

REGISTERED NUMBER: 00834905

Financial Statements for the Year Ended 31 January 2019

for

J.C.Sharpe Limited



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

J.C.Sharpe Limited (Registered number: 00834905)

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for the Year Ended 31 January 2019

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J.C.Sharpe Limited

Company Information
for the Year Ended 31 January 2019

DIRECTOR: Mrs L Sharpe

SECRETARY: Mrs L Sharpe

REGISTERED OFFICE: 11 Blundells Road
Tiverton
Devon
EX16 4DB

REGISTERED NUMBER: 00834905

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

J.C.Sharpe Limited (Registered number: 00834905)

Statement of Financial Position
31 January 2019

| | Notes | 2019 £ | 2018 £ |
|--|-------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Tangible assets | 4 | 290,626 | 294,840 |
| CURRENT ASSETS | | | |
| Stocks | 5 | 905,119 | 1,138,206 |
| Debtors | 6 | 155,086 | 144,197 |
| Cash at bank and in hand | | 20,135 | 109,791 |
| | | <u>1,080,340</u> | <u>1,392,194</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 7 | (971,568) | (1,259,112) |
| NET CURRENT ASSETS | | <u>108,772</u> | <u>133,082</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>399,398</u> | <u>427,922</u> |
| PROVISIONS FOR LIABILITIES | | <u>(12,945)</u> | <u>(14,055)</u> |
| NET ASSETS | | <u><u>386,453</u></u> | <u><u>413,867</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 10 | 2,000 | 2,000 |
| Retained earnings | | 384,453 | 411,867 |
| SHAREHOLDERS' FUNDS | | <u><u>386,453</u></u> | <u><u>413,867</u></u> |

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

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

The financial statements were approved by the director on 30 10 19 and were signed by:

L Sharpe.
Mrs L Sharpe - Director

Notes to the Financial Statements
for the Year Ended 31 January 2019

1. STATUTORY INFORMATION

J. C. Sharpe Limited is a private company, limited by shares, registered in England & Wales. The address of the company's registered office and its principal place of business is 11 Blundells Road, Tiverton, Devon, EX16 4DB.

The company's registered number is 00834905.

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

The principal activity of the company is that of a motor dealer and related services.

2. ACCOUNTING POLICIES

Basis of preparing the 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" including the provisions of Section 1A "Small Entities" 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 financial accounting policies.

The following principal accounting policies have been applied:

Significant judgements and estimates

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 balance sheet 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 stock' within 'stocks' on the basis that the company has determined that it holds the significant risks and rewards attached to these vehicles.

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 director maintains 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 partners

The company receives income in the form of various incentives which are determined by its 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.

The company may also receive contributions towards advertising, promotional and rent expenditure. Where such contributions are received they are recognised as a reduction in the related expenditure in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 January 2019

2. ACCOUNTING POLICIES - continued

Turnover

Turnover from the sale of goods is recognised in the Statement of Income and Retained Earnings, 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.

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 | - 25% on reducing balance |
| Fixtures and fittings | - 10% on cost |
| Computer equipment | - 33% on cost |

Although the Companies Act 2006 requires all assets to be depreciated, in the directors opinion, this would result in an inappropriate carrying value of freehold property being stated in the financial statements. The directors consider that the carrying value of the properties is at least equal to the residual value, hence no depreciation has been provided in the financial statements.

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

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, stocks are assessed for impairment. If stock 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 Income and Retained Earnings.

Consignment vehicles that are regarded effectively as being under the control of the company, are included within stock on the balance sheet, although legal title has not passed to the company. The corresponding liability is included in trade creditors and is secured directly on those vehicles.

Financial instruments

The company only has basic financial instruments, which are recognised at amortised cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised 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 plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Notes to the Financial Statements - continued
for the Year Ended 31 January 2019

2. ACCOUNTING POLICIES - continued

Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

Dividends

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

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 24 (2018 - 23).

4. TANGIBLE FIXED ASSETS

| | Land and buildings £ | Plant and machinery etc £ | Totals £ |
|-----------------------|-------------------------------------|--|---------------------|
| COST | | | |
| At 1 February 2018 | 281,551 | 117,766 | 399,317 |
| Additions | - | 9,291 | 9,291 |
| At 31 January 2019 | 281,551 | 127,057 | 408,608 |
| DEPRECIATION | | | |
| At 1 February 2018 | 43,458 | 61,019 | 104,477 |
| Charge for year | - | 13,505 | 13,505 |
| At 31 January 2019 | 43,458 | 74,524 | 117,982 |
| NET BOOK VALUE | | | |
| At 31 January 2019 | 238,093 | 52,533 | 290,626 |
| At 31 January 2018 | 238,093 | 56,747 | 294,840 |

5. STOCKS

| | 2019 £ | 2018 £ |
|-----------------------|-------------------|-------------------|
| Vehicle stock | 833,795 | 1,058,680 |
| Parts and accessories | 71,324 | 79,526 |
| | 905,119 | 1,138,206 |

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 £ | 2018 £ |
|---------------|-------------------|-------------------|
| Trade debtors | 126,911 | 108,071 |
| Other debtors | 28,175 | 36,126 |
| | 155,086 | 144,197 |

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 £ | 2018 £ |
|------------------------------|-------------------|-------------------|
| Trade creditors | 815,276 | 1,154,057 |
| Taxation and social security | 61,743 | 8,908 |
| Other creditors | 94,549 | 96,147 |
| | 971,568 | 1,259,112 |

Notes to the Financial Statements - continued
for the Year Ended 31 January 2019

8. LEASING AGREEMENTS

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

| | 2019 | 2018 |
|----------------------------|----------------|----------|
| | £ | £ |
| Within one year | 51,938 | - |
| Between one and five years | 73,746 | - |
| | <u>125,684</u> | <u>-</u> |

9. SECURED DEBTS

Included within trade creditors is vehicle funding amounting to £651,993 (2018: £1,022,829). The liability is secured against the vehicles to which it relates.

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2019 | 2018 |
|---------|----------|----------------|--------------|--------------|
| | | | £ | £ |
| 2,000 | Ordinary | £1 | <u>2,000</u> | <u>2,000</u> |

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

The Report of the Auditors was unqualified.

Paul Allan Byrne BA (Double Hons) FCA (Senior Statutory Auditor)
for and on behalf of ASE Audit LLP

12. 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 £19,037 (2018: £50,002). At the Statement of Financial Position, the amount contributed to the fund amounted to £2,176 (2018: £Nil).

13. RELATED PARTY DISCLOSURES

At the Statement of Financial Position date, the company owed the director £71,863 (2018: £79,263).