

Fords South West Limited

Filleted Unaudited Financial Statements
for the Year Ended 30 September 2022

Thompson Jenner LLP
1 Colleton Crescent
Exeter
Devon
EX2 4DG

Fords South West Limited
(Registration number: 10293411)

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Fords South West Limited
(Registration number: 10293411)

Company Information

Directors	Mr R P Flynn Mr M R Fisher Mr N A Jones Mr D Salter Mr A J Patch
Registered office	1 Colleton Crescent Exeter Devon EX2 4DG
Accountants	Thompson Jenner LLP 1 Colleton Crescent Exeter Devon EX2 4DG

Fords South West Limited
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Balance Sheet as at 30 September 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>4</u>	133,281	166,601
Tangible assets	<u>5</u>	<u>214,995</u>	<u>240,365</u>
		<u>348,276</u>	<u>406,966</u>
Current assets			
Stocks	<u>6</u>	109,478	281,068
Debtors	<u>7</u>	740,000	722,194
Cash at bank and in hand		<u>311</u>	<u>86</u>
		849,789	1,003,348
Creditors: Amounts falling due within one year	<u>8</u>	<u>(1,313,086)</u>	<u>(1,220,563)</u>
Net current liabilities		<u>(463,297)</u>	<u>(217,215)</u>
Total assets less current liabilities		(115,021)	189,751
Creditors: Amounts falling due after more than one year	<u>8</u>	(312,577)	(368,893)
Provisions for liabilities		<u>(33,326)</u>	<u>(36,516)</u>
Net liabilities		<u>(460,924)</u>	<u>(215,658)</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>(460,925)</u>	<u>(215,659)</u>
Total equity		<u>(460,924)</u>	<u>(215,658)</u>

For the financial year ending 30 September 2022 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 in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 28 June 2023 and signed on its behalf by:

Fords South West Limited
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Balance Sheet as at 30 September 2022

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Mr M R Fisher
Director

Fords South West Limited
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Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022

1 General information

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

The address of its registered office is:

1 Colleton Crescent
Exeter
Devon
EX2 4DG

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 smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

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.

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.

Going concern

The directors acknowledge the negative reserves of the company at the reporting date. The company has large intragroup borrowings. In June 2023, £500,000 of borrowings were capitalised through an allotment of share capital. This sees the company return to a positive net asset position.

Along with this group reorganisation, the directors continue to assess the business and have implemented a number of changes which are already seeing positive results. In considering the 12 months following the approval of these accounts, the directors consider the Going Concern basis to remain appropriate.

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Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022

Changes in accounting estimate

Amendment of residual values

In 2021 a change of accounting estimate was made to include a residual value for numerous motor vehicles, to more accurately reflect the net book value of these assets.

The effect of the change on assets, liabilities, income and expense in the current year is as follows:

	£
Motor vehicle depreciation charge (P&L)	(41,830)
Tangible fixed assets	41,830
	<hr/> <hr/>

Revenue 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.

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.

Government grants

The Coronavirus Job Retention Scheme Grant has been recognised under the accrual model and is credited to other income over the periods in which the compensated costs have been recognised.

Tax

The tax expense for the period comprises 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 income 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.

Deferred income tax is recognised on temporary 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.

Tangible assets

Tangible assets are stated in the balance sheet 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.

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Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022

Depreciation

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
Office equipment	20 % straight line
Fixtures and fittings	20 % straight line
Computer equipment	20 % straight line
Motor vehicles	20 % straight line
Plant and tools	20 % straight line
Short leasehold	Over life of lease

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10 % straight line

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.

Trade 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

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

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, 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.

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Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022

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 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.

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.

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Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022

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 as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 54 (2021 - 64).

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Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 October 2021	333,203	333,203
At 30 September 2022	333,203	333,203
Amortisation		
At 1 October 2021	166,602	166,602
Amortisation charge	33,320	33,320
At 30 September 2022	199,922	199,922
Carrying amount		
At 30 September 2022	133,281	133,281
At 30 September 2021	166,601	166,601

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation					
At 1 October 2021	3,090	225,693	429,647	24,097	682,527
Additions	-	9,345	24,230	5,783	39,358
Disposals	(3,090)	-	(1,485)	-	(4,575)
At 30 September 2022	-	235,038	452,392	29,880	717,310
Depreciation					
At 1 October 2021	3,090	124,714	297,963	16,395	442,162
Charge for the period	-	38,268	22,355	4,031	64,654
Eliminated on disposal	(3,090)	-	(1,411)	-	(4,501)
At 30 September 2022	-	162,982	318,907	20,426	502,315
Carrying amount					

At 30 September 2022	-	72,056	133,485	9,454	214,995
At 30 September 2021	-	100,979	131,684	7,702	240,365

Assets upon which security is offered have a net book value at the balance sheet date of £127,107 (2021- £124,251).

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Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022

6 Stocks

	2022	2021
	£	£
Other stocks	109,478	281,068

7 Debtors

	2022	2021
	£	£
Trade debtors	465,058	395,591
Other debtors	250,166	297,843
Prepayments and accrued income	24,776	28,760
Total current trade and other debtors	740,000	722,194

8 Creditors

	Note	2022	2021
		£	£
Due within one year			
Loans and borrowings	<u>9</u>	366,387	283,309
Trade creditors		309,037	387,199
Amounts owed to group undertakings and undertakings in which the company has a participating interest		363,557	322,548
Taxation and social security		173,911	162,900
Other creditors		20,344	18,227
Accrued expenses		79,850	46,380
		1,313,086	1,220,563

	Note	2022	2021
		£	£
Due after one year			
Loans and borrowings	<u>9</u>	25,858	82,174
Amounts owed to group undertakings and undertakings in which the company has a participating interest		286,719	286,719
		312,577	368,893

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Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022

9 Loans and borrowings

	2022	2021
	£	£
Current loans and borrowings		
Bank overdrafts	300,120	234,050
Finance lease and hire purchase liabilities	66,267	49,259
	<u>366,387</u>	<u>283,309</u>

	2022	2021
	£	£
Non-current loans and borrowings		
Finance lease and hire purchase liabilities	25,858	82,174
	<u>25,858</u>	<u>82,174</u>

Hire purchase liabilities are secured over the assets upon which the liability relates.

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The company has offered an unlimited guarantee for the bank borrowings of its parent company.

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.