869</u>

These financial statements were approved and signed by the director and authorised for issue on 11/2/2016



P K Brown

The notes on pages 9 to 19 form part of these financial statements.

Shephall Way Service Station Limited

Balance sheet

As at 30 June 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	10	149,975	149,881
Investments	11	226,153	226,153
		<u>376,128</u>	<u>376,034</u>
Current assets			
Stocks	12	1,122,287	1,004,496
Debtors	13	223,336	335,646
Cash at bank and in hand		512,701	195,036
		<u>1,858,324</u>	<u>1,535,178</u>
Creditors: amounts falling due within one year	14	<u>1,511,252</u>	<u>1,233,902</u>
Net current assets		<u>347,072</u>	<u>301,276</u>
Total assets less current liabilities		<u>723,200</u>	<u>677,310</u>
Creditors: amounts falling due after more than one year	15	73,133	98,886
Provisions for liabilities			
Deferred taxation	16	13,636	8,945
		<u>636,431</u>	<u>569,479</u>
Capital and reserves			
Called up equity share capital	20	72,991	72,991
Profit and loss account	21	563,440	496,488
Shareholders' funds		<u>636,431</u>	<u>569,479</u>

These financial statements were approved and signed by the director and authorised for issue on 11/2/2016



P K Brown

Company Registration Number: 01522824

The notes on pages 9 to 19 form part of these financial statements.

Shephall Way Service Station Limited**Group cash flow****Year ended 30 June 2015**

	Note	2015 £	2014 £
Net cash inflow from operating activities	23	639,732	211,068
Returns on investments and servicing of finance	23	(10,976)	(12,455)
Taxation	23	(87,708)	(27,446)
Capital expenditure and financial investment	23	(42,870)	(136,559)
Equity dividends paid		(21,000)	(29,500)
Cash inflow before financing		477,178	5,108
Financing	23	(76,078)	(85,556)
Increase/(decrease) in cash	23	401,100	(80,448)

The notes on pages 9 to 19 form part of these financial statements.

Shephall Way Service Station Limited

Notes to the financial statements

Year ended 30 June 2015

1. Accounting policies

Basis of accounting

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	-	Straight line over 50 years
Leasehold property	-	Straight line over the life of the lease
Plant and machinery	-	15% reducing balance
Fixtures, fittings and equipment	-	20% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

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

Shephall Way Service Station Limited

Notes to the financial statements

Year ended 30 June 2015

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2015 £	2014 £
United Kingdom	<u>18,292,136</u>	<u>17,854,969</u>

3. Operating profit

Operating profit is stated after charging/(crediting):

	2015 £	2014 £
Depreciation of owned fixed assets	69,157	63,153
(Profit)/Loss on disposal of fixed assets	(10,055)	1,753
Auditor's remuneration		
- as auditor	14,268	14,220
Operating lease costs:		
- Other	<u>72,500</u>	<u>62,000</u>

4. Particulars of employees

The average number of staff, including executive directors, employed by the group during the financial year can be analysed as follows:

	2015 No	2014 No
Administrative and management	6	6
Workshop and sales	<u>34</u>	<u>35</u>
	<u>40</u>	<u>41</u>

The aggregate payroll costs of the above were:

	2015 £	2014 £
Wages and salaries	913,383	914,723
Social security costs	86,941	77,512
Other pension costs	6,719	6,733
	<u>1,007,043</u>	<u>998,968</u>

Shephall Way Service Station Limited

Notes to the financial statements

Year ended 30 June 2015

5. Director's remuneration

The director's aggregate remuneration in respect of qualifying services were:

	2015 £	2014 £
Remuneration receivable	43,950	35,791
Value of company pension contributions to money purchase schemes	6,000	6,000
	<u>49,950</u>	<u>41,791</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2015 No	2014 No
Money purchase schemes	<u>1</u>	<u>1</u>

6. Interest payable and similar charges

	2015 £	2014 £
Other similar charges payable	<u>11,061</u>	<u>12,499</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2015 £	2014 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	68,787	87,789
(Over)/under provision in prior year	(81)	(3,523)
Total current tax	<u>68,706</u>	<u>84,266</u>
Deferred tax:		
Origination and reversal of timing differences	<u>6,539</u>	<u>2,400</u>
Tax on profit on ordinary activities	<u>75,245</u>	<u>86,666</u>

Shephall Way Service Station Limited

Notes to the financial statements

Year ended 30 June 2015

7. Taxation on ordinary activities (*continued*)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is at a higher rate than the standard rate of corporation tax in the UK of 20% (2014 - 22.50%).

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>336,180</u>	<u>416,121</u>
Profit on ordinary activities multiplied by rate of tax	67,236	93,634
Capital allowances for period in excess of depreciation	816	908
Tax chargeable at higher/(lower) rates	735	(6,753)
Adjustments to tax charge in respect of previous periods	<u>(81)</u>	<u>(3,523)</u>
Total current tax (note 7(a))	<u>68,706</u>	<u>84,266</u>

8. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £87,952 (2014 - £104,507).

9. Dividends

Equity dividends

	2015 £	2014 £
Paid		
Equity dividends on ordinary shares	<u>21,000</u>	<u>29,500</u>

Shephall Way Service Station Limited

Notes to the financial statements

Year ended 30 June 2015

10. Tangible fixed assets

Group	Freehold property £	Leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 July 2014	1,110,706	299,079	233,326	121,442	1,764,553
Additions	—	2,735	23,791	30,181	56,707
Disposals	—	—	(11,263)	(12,501)	(23,764)
At 30 June 2015	1,110,706	301,814	245,854	139,122	1,797,496
Depreciation					
At 1 July 2014	130,082	199,572	152,694	81,218	563,566
Charge for the year	18,967	20,448	15,666	14,076	69,157
On disposals	—	—	(10,766)	(9,216)	(19,982)
At 30 June 2015	149,049	220,020	157,594	86,078	612,741
Net book value					
At 30 June 2015	961,657	81,794	88,260	53,044	1,184,755
At 30 June 2014	980,624	99,507	80,632	40,224	1,200,987

Company	Leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 July 2014	299,079	146,949	78,436	524,464
Additions	2,735	16,484	20,181	39,400
Disposals	—	(11,264)	(12,500)	(23,764)
At 30 June 2015	301,814	152,169	86,117	540,100
Depreciation				
At 1 July 2014	199,572	116,866	58,145	374,583
Charge for the year	20,448	6,987	8,089	35,524
On disposals	—	(10,767)	(9,215)	(19,982)
At 30 June 2015	220,020	113,086	57,019	390,125
Net book value				
At 30 June 2015	81,794	39,083	29,098	149,975
At 30 June 2014	99,507	30,083	20,291	149,881

Shephall Way Service Station Limited

Notes to the financial statements

Year ended 30 June 2015

11. Investments

Company	Group companies £
Cost	
At 1 July 2014 and 30 June 2015	<u>226,153</u>
Net book value	
At 30 June 2015 and 30 June 2014	<u>226,153</u>

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
All held by the company: Safeway Cars Limited				
	England	Ordinary shares	100%	Motor vehicle sales, service and maintenance

12. Stocks

	2015 £	Group 2014 £	2015 £	Company 2014 £
Finished goods	<u>2,116,524</u>	<u>1,897,617</u>	<u>1,122,287</u>	<u>1,004,496</u>

13. Debtors

	2015 £	Group 2014 £	2015 £	Company 2014 £
Trade debtors	304,751	696,003	142,104	233,472
Director's current account	—	7,000	—	7,000
Prepayments and accrued income	<u>124,641</u>	<u>160,208</u>	<u>81,232</u>	<u>95,174</u>
	<u>429,392</u>	<u>863,211</u>	<u>223,336</u>	<u>335,646</u>

Shephall Way Service Station Limited

Notes to the financial statements

Year ended 30 June 2015

14. Creditors: amounts falling due within one year

	2015	Group 2014	2015	Company 2014
	£	£	£	£
Bank loans	69,568	76,080	25,770	33,890
Trade creditors	1,848,925	1,813,208	895,912	883,114
Amounts owed to group undertakings	—	—	489,704	188,600
Corporation tax	68,788	87,790	22,409	30,710
Other taxation and social security	79,729	127,142	52,655	66,819
Other creditors	253	2,550	253	2,550
Accruals and deferred income	109,503	76,948	24,549	28,219
	<u>2,176,766</u>	<u>2,183,718</u>	<u>1,511,252</u>	<u>1,233,902</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2015	Group 2014	2015	Company 2014
	£	£	£	£
Bank loans	<u>69,568</u>	<u>76,080</u>	<u>25,770</u>	<u>33,890</u>

The bank loans are secured by an unlimited debenture incorporating a fixed and floating charge over the assets of the company and a letter of set off.

15. Creditors: amounts falling due after more than one year

	2015	Group 2014	2015	Company 2014
	£	£	£	£
Bank loans and overdrafts	<u>196,076</u>	<u>265,642</u>	<u>73,133</u>	<u>98,886</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2015	Group 2014	2015	Company 2014
	£	£	£	£
Bank loans and overdrafts	<u>196,076</u>	<u>265,642</u>	<u>73,134</u>	<u>98,886</u>

The bank loans are secured by an unlimited debenture incorporating a fixed and floating charge over the assets of the company and a letter of set off.

16. Deferred taxation

The movement in the deferred taxation provision during the year was:

	Group 2015	2014	Company 2015	2014
	£	£	£	£
Provision brought forward	37,901	35,501	8,945	8,431
Increase in provision	6,539	2,400	4,691	514
Provision carried forward	<u>44,440</u>	<u>37,901</u>	<u>13,636</u>	<u>8,945</u>

Shephall Way Service Station Limited

Notes to the financial statements

Year ended 30 June 2015

16. Deferred taxation (*continued*)

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2015		2014	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	<u>44,440</u>	<u>-</u>	<u>37,901</u>	<u>-</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Company	2015		2014	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	<u>13,636</u>	<u>-</u>	<u>8,945</u>	<u>-</u>

17. Commitments under operating leases

At 30 June 2015 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Land and buildings	
	2015 £	2014 £
Operating leases which expire:		
Within 2 to 5 years	66,500	-
After more than 5 years	-	66,500
	<u>66,500</u>	<u>66,500</u>

At 30 June 2015 the company had annual commitments under non-cancellable operating leases as set out below.

Company	Land and buildings	
	2015 £	2014 £
Operating leases which expire:		
Within 2 to 5 years	66,500	-
After more than 5 years	-	66,500
	<u>66,500</u>	<u>66,500</u>

18. Transactions with the director

The director, P K Brown, repaid an interest-free loan of £7,000 during the year.

Dividends totalling £21,000 were paid to the director and members of his immediate family during the year.

Shephall Way Service Station Limited

Notes to the financial statements

Year ended 30 June 2015

19. Related party transactions

The company was under the control of P K Brown throughout the current and previous year. P K Brown is the managing director and majority shareholder.

Safeway Cars Limited is a 100% subsidiary and is included in the consolidated accounts of the company. The company has taken advantage of the exemption available in FRS 8 from disclosing transactions with Safeway Cars Limited.

20. Share capital

Allotted, called up and fully paid:

	2015 No	£	2014 No	£
Ordinary shares of £1 each	<u>72,991</u>	<u>72,991</u>	<u>72,991</u>	<u>72,991</u>

21. Reserves

Group	Profit and loss account £
Balance brought forward	1,614,878
Profit for the year	260,935
Equity dividends	<u>(21,000)</u>
Balance carried forward	<u>1,854,813</u>
Company	Profit and loss account £
Balance brought forward	496,488
Profit for the year	87,952
Equity dividends	<u>(21,000)</u>
Balance carried forward	<u>563,440</u>

22. Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year	260,935	329,455
Purchase of own ordinary shares	—	(27,009)
Premium on purchase of own ordinary shares	—	(132,991)
Equity dividends	<u>(21,000)</u>	<u>(29,500)</u>
Net addition to shareholders' funds	<u>239,935</u>	<u>139,955</u>
Opening shareholders' funds	<u>1,687,869</u>	<u>1,547,914</u>
Closing shareholders' funds	<u>1,927,804</u>	<u>1,687,869</u>

Shephall Way Service Station Limited

Notes to the financial statements

Year ended 30 June 2015

23. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2015	2014
	£	£
Operating profit	347,156	428,576
Depreciation	69,157	63,153
(Profit)/Loss on disposal of fixed assets	(10,055)	1,753
Increase in stocks	(218,907)	(112,856)
Decrease/(increase) in debtors	433,819	(411,969)
Increase in creditors	18,562	242,411
Net cash inflow from operating activities	<u>639,732</u>	<u>211,068</u>

Returns on investments and servicing of finance

	2015	2014
	£	£
Interest received	85	44
Interest paid	(11,061)	(12,499)
Net cash outflow from returns on investments and servicing of finance	<u>(10,976)</u>	<u>(12,455)</u>

Taxation

	2015	2014
	£	£
Taxation	<u>(87,708)</u>	<u>(27,446)</u>

Capital expenditure

	2015	2014
	£	£
Payments to acquire tangible fixed assets	(56,707)	(136,559)
Receipts from sale of fixed assets	13,837	—
Net cash outflow from capital expenditure	<u>(42,870)</u>	<u>(136,559)</u>

Financing

	2015	2014
	£	£
Purchase of own equity shares	—	(27,009)
Premium on purchase of own equity shares	—	(132,991)
(Repayment of)/increase in bank loans	(76,078)	74,444
Net cash outflow from financing	<u>(76,078)</u>	<u>(85,556)</u>

Shephall Way Service Station Limited

Notes to the financial statements

Year ended 30 June 2015

23. Notes to the cash flow statement (*continued*)

Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Increase/(decrease) in cash in the period	401,100	(80,448)
Net cash outflow from/(inflow) from bank loans	76,078	(74,444)
	<u>477,178</u>	<u>(154,892)</u>
Change in net funds	477,178	(154,892)
Net debt at 1 July 2014	(128,407)	26,485
Net funds at 30 June 2015	<u>348,771</u>	<u>(128,407)</u>

Analysis of changes in net funds

	At 1 Jul 2014 £	Cash flows £	At 30 Jun 2015 £
Net cash:			
Cash in hand and at bank	<u>213,315</u>	<u>401,100</u>	<u>614,415</u>
Debt:			
Debt due within 1 year	(76,080)	6,512	(69,568)
Debt due after 1 year	<u>(265,642)</u>	<u>69,566</u>	<u>(196,076)</u>
	<u>(341,722)</u>	<u>76,078</u>	<u>(265,644)</u>
Net funds	<u>(128,407)</u>	<u>477,178</u>	<u>348,771</u>