

Company Registration No. 06889152 (England and Wales)

**BRIDGECUT MOTORS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**  
**PAGES FOR FILING WITH REGISTRAR**

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# BRIDGECUT MOTORS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R D Garlick E S Garlick
<b>Company number</b>	06889152
<b>Registered office</b>	The Sandpits Acacia Road Bournville Birmingham B30 2AH
<b>Accountants</b>	Spencer Gardner Dickins Limited 3 Coventry Innovation Village Cheetah Road Coventry CV1 2TL

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# BRIDGECUT MOTORS LIMITED

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# BRIDGECUT MOTORS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Goodwill	3		-		31,698
Tangible assets	4		4,132		4,702
			<u>4,132</u>		<u>36,400</u>
<b>Current assets</b>					
Stocks		5,595		6,675	
Debtors	5	5,744		14,919	
Cash at bank and in hand		40		1,280	
		<u>11,379</u>		<u>22,874</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(152,229)</u>		<u>(149,819)</u>	
<b>Net current liabilities</b>			<u>(140,850)</u>		<u>(126,945)</u>
<b>Total assets less current liabilities</b>			<u>(136,718)</u>		<u>(90,545)</u>
<b>Capital and reserves</b>					
Called up share capital	7		10		10
Profit and loss reserves			<u>(136,728)</u>		<u>(90,555)</u>
<b>Total equity</b>			<u>(136,718)</u>		<u>(90,545)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.


For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 17.8.17 and are signed on its behalf by:



R D Garlick  
Director

Company Registration No. 06889152

# **BRIDGECUT MOTORS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

#### **Company information**

Bridgecut Motors Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Sandpits, Acacia Road, Bournville, Birmingham, B30 2AH.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Bridgecut Motors Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Bridgecut Motors Limited is a wholly owned subsidiary of Garlick's Limited and the results of both companies are available from the registered office.

#### **1.2 Going concern**

The financial statements have been prepared on a going concern basis as the directors have confirmed that sufficient funds are available to enable the company to continue to trade and that they and the parent company will continue to support the company and will not request repayment of their loans until the financial circumstances of the company permit.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

#### **1.4 Intangible fixed assets - goodwill**

Acquired goodwill was being written off in equal annual instalments over its original estimated useful economic life of 15 years. Following an impairment review by the directors at 31 December 2016, they consider that goodwill has no value and the resulting impairment loss has been recognised in the profit and loss account.

#### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# BRIDGECUT MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	10% straight line
Fixtures, fittings and equipment	25% straight line
Computer equipment	25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# BRIDGECUT MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

# BRIDGECUT MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### 1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2015 - 4).

### 3 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2016 and 31 December 2016	52,832
<b>Amortisation and impairment</b>	
At 1 January 2016	21,134
Impairment losses	31,698
At 31 December 2016	52,832
<b>Carrying amount</b>	
At 31 December 2016	-
At 31 December 2015	31,698

More information on the impairment arising in the year is given in note .



# BRIDGECUT MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 4 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 January 2016	38,483
Additions	370
At 31 December 2016	38,853
<b>Depreciation and impairment</b>	
At 1 January 2016	33,781
Depreciation charged in the year	940
At 31 December 2016	34,721
<b>Carrying amount</b>	
At 31 December 2016	4,132
At 31 December 2015	4,702

### 5 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,595	9,789
Other debtors	3,149	5,130
	5,744	14,919

### 6 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	10,319	26,924
Amounts due to group undertakings	89,319	62,833
Other taxation and social security	1,955	320
Other creditors	50,636	59,742
	152,229	149,819

# BRIDGECUT MOTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 7 Called up share capital

	2016 £	2015 £
Ordinary share capital Issued and fully paid 10 Ordinary shares of £1 each	10	10
	<u>10</u>	<u>10</u>

### 8 Operating lease commitments

#### Lessee

At 31 December 2016 the company had total operating lease commitments of £63,730 (2015 : £93,359).

### 9 Related party transactions

#### Transactions with related parties

The following amounts were outstanding at the reporting end date:

	2016 £	2015 £
Amounts owed to related parties		
Key management personnel	45,174	50,943
	<u>45,174</u>	<u>50,943</u>

Amounts owed to key management personnel relate to an interest free loan from the directors.