
AUTOMOTIVE ENVIRONMENTAL SERVICES LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2020

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD
REGISTERED NUMBER:03096708

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	4		224		374
Investments	5		3,903,544		3,891,602
			<u>3,903,768</u>		<u>3,891,976</u>
Current assets					
Debtors	6	811,786		856,577	
Cash at bank and in hand	7	66,116		39,293	
		<u>877,902</u>		<u>895,870</u>	
Creditors: amounts falling due within one year	8	(413,195)		(55,786)	
Net current assets			<u>464,707</u>		<u>840,084</u>
Total assets less current liabilities			<u>4,368,475</u>		<u>4,732,060</u>
Creditors: amounts falling due after more than one year	9		(2,832,000)		(3,223,792)
Provisions for liabilities					
Deferred tax	10		(184,827)		(182,558)
Net assets			<u><u>1,351,648</u></u>		<u><u>1,325,710</u></u>
Capital and reserves					
Called up share capital	11		100		100
Revaluation reserve	12		1,303,516		1,293,843
Profit and loss account	12		48,032		31,767
			<u><u>1,351,648</u></u>		<u><u>1,325,710</u></u>

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD
REGISTERED NUMBER:03096708

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 September 2021.

P L Wicks
Director

The notes on pages 3 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Automotive Environmental Services Ltd ("the Company") is a company limited by shares, incorporated in England and Wales. Its registered office is Leytonstone House, Leytonstone, London, E11 1GA.

The Company's principal activity is that of property investment.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The Company meets its day-to-day working capital requirements through careful management of working capital positions. After making enquiries, the Directors have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The Company's main source of revenue is rental income from investment properties let to third parties. Sales invoices are raised monthly in advance for services provided. Revenue is recognised in the accounting period in which the services are rendered. Sales are made with credit terms. The element of financing is deemed immaterial and disregarded in the treatment of revenue.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.7 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.10 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2019 - 5).

4. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2020	429,854
At 31 December 2020	429,854
Depreciation	
At 1 January 2020	429,480
Charge for the year on owned assets	150
At 31 December 2020	429,630
Net book value	
At 31 December 2020	224
<i>At 31 December 2019</i>	374

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Fixed asset investments

	Unlisted investments £	Investment Properties £	Total £
Cost or valuation			
At 1 January 2020	691,602	3,200,000	3,891,602
Revaluations	11,942	-	11,942
	<u>703,544</u>	<u>3,200,000</u>	<u>3,903,544</u>
At 31 December 2020			

Investment properties

These are restated annually to their open market value by the Directors of the Company, based on their experience of the property market and comparable evidence. Investment properties were revalued upwards by £Nil (2019 - £Nil) during the year.

The Company has aggregate rentals receivable in relation to operating leases of £208,626 (2019 - £210,029) on the above investment properties.

The historic cost of investment properties is £2,383,748 (2019 - £2,383,748).

Unlisted investments

Investments include an investment in JAE Property Limited. This constitutes 50% of the share capital of JAE Property Limited. As at 31 January 2021 JAE Property Limited has aggregate share capital and reserves of £1,407,087 and profits for the year of £50,009.

6. Debtors

	2020 £	2019 £
Due after more than one year		
Amounts owed by joint ventures and associated undertakings	173,342	520,000
Other debtors	632,416	307,416
	<u>805,758</u>	<u>827,416</u>
Due within one year		
Trade debtors	2,037	5,170
Other debtors	3,991	23,991
	<u>811,786</u>	<u>856,577</u>

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>66,116</u>	<u>39,293</u>

8. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Bank loans	391,792	34,898
Trade creditors	1,560	1,560
Other taxation and social security	1,276	761
Other creditors	11,717	11,717
Accruals and deferred income	6,850	6,850
	<u>413,195</u>	<u>55,786</u>

9. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Bank loans	-	391,792
Other creditors	2,832,000	2,832,000
	<u>2,832,000</u>	<u>3,223,792</u>

10. Deferred taxation

	2020
	£
At beginning of year	(182,558)
Credited to revaluation reserve	(2,269)
At end of year	<u>(184,827)</u>

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
On revalued investments	(184,827)	(182,558)
	<u>(184,827)</u>	<u>(182,558)</u>

11. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
80 (2019 - 80) Ordinary A shares of £1.00 each	80	80
20 (2019 - 20) Ordinary B shares of £1.00 each	20	20
	<u>100</u>	<u>100</u>

12. Reserves**Revaluation reserve**

The revaluation reserve arose on the revaluation of investments, less the associated deferred tax adjustment in accordance with FRS102.

Profit and loss account

The profit and loss account represents cumulative distributable profits and losses net of dividends and other adjustments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Related party transactions

At the year end the Company owed some of the directors and shareholders £11,717 (2019 - £11,717).

At the year end the Company was owed £325,000 (2019 - £nil) by a close family member of a director and shareholder.

The Company has received loans from Trusts in which some of the directors are Trustees. At the year end, the amounts outstanding to those Trusts was £2,832,000 (2019 - £2,832,000).

In the current year the Company made a loan to an associated undertaking. At the year end, the amounts owed by this associated undertakings was £173,342 (2019 - £520,000).

All loans are unsecured and interest free.

The Company paid dividends to certain directors of £144,000 (2019 - £144,000).

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.