Company registration number 01831780 (England and Wales)

CHESHIRE VEHICLE RENTAL & SALES LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JANUARY 2022

PAGES FOR FILING WITH REGISTRAR

CHESHIRE VEHICLE RENTAL & SALES LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 9

CHESHIRE VEHICLE RENTAL & SALES LIMITED

BALANCE SHEET

AS AT 30 JANUARY 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	**3**		701,901		649,476
Investment properties	**4**		745,000		745,000
			1,446,901		1,394,476
Current assets					
Debtors	**5**	41,972		39,970	
Cash at bank and in hand		625		625	
		42,597		40,595	
Creditors: amounts falling due within one year	**6**	(288,703)		(387,695)	
Net current liabilities			(246,106)		(347,100)
Total assets less current liabilities			1,200,795		1,047,376
Creditors: amounts falling due after more than one year	**7**		(459,340)		(520,974)
Net assets			741,455		526,402
Capital and reserves					
Called up share capital			100		100
Revaluation reserve	**9**		223,497		223,497
Other reserves			203,719		203,719
Profit and loss reserves	**10**		314,139		99,086
Total equity			741,455		526,402

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 January 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

BALANCE SHEET (CONTINUED)

AS AT 30 JANUARY 2022

The financial statements were approved and signed by the director and authorised for issue on 21 October 2022

Mr J H Kirkby
Director

Company Registration No. 01831780

1 Accounting policies

Company information

Cheshire Vehicle Rental & Sales Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Rental Centre, West Road Garage, Congleton, Cheshire, CW12 4ES.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost
Leasehold land and buildings	2% on cost
Fixtures and fittings	at varying rates on cost
Motor vehicles	at varying rates on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies **(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.11 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	8	10

3 **Tangible fixed assets**

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 31 January 2021	425,183	438,174	863,357
Additions	-	141,059	141,059
Disposals	-	(80,550)	(80,550)
At 30 January 2022	425,183	498,683	923,866
Depreciation and impairment			
At 31 January 2021	52,706	161,175	213,881
Depreciation charged in the year	7,951	18,346	26,297
Eliminated in respect of disposals	-	(18,213)	(18,213)
At 30 January 2022	60,657	161,308	221,965
Carrying amount			
At 30 January 2022	364,526	337,375	701,901
At 30 January 2021	372,477	276,999	649,476

Included in cost or valuation of land and buildings is freehold land of £179,073 (2021 - £179,073) which is not depreciated.

Freehold land and buildings with a carrying amount of £397,500 were revalued at 27th March 2018 by Timothy A. Brown, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

	Land and Buildings	
	2022	2021
	£	£
Cost	193,662	193,662
Accumulated depreciation	(35,366)	(35,366)
Carrying value	158,296	158,296

4 Investment property

	2022
	£
Fair value	
At 31 January 2021 and 30 January 2022	745,000

5 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	31,296	21,267
Other debtors	10,676	18,703
	41,972	39,970

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	29,802	23,681
Trade creditors	28,910	29,762
Taxation and social security	117,387	157,718
Other creditors	112,604	176,534
	288,703	387,695

7 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	147,659	174,346
Other creditors	311,681	346,628
	459,340	520,974

Creditors which fall due after five years are as follows:	2022	2021
	£	£
Payable by instalments	85,639	143,182

8 Secured Debts

The following secured debts are included within creditors:

Bank overdrafts totalling £13,469 (2021 - £16,723)
Other loans totalling £163,991 (2021 - £181,304)
Hire purchase contracts totalling £9,796 (2021 - £87,137)

There is a right of set-off incorporated in all Legal Mortgages, Life Policies and Mortgage Debentures unless otherwise stated. There is a mortgage over 51 Crompton Road, Macclesfield and a Mortgage Debenture.

There is a legal charge dated 13 January 2011 and created by Cheshire Vehicle Rental and Sales Limited for securing all monies due or to become due from the company to National Westminster Bank Plc on any account whatsoever.

The hire purchase loans are secured against the asset to which they relate.

9 Revaluation reserve

	2022 £	2021 £
At the beginning and end of the year	223,497	223,497

10 Profit and loss reserves

	2022 £	2021 £
At the beginning of the year	99,086	(11,059)
Profit for the year	215,053	110,145
At the end of the year	314,139	99,086

11 Financial commitments, guarantees and contingent liabilities

The company had total guarantees and commitments at the balance sheet date of £8,308 (2021 - £56,704).

12 Directors' transactions

Dividends totalling £0 (2021 - £0) were paid in the year in respect of shares held by the company's directors.

13 Ultimate Controlling Party

The controlling party is J H Kirkby.

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.