

Carnforth Service & MOT Centre Ltd
Filleted Unaudited Financial Statements
31 October 2019



LAMONT PRIDMORE (SOUTH CUMBRIA) LTD

Chartered accountants
61 Haws Hill
Carnforth
Lancashire
LA5 9DD

Carnforth Service & MOT Centre Ltd

Statement of Financial Position

31 October 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	5	21,422	21,422
Tangible assets	6	27,748	24,317
		<u>49,170</u>	<u>45,739</u>
Current assets			
Stocks		1,500	1,500
Debtors	7	9,248	5,126
Cash at bank and in hand		27,943	17,528
		<u>38,691</u>	<u>24,154</u>
Creditors: amounts falling due within one year	8	53,405	61,470
Net current liabilities		<u>14,714</u>	<u>37,316</u>
Total assets less current liabilities		<u>34,456</u>	<u>8,423</u>
Creditors: amounts falling due after more than one year	9	8,181	-
Net assets		<u>26,275</u>	<u>8,423</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		26,175	8,323
Shareholders funds		<u>26,275</u>	<u>8,423</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 October 2019 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 financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

The notes on pages 3 to 7 form part of these financial statements.

Carnforth Service & MOT Centre Ltd

Statement of Financial Position *(continued)*

31 October 2019

These financial statements were approved by the board of directors and authorised for issue on 18 July 2020, and are signed on behalf of the board by:



Mr A Morley
Director

Company registration number: 09431663

The notes on pages 3 to 7 form part of these financial statements.

Carnforth Service & MOT Centre Ltd

Notes to the Financial Statements

Year ended 31 October 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 18 The Drive,, Carnforth, Lancashire, LA5 9JG, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Carnforth Service & MOT Centre Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 October 2019

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	33% straight line

Carnforth Service & MOT Centre Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 October 2019

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Carnforth Service & MOT Centre Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 October 2019

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 4 (2018: 4).

5. Intangible assets

	Goodwill £
Cost	
At 1 November 2018 and 31 October 2019	21,422
Amortisation	
At 1 November 2018 and 31 October 2019	—
Carrying amount	
At 31 October 2019	21,422
At 31 October 2018	21,422

Carnforth Service & MOT Centre Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 October 2019

6. Tangible assets

	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 November 2018	33,844	13,414	–	47,258
Additions	–	11,900	879	12,779
At 31 October 2019	33,844	25,314	879	60,037
Depreciation				
At 1 November 2018	15,186	7,755	–	22,941
Charge for the year	4,665	4,390	293	9,348
At 31 October 2019	19,851	12,145	293	32,289
Carrying amount				
At 31 October 2019	13,993	13,169	586	27,748
At 31 October 2018	18,658	5,659	–	24,317

7. Debtors

	2019 £	2018 £
Trade debtors	8,093	5,126
Other debtors	1,155	–
	9,248	5,126

8. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	13,854	13,562
Corporation tax	7,480	5,501
Social security and other taxes	4,222	13,734
Other creditors	27,849	28,673
	53,405	61,470

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

	2019 £	2018 £
Other creditors	8,181	–

10. Directors' advances, credits and guarantees

The directors current account remained in credit throughout the current and previous years therefore no disclosure is required.