

Company registration number: 01336003

**Abbey Garage (South West) Limited
Filleled Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2018**

ABBEY GARAGE (SOUTH WEST) LIMITED

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ABBEY GARAGE (SOUTH WEST) LIMITED**(Registration number: 01336003)****Balance Sheet as at 31 December 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	<u>4</u>	797,119	796,098
Investments	<u>5</u>	501,810	473,336
		<u>1,298,929</u>	<u>1,269,434</u>
Current assets			
Stocks	<u>6</u>	517,898	364,247
Debtors	<u>7</u>	281,948	244,510
Cash at bank and in hand		315	315
		<u>800,161</u>	<u>609,072</u>
Creditors: Amounts falling due within one year	<u>8</u>	<u>(405,924)</u>	<u>(254,645)</u>
Net current assets		<u>394,237</u>	<u>354,427</u>
Total assets less current liabilities		1,693,166	1,623,861
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(337,632)</u>	<u>(316,880)</u>
Provisions for liabilities			
Deferred tax liabilities		<u>(125,203)</u>	<u>(120,157)</u>
Net assets		<u>1,230,331</u>	<u>1,186,824</u>
Capital and reserves			
Called up share capital		100	100
Capital redemption reserve		49,900	49,900
Property revaluation reserve		468,561	468,561
Investment fair value reserve		354,210	330,536
Profit and loss reserve		<u>357,560</u>	<u>337,727</u>
Total equity		<u>1,230,331</u>	<u>1,186,824</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.

Directors' 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 directors acknowledge their 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 and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006. The option not to file the profit and loss account and directors' report has been taken.

ABBAY GARAGE (SOUTH WEST) LIMITED

(Registration number: 01336003)

Balance Sheet as at 31 December 2018

Approved and authorised by the Board on 24 April 2019 and signed on its behalf by:

L Winterson
Director

ABBEY GARAGE (SOUTH WEST) LIMITED

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

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

189 High Street
Street
Somerset
BA16 0NE

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

The 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.

These financial statements are presented in Sterling (£).

Group accounts not prepared

The company is part of a small group. The company has taken advantage of the exemption provided by Section 398 of the Companies Act 2006 and has not prepared group accounts.

ABBEY GARAGE (SOUTH WEST) LIMITED

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

Departures from Companies Act requirements

There has been a departure from the requirements of FRS 102 which in the opinion of the directors is necessary in order for the financial statements to give a true and fair view. FRS 102 requires freehold land and buildings to be revalued sufficiently regularly to ensure that the carrying amount does not materially differ from the fair value at the reporting date. During 2011 Lloyds TSB Bank plc instructed Cooper & Tanner Chartered Surveyors to carry out a valuation for the purposes of bank security, and on 23 August 2011 Cooper and Tanner issued their report stating the market value of the freehold land and buildings in Abbey Garage (South West) Limited at £550,000 and the freehold land and buildings in Glastonbury Motor Body Repairs Limited at £390,000. The directors consider the open market value of the freehold land and buildings owned by Abbey Garage (South West) Limited, and its subsidiary Glastonbury Motor Body Repairs Limited, to be in excess of those reported by Cooper & Tanner Chartered Surveyors, and the directors have therefore adopted their own valuations of £750,000 and £600,000 respectively in preparing the financial statements for each company. Depreciation has not been charged on the freehold buildings as the directors are of the opinion that the residual value is no less than the carrying value in the accounts.

If the property was being depreciated in the financial statements at the directors valuation, accumulated depreciation would be £65,625 (2017: £56,250). If the properties were being depreciated in both financial statements at the directors valuations, the effect on Abbey Garage (South West) Limited's financial statements would be that tangible fixed assets would reduce by £65,625 (2017: £56,250), fixed asset investments would reduce by £43,575 (2017: £37,350), deferred tax liability would reduce by £18,560 (2017: £15,910), the property revaluation reserve would reduce by £28,255 (2017: £24,190), the investment fair value movements reserve would reduce by £36,135 (2017: £31,000) and the profit and loss reserve would reduce by £26,250 (2017: £22,500). Net assets would also therefore reduce by £90,640 (2017: £77,690).

If the properties were included in the financial statements at Cooper & Tanner's valuations, and depreciation not charged, the effect on Abbey Garage (South West) Limited's financial statements would be that tangible fixed assets would reduce by £200,000 (2017 - £200,000), fixed asset investments would reduce by £174,300 (2017 - £174,300), deferred tax liability would reduce by £63,600 (2017: £63,600), the property revaluation reserve would reduce by £166,000 (2017 - £166,000) and the investment fair value movements reserve would reduce by £144,700 (2017: £144,700). Net assets would also therefore reduce by £310,700 (2017 - £310,700).

Turnover recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts. Turnover is recognised when the goods are physically delivered to the customer and services are fully completed.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, 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 countries where the company operates and generates taxable income.

ABBEY GARAGE (SOUTH WEST) LIMITED

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

Deferred income tax is recognised on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Deferred tax liabilities are presented within provisions for liabilities on the balance sheet.

Deferred tax assets and deferred tax liabilities are offset, only where there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes by the same authority to either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Tangible assets

Freehold land and buildings are carried at revaluation, derived by the open market value considered by the directors. No depreciation is charged on freehold land and buildings.

Tangible assets, other than freehold land and buildings, are stated at cost, less accumulated depreciation and accumulated impairment losses. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation of tangible assets

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	Not depreciated
Plant and machinery	10% reducing balance
Furniture, fittings and equipment	10% reducing balance/ 10-33.3% straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are not publicly traded are valued at fair value being the amount of the underlying net assets of the fixed asset investments, any changes in fair value are recognised in other comprehensive income, valuation decreases will be recognised through the fair value reserve to the extent that they are reversing a valuation increase and recognised in the profit and loss once the decrease exceeds the fair value reserve.

ABBEY GARAGE (SOUTH WEST) LIMITED

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Other stocks comprise of car stock and are stated at the lower of cost and estimated selling price less costs to complete and sell. At each reporting date, other stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Raw materials and consumable stock are stated at the lower of cost or estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

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 if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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.

ABBEY GARAGE (SOUTH WEST) LIMITED

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

Reserves

Called up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period profits and losses.

Capital redemption reserve records the nominal value of shares repurchased by the company.

Property revaluation reserve is the surplus or deficit arising on the revaluation and deferred tax on the revaluation of the freehold property.

Investment fair value reserve is the surplus or deficit arising on the fair value adjustments and deferred tax on the fair value movements of its investment in its subsidiary.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

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 profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 14 (2017 - 15).

ABBEY GARAGE (SOUTH WEST) LIMITED

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

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2018	750,000	103,604	256,410	1,110,014
Additions	-	1,690	4,934	6,624
Disposals	-	(15,209)	-	(15,209)
At 31 December 2018	750,000	90,085	261,344	1,101,429
Depreciation				
At 1 January 2018	-	87,139	226,777	313,916
Charge for the year	-	2,957	2,646	5,603
Eliminated on disposal	-	(15,209)	-	(15,209)
At 31 December 2018	-	74,887	229,423	304,310
Carrying amount				
At 31 December 2018	750,000	15,198	31,921	797,119
At 31 December 2017	750,000	16,465	29,633	796,098

Included within the net book value of land and buildings above is £750,000 (2017 - £750,000) in respect of freehold land and buildings.

Revaluation

The fair value of the company's freehold land and buildings was ascertained on 23 August 2011 by an independent valuer, on a basis of open market value, Chartered Surveyors, Cooper & Tanner valued the property at £550,000, however the directors believe the value of the property is greater and have included the property at a valuation of £750,000. The directors have adopted their valuation for this class of assets and disclosed in the financial statements a current value of £750,000 (2017: £750,000), the carrying amount at historical cost of £275,000 (2017: £275,000) and accumulated depreciation on this historical cost is £32,879 (2017: £32,879). A tax liability of £44,700 (2017: £44,700) would arise if the property was realised at its net book value of £750,000 and this has been included within deferred tax in the accounts and realised through the revaluation reserve.

5 Investments

	2018 £	2017 £
Investments in subsidiaries	501,810	473,336

ABBEY GARAGE (SOUTH WEST) LIMITED

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

Subsidiaries

£

Fair value

At 1 January 2018	473,336
Fair value adjustments	<u>28,474</u>
At 31 December 2018	<u><u>501,810</u></u>

Fair value is valued at the amount of the underlying net assets of the fixed asset investment. The fair value increase of £28,474 (2017: reduction £26,058) has been recognised in other comprehensive income. The increase of the deferred tax liability on the fair value reserve of £4,800 (2017: reduction £4,300) has also been recognised in other comprehensive income. The net increase of the investment fair value reserve during the year was therefore £23,674 (2017: reduction £21,758).

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Glastonbury Motor Body Repairs Limited	189 High Street, Street, Somerset, BA16 0NE United Kingdom	Ordinary shares	100%	100%

The principal activity of Glastonbury Motor Body Repairs Limited is repairing motor vehicle bodies.

The profit for the financial period of Glastonbury Motor Body Repairs Limited was £28,474 and the aggregate amount of capital and reserves at the end of the period was £501,810.

Included within the balance sheet of Glastonbury Motor Body Repairs Limited are freehold land and buildings included at the directors' valuation.

The last professional valuation of this class was carried out on 23 August 2011 by Cooper & Tanner Chartered Surveyors who are external to the company and the basis of this valuation was open market value.

Cooper & Tanner valued the property at £390,000, however the directors' believed the value of the property was greater than this at £600,000. The directors' have therefore adopted their valuation for this class of asset and disclosed in the financial statements at the current value of £600,000.

ABBEY GARAGE (SOUTH WEST) LIMITED

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

6 Stocks

	2018 £	2017 £
Raw materials and consumables	36,193	32,620
Other stocks	481,705	331,627
	<u>517,898</u>	<u>364,247</u>

7 Debtors

	Note	2018 £	2017 £
Trade debtors		22,643	35,959
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<u>13</u>	210,277	157,742
Other debtors		49,028	50,809
Total current trade and other debtors		<u>281,948</u>	<u>244,510</u>

ABBEY GARAGE (SOUTH WEST) LIMITED

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

8 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Loans and borrowings	<u>9</u>	306,172	155,089
Trade creditors		57,618	58,008
Taxation and social security		24,029	24,632
Corporation tax		4,289	4,946
Other creditors		<u>13,816</u>	<u>11,970</u>
		<u>405,924</u>	<u>254,645</u>

Due after one year

Loans and borrowings	<u>9</u>	<u>337,632</u>	<u>316,880</u>
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Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	<u>9</u>	<u>337,632</u>	<u>316,880</u>

	2018 £	2017 £
Due after more than five years		
After more than five years by instalments	104,752	118,304
	<u>104,752</u>	<u>118,304</u>

9 Loans and borrowings

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	14,342	14,500
Bank overdrafts	193,065	58,340
Obligations under finance leases and hire purchase contracts	<u>98,765</u>	<u>82,249</u>
	<u>306,172</u>	<u>155,089</u>

ABBEY GARAGE (SOUTH WEST) LIMITED

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

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	162,120	176,304
Obligations under finance leases and hire purchase contracts	124,438	81,937
Other borrowings	51,074	58,639
	<u>337,632</u>	<u>316,880</u>

Bank borrowings

Bank borrowings is denominated in Sterling (£) with a nominal interest rate of 2.75%, and the final instalment is due on 1 May 2029. The carrying amount at year end is £176,462 (2017 - £190,804).

The directors have provided security for the company's bank borrowings supported by first legal charges over the freehold property.

Bank overdraft is denominated in Sterling (£) with a nominal interest rate of 3.50%, and the final instalment is due on 30 November 2018. The carrying amount at year end is £193,065 (2017 - £58,340).

The bank overdraft is secured over the freehold property

Loans and borrowings due in greater than five years

Included in the loans and borrowings are the following amounts due after more than five years:

	2018 £	2017 £
After more than five years by instalments	104,752	118,304

10 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 January 2018	120,157	120,157
Increase (decrease) in existing provisions	5,046	5,046
At 31 December 2018	<u>125,203</u>	<u>125,203</u>

Deferred tax

Deferred tax assets and liabilities:

2018	Liability £
Accelerated tax depreciation	7,903
Revaluation of property	44,700
Revaluation of investment	72,600
	<u>125,203</u>

ABBEY GARAGE (SOUTH WEST) LIMITED

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

	Liability £
2017	
Accelerated tax depreciation	7,657
Revaluation of property	44,700
Revaluation of investment	67,800
	<u>120,157</u>

11 Reserves reconciliation

	Capital redemption reserve £	Revaluation reserve £	Investment fair value reserve £
At 1 January 2018	49,900	468,561	330,536
Movement in year :			
Other comprehensive income	-	-	23,674
Total comprehensive income	-	-	23,674
At 31 December 2018	49,900	468,561	354,210

	Capital redemption reserve £	Revaluation reserve £	Investment fair value reserve £
At 1 January 2017	49,900	465,261	352,294
Movement in year :			
Deferred tax on property, plant and equipment revaluation	-	3,300	-
Other comprehensive income	-	-	(21,758)
Total comprehensive income	-	3,300	(21,758)
At 31 December 2017	49,900	468,561	330,536

12 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of guarantees not included in the balance sheet is £51,579 (2017 - £32,823). The company has unlimited bank guarantees in favour of Glastonbury Motor Body Repairs Limited. The aggregate guarantee across the group totals £421,106 (2017: £281,967). These are secured over the freehold property.

ABBEY GARAGE (SOUTH WEST) LIMITED

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

13 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	37,343	36,500
Contributions paid to money purchase schemes	3,549	3,306
	<u>40,892</u>	<u>39,806</u>

Summary of transactions with subsidiaries

Glastonbury Motor Body Repairs Limited (Subsidiary undertaking)

During the year the company made sales of £42,435 (2017: £69,792) to Glastonbury Motor Body Repairs Limited, received management charges of £25,000 (2017: £25,000), received hire purchase interest of £1,000 (2017: £1,500), bank loan interest of £2,150 (2017: £2,500), insurance premiums of £6,900 (2017: £7,011), telephone and IT expenses of £1,345 (2017: £1,300), postage of £300 (2017: £300), water machine expenses of £130 (2017: £nil), and made purchases of £8,152 (2017: £34,447) from Glastonbury Motor Body Repairs Limited. At the balance sheet date the amount due from Glastonbury Motor Body Repairs Limited was £210,277 (2017: £157,742).

The loan is repayable on demand and no interest is charged on the outstanding balance.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.