

BRECON MOTORS (DISTRIBUTORS) LIMITED
ANNUAL REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

W J James & Co
Chartered Accountants
Bishop House
10 Wheat Street
Brecon
Powys
LD3 7DG



BRECON MOTORS (DISTRIBUTORS) LIMITED

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BRECON MOTORS (DISTRIBUTORS) LIMITED

COMPANY INFORMATION

Directors Mr J L Williams

Registered office Bishop House
10 Wheat Street
Brecon
Powys
LD3 7DG

Bankers HSBC Bank plc
5 High Street
Brecon
Powys
LD3 7AH

Accountants W J James & Co
Chartered Accountants
Bishop House
10 Wheat Street
Brecon
Powys
LD3 7DG

BRECON MOTORS (DISTRIBUTORS) LIMITED

(REGISTRATION NUMBER: 01335620)

BALANCE SHEET AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	497,436	467,528
Investment property	5	<u>4,064,605</u>	<u>4,059,690</u>
		4,562,041	4,527,218
Current assets			
Stocks		163,255	109,681
Debtors	6	57,305	9,336
Cash at bank and in hand		<u>278,158</u>	<u>304,222</u>
		498,718	423,239
Creditors: Amounts falling due within one year	7	<u>(656,043)</u>	<u>(617,673)</u>
Net current liabilities		<u>(157,325)</u>	<u>(194,434)</u>
Total assets less current liabilities		4,404,716	4,332,784
Creditors: Amounts falling due after more than one year	7	(131,642)	(168,266)
Provisions for liabilities		<u>(80,070)</u>	<u>(79,474)</u>
Net assets		<u>4,193,004</u>	<u>4,085,044</u>
Capital and reserves			
Called up share capital		6,000	6,000
Share premium reserve		25,000	25,000
Fair value reserve		1,389,257	1,389,257
Profit and loss account		<u>2,772,747</u>	<u>2,664,787</u>
Total equity		<u>4,193,004</u>	<u>4,085,044</u>

For the financial year ending 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 4 to 9 form an integral part of these financial statements.

BRECON MOTORS (DISTRIBUTORS) LIMITED

(REGISTRATION NUMBER: 01335620)

**BALANCE SHEET
AS AT 31 DECEMBER 2018**

The profit and loss account and directors' report have not been delivered to the Registrar of Companies in accordance with the special provisions applicable to companies subject to the small companies regime.

Approved and authorised by the director on 13 May 2019


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Mr J L Williams
Director

BRECON MOTORS (DISTRIBUTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 General information

The company is incorporated in England and Wales within the United Kingdom.

The address of its registered office is:

Bishop House
10 Wheat Street
Brecon
Powys
LD3 7DG
United Kingdom

The principal place of business is:

Rich Way
The Watton
Brecon
Powys
LD3 7EH

These financial statements were authorised for issue by the director on 13 May 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in sterling, which is the functional currency of the company, and rounded to the nearest £1.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services to customers, and the receipt of rental income from tenants.

Trading revenue is recognised when a vehicle that has been sold, serviced or repaired is accepted by the customer, and rental income is recognised in accordance with the daily amounts receivable in accordance with the leases.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the UK, which is where the company operates and generates taxable income.

BRECON MOTORS (DISTRIBUTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and equipment	4% and 15% on cost
Freehold property	1% on cost
Motor vehicles	25% on cost or 25% on reducing balance

Investment property

Investment property is included at fair value. Gains are recognised in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

Trade debtors

Trade debtors are amounts due from customers for vehicles sold, services performed or rent receivable in the ordinary course of business.

Trade debtors are recognised at the transaction price.

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated selling costs.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities

Trade creditors are recognised at the transaction price.

BRECON MOTORS (DISTRIBUTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash received .

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 6 (2017 - 5).

BRECON MOTORS (DISTRIBUTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

4 Tangible assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2018	458,405	140,761	5,497	604,663
Additions	-	40,546	-	40,546
At 31 December 2018	458,405	181,307	5,497	645,209
Depreciation				
At 1 January 2018	37,233	95,044	4,858	137,135
Charge for the year	2,285	8,279	74	10,638
At 31 December 2018	39,518	103,323	4,932	147,773
Carrying amount				
At 31 December 2018	418,887	77,984	565	497,436
At 31 December 2017	421,172	45,717	639	467,528

Included in freehold property is freehold land with a cost price of £229,937 which is not depreciated.

5 Investment properties

	2018 £
At 1 January	4,059,690
Additions	4,915
At 31 December	4,064,605

The investment property class of fixed assets was revalued on 31 December 2018 by a director who is internal to the company. The properties have been valued on an open market basis, taking into account similar properties in the locality, and the terms and length of the current leases.

6 Debtors

	2018 £	2017 £
Trade debtors	52,664	6,403
Prepayments	1,015	1,276
Other debtors	3,626	1,657
	<u>57,305</u>	<u>9,336</u>

BRECON MOTORS (DISTRIBUTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

7 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Bank loans and overdrafts	9	36,737	35,741
Trade creditors		81,040	49,792
Taxation and social security		820	1,847
Accruals and deferred income		46,546	47,246
Other creditors		490,900	483,047
		<u>656,043</u>	<u>617,673</u>

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	9	<u>131,642</u>	<u>168,266</u>
		2018 £	2017 £
Due after more than five years			
After more than five years by instalments		<u>12,750</u>	<u>34,863</u>

Creditors include bank loans repayable by instalments of £12,750.00 (2017 - £34,863.00) due after more than five years.

8 Share capital

Allotted, called up and fully paid shares

	No.	2018 £	No.	2017 £
Ordinary of £1 each	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>

9 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	<u>131,642</u>	<u>168,266</u>

BRECON MOTORS (DISTRIBUTORS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	£	£
Current loans and borrowings		
Bank borrowings	<u>36,737</u>	<u>35,741</u>
The bank loans are secured on the some of the investment properties.		