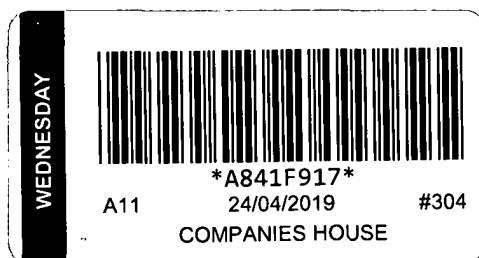


REGISTERED NUMBER: 00494479 (England and Wales)

Financial Statements for the Year Ended 31 December 2018

for

Burns' Garages, Limited



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

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for the Year Ended 31 December 2018

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Burns' Garages,Limited

Company Information
for the Year Ended 31 December 2018

DIRECTORS: R I Burns
R E Burns

REGISTERED OFFICE: Canal Street
Congleton
Cheshire
CW12 3AA

REGISTERED NUMBER: 00494479 (England and Wales)

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

BANKERS: National Westminster Bank PLC
Congleton Branch
46 High Street
Congleton
Cheshire
CW12 1BE

Strategic Report
for the Year Ended 31 December 2018

The Board are satisfied with the overall financial outcome for 2018.

REVIEW OF BUSINESS

The Board instigated changes in strategy from the start of the year, due to numerous, major socio-economic and political uncertainties of 2018; factors including a shrinking new vehicle market, ongoing negative consumer reaction to diesel powered vehicles, new Worldwide Harmonised Light Vehicle Test, and the ongoing BREXIT negotiations, impacted the whole UK Motor Industry.

The industry witnessed another year of decreased new vehicle registrations, from 2.7 million during 2016, 2.54 million in 2017, to 2.37 in 2018. However, the best selling new vehicle in the UK was the Ford Fiesta, which out sold its nearest competitor by 48%. The Board were pleased that our new vehicle volumes remained consistent with the prior year, outperforming the marketplace. Moreover, as a result of a strategic change, the retained profit from each new vehicle sale increased by 19%.

The demand for quality used vehicles remains buoyant. The Board were satisfied that our unit sales remained consistent with 2017, but with improved profitability. Residual values remain high, which reduces the risk of incurring losses from ageing stock. The acquisition of suitable replacement stock remains a challenge.

Aftersales departments have outperformed 2017. Our teams have become more efficient, enabling them to increase throughput, and profitability, whilst delivering unsurpassed customer satisfaction and value for money for the motorists of Cheshire and beyond.

Overheads and expenses within all departments are an ongoing area of focus. The management team are constantly negotiating with current and new suppliers to ensure our prices remain competitive and our customers continue to receive value for money.

Customer Satisfaction indexes remain a key measurable to the Board, the team and the industry as a whole. Our Customer Viewpoint (CVP) score remains industry leading; new car sales 95.1% (2017: 95.1%), and Aftersales 87.5% (2017: 87.4%). We continuously monitor our performance and processes, both internally and externally, ensuring we remain ahead of our competitors.

2018 was our Centenary Year. We celebrated 100 years in business with our customers at various events during the year, including an Evening with Sir Ranulph Fiennes and a spectacular Ford Model T Rally.

The Board are now looking to the challenges of 2019 and beyond.

The Board are of the opinion that the company is in a robust position to progress into 2019 and into the next decade.

Financially, we benefit from a strong net asset position of £2.8m (2017: £2.7m), with adequate working capital of £1.3m (2017: £1.3m), without the need of external finance and its associated costs. We believe that our core value of excellence in customer service and providing the motorists of Cheshire, and beyond, excellent value for money, and provide us with a competitive advantage. We believe the company structure is agile and can therefore easily adapt to market conditions, customer behaviours, changing political landscapes or trading boundaries, with relative ease.

Strategic Report
for the Year Ended 31 December 2018

FINANCIAL KEY PERFORMANCE INDICATORS

The business produces internal monthly management information including key performance indicators, which are benchmarked against well performing, similar, businesses within the sector. These are scrutinised monthly, by the Board, who will rapidly implement changes within the business to improve performance.

Overhead absorption continues to cause concern for the Board. Throughout the year this indicator has, stubbornly, fluctuated around 50% (2017: 50%), due to ever increasing burdens associated with compliance and establishment costs. The Board will further examine current practices, and endeavour to implement processes and behaviours within our established team, to increase the absorption, whilst protecting the current high standards of customer satisfaction.

NON FINANCIAL KEY PERFORMANCE INDICATORS

As stated within the Review of Business, our Customer Viewpoint scores are a key indicator both internally and externally to the business. For the year ended 31 December 2018 the new car sales department scored 95.1% (2017: 95.1%) and Aftersales 87.5% (2017: 87.4%) using Ford's scoring methodology.

The company's people are considered a major asset to the business. Without our dedicated team all endeavouring to achieve our core values, the business would suffer in the long term. Staff turnover was 24% in 2018 (2017: 20%). The majority of turnover was within the more transient areas of the business, such as vehicle cleaning. A solid, core of people have worked for the business for numerous years. The Board are advocates of internal promotion wherever possible.

ON BEHALF OF THE BOARD:



.....
R E Burns - Director

Date: 15/4/19.....

Burns' Garages, Limited (Registered number: 00494479)

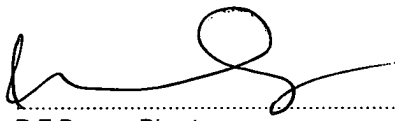
Statement of Financial Position
31 December 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	4	1,460,406	1,475,393
CURRENT ASSETS			
Stocks		2,228,624	1,951,127
Debtors	5	240,861	500,720
Investments	6	67	67
Cash at bank and in hand		829,840	589,003
		3,299,392	3,040,917
CREDITORS			
Amounts falling due within one year	7	(1,950,256)	(1,748,282)
NET CURRENT ASSETS		1,349,136	1,292,635
TOTAL ASSETS LESS CURRENT LIABILITIES		2,809,542	2,768,028
PROVISIONS FOR LIABILITIES		(20,992)	(23,006)
NET ASSETS		2,788,550	2,745,022
CAPITAL AND RESERVES			
Called up share capital		5,267	5,267
Capital redemption reserve		933	933
Fair value reserve	8	542,387	542,387
Retained earnings		2,239,963	2,196,435
SHAREHOLDERS' FUNDS		2,788,550	2,745,022

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 15/4/19 and were signed on its behalf by:


.....
R E Burns - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2018

1. STATUTORY INFORMATION

Burns' Garages, Limited is a private company, limited by shares, registered in England and Wales. The company's registered office and principal place of business is Canal Street, Congleton, Cheshire, CW12 3AA.

The presentation currency of the financial statements is Pound Sterling (£).

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of 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.

Significant judgements and estimates

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the reporting 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 (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Consignment stock

Vehicles held on consignment have been included in 'vehicle stocks' within 'stocks' on the basis that the company has determined that it holds the significant risks and rewards attached to these vehicles.

Vehicle stock valuation

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including Glass' and CAP valuation guides. The directors maintain oversight of ageing stock profiles and a monthly review of any provision required is performed.

Property, plant and equipment assets

Property, plant and equipment are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows.

Incentives and other rebates from brand partner

The company receives income in the form of various incentives which are determined by the brand partner. The amount received 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 or when it is reasonably certain that 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 incentive will be received for the relevant period.

Turnover

Turnover from the sale of goods is recognised in the Income Statement, net of discounts and value added tax, when the significant risks and rewards of ownership have been transferred to the buyer. In general this occurs when vehicles or parts have been supplied or when a service has been completed.

Commission income is accounted for on a receivable basis.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

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.

Freehold property	- Not provided
Plant and machinery	- 15% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 25% on cost

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

Freehold property

Although the Companies Act requires all assets to be depreciated, in the directors opinion, this would result in an inappropriate carrying value being stated in the accounts. The market value of the properties is at least equal to their residual value, hence no depreciation has been provided in the Financial Statements.

Stocks

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

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 Income Statement.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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.

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 the income statement in the period to which they relate.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

2. ACCOUNTING POLICIES - continued

Finance costs

Finance costs are charged to the Income Statement on an accruals basis.

Interest income

Interest income is recognised in the Income Statement on a receivable basis.

Dividend

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

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 41 (2017 - 41).

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2018	1,416,340	810,697	2,227,037
Additions	-	13,877	13,877
At 31 December 2018	<u>1,416,340</u>	<u>824,574</u>	<u>2,240,914</u>
DEPRECIATION			
At 1 January 2018	619	751,025	751,644
Charge for year	2,475	26,389	28,864
At 31 December 2018	<u>3,094</u>	<u>777,414</u>	<u>780,508</u>
NET BOOK VALUE			
At 31 December 2018	<u>1,413,246</u>	<u>47,160</u>	<u>1,460,406</u>
At 31 December 2017	<u>1,415,721</u>	<u>59,672</u>	<u>1,475,393</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	99,230	133,535
Other debtors	141,631	367,185
	<u>240,861</u>	<u>500,720</u>

6. CURRENT ASSET INVESTMENTS

	2018 £	2017 £
Unlisted investments	67	67

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	1,699,437	1,533,896
Taxation and social security	72,196	41,695
Other creditors	178,623	172,691
	<u>1,950,256</u>	<u>1,748,282</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

8. RESERVES

At 1 January 2018
and 31 December 2018

**Fair
value
reserve
£**

542,387

9. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Robert Jones BA FCA (Senior Statutory Auditor)
for and on behalf of ASE Audit LLP

10. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

As at the year end an amount of £20,000 (2017: £50,000) was owed to the company by a director.

11. RELATED PARTY DISCLOSURES

At the year end an amount of £10,643 (2017: Debtor £1,110) was owed to The Burns Garages Pension Fund.

Contained within other debtors is an amount owed from Congleton Vehicle Contracts Limited amounting to £16,576 (2017: £36,277). During the year Burns Garages Limited sold goods amounting to £nil (2017: £22,946) to Congleton Vehicle Contracts Limited, and purchased goods amounting to £15,265 (2017: £23,487) from Congleton Vehicle Contracts.

RI Burns and RE Burns are directors of Congleton Vehicle Contracts Limited.

12. ULTIMATE CONTROLLING PARTY

The company was controlled throughout the year by RI Burns who owns 55.4% (2017: 55.4%) of the issued share capital within the company.