COMPANY REGISTRATION NUMBER: 02446355

Anchor Vans Ltd

Financial Statements

31st March 2019

H B MISTRY & CO LIMITED
Chartered accountants & statutory auditor
Tudor House
Mill Lane
Calcot
Reading
Berkshire
RG31 7RS

Anchor Vans Ltd

Financial Statements

Year ended 31st March 2019

Contents | **Page**

Anchor Vans Ltd

Officers and Professional Advisers

The board of directors	Mr Graham Joyce Mrs Sarah Joyce Mr Gregory Joyce Mr Simon Joyce
Company secretary	Mr G M Joyce
Registered office	Anchor House Anchor Business Park Bath Road Padworth Berkshire RG7 5JF
Auditor	H B Mistry & Co Limited Chartered accountants & statutory auditor Tudor House Mill Lane Calcot Reading Berkshire RG31 7RS
Bankers	Lloyds Bank Plc Connaught House Alexandra Terrace Progression Centre Guildford GU1 3DA Bank of Scotland 33 Old Broad Street London EC2 1HW

Anchor Vans Ltd

Strategic Report

Year ended 31st March 2019

The directors present their strategic report on Anchor Vans Limited Group (the Group) for the year ended 31st March 2019.

Introduction

The Group's key activities are the sale and servicing of used vehicles. The majority of its sales are used commercials between the ages of 1 month and 7 years. The service operation operates a large independent workshop that services cars and commercials of all makes and models, as well as an authorised Ford Service Franchise. The workshop is uniquely equipped to service and MOT specialist vehicles, large vehicles and motor homes.

Business review

The consolidated income statement for the year is set out on page 12. This shows a pre-tax profit of £516,053 (2018 £631,521). Total turnover is £23,047,162(2018 £20,686,944). The group has current net assets of £1,498,627 (2018 £2,009,650).

Trading conditions have been broadly on par with the previous year, though the margins came under pressure due to an increase in acquisition and preparation cost of vehicles generally. The company's turnover increased by 11.4% resulting in an increase in contribution to overheads of £102,842. This was offset by an increase in expected overheads by £218,310 resulting in a decline in profit before tax of £115,468. The increase in overheads can be attributed to a large increase in repairs costs to perimeter fencing to improve yard security.

The Directors are pleased with the performance for the year, despite a decline in gross margin to 11.87 %(2018 12.73%). The group remains in the Motor Trader Top 50 Independent Dealers.

Margins on no vat margin stock are under increased pressure, which has led a move towards broadening the stock profile. Further pressures are being felt in the finance market, as low finance rates and pressures to compete on rates continue to reduce commissions earned. The industry is having to focus on adapting to finance regulatory pressures which increase the cost of offering finance and reduce the profits. The long-term expectations are that the industry will need to build this lost revenue stream back into the price per unit.

The after-sales operation continues to perform well, and is preparing for further growth over the next 24 months. Recruiting and keeping skilled technicians continues to prove extremely challenging as there are insufficient top-grade technicians to supply the requirements of the UK motor-trade. The lack in supply of quality technicians has restrained the growth potential of the department, as well as increase its overheads, wages and fixed staff costs. There appears no immediate solution or fix to this long-term problem, retaining good staff and investing in apprentices remains the company's core strategy. Training in electric vehicle maintenance & servicing also will be key for the future.

In August 2018, the company acquired 100% of the share capital of Padworth Properties Ltd and its wholly owned subsidiary Anchor Property Group Limited. This strategic acquisition will allow the company to expand its future trading operations from an enlarged and a highly visible trading site located at Bath Road, Padworth, Berkshire, RG7 5JF.

Company Strategy

The Company remains focused on growing organically with no increase in loans other than Directors Loans, Mortgages or Stocking Loans secured by the vehicles themselves. Cash flow will be positive and projects will be funded out of earnings. Over the course of the next year the company will integrate its newly acquired site with the main site, and shall look to increase its stock, broaden its stock profile to improve its performance. There is growth opportunity in the sales of accessories and ancillaries, this shall be a focus for the next 24 months. Furthermore, the after sales operation shall continue to strive to increase its customer base and hours sold. As a result of these development plans, a significant rise in turnover over the next 3 years and an improvement in margins is expected.

The Directors are confident that the Evolution Dealer Management System will continue to provide the tools to successfully manage the business, and have upgraded to the latest version including fully integrated Access accounts. This has allowed the company to develop its own management reports, allowing potential trends and risks to be identified early and for management action to be taken.

The company has further invested in an R&D project streamlining its processes, reducing costs and overcoming the logistical difficulties of stock location, a problem widely faced in businesses industry wide.

The principal risks and uncertainties facing the business are managed as set out below:

Overall Strategy

The strategy is under regular review to ensure it achieves the overall performance and profitability targets set for the business. The business ensures these objectives are delivered by making appropriate investment in information technology, digital marketing and human resources. The company is well prepared to meet any challenges which may arise in the period leading to a successful outcome of the Brexit negotiations with the European Union.

Finance

The availability of in-house long-term finance is recognised as important to the financial security and independence of the business. This allows the company to meet its financial obligations irrespective of recessionary pressures. The company has significant trading facilities of its own. The positive cash flow arising from trading is re-invested in stock for re-sale. The company is not exposed to any whim or pressure from its banking providers and is well placed to use its extensive reserves in the event of another period of banking uncertainty.

Performance risk

Trading performance is measured against budgets, previous accounts and trading margins. Variances are investigated to ensure long terms goals are met. Monthly management accounts, marketing issues and availability of cash flow are discussed at monthly board meetings.

Information technology

The business relies on robustness of its systems and the risk is minimised by ensuring regular testing of hardware, software and disaster recovery procedures. The company prides itself on continually updating its IT Hardware and is always looking to future proof its core activities over the next 5-year term. Investment in the maintenance and Website development is continuous.

Legal and regulatory changes

The company will continue to ensure it meets its compliance requirements. It will minimise the risks by implementing good practice advocated by the Franchisor - Ford Motor Company and the Motor Trade Association.

People and environment

The company invests in talented people to deliver its strategy and objectives. Employment contracts reward performance and staff are trained and developed. The Company has regular "Events" throughout the year that develop, encourage and maintain staff motivation. The working environment is pleasant and staff turnover is low.

Health and Safety

A safe working environment is provided for both staff and customers. Health and safety measures are monitored and actioned diligently, and a specialist health and safety company "Bravanark", have been contracted to further ensure both training and a robust, iron tight health and safety policy is up to date.

This report was approved by the board of directors on 13th December 2019 and signed on behalf of the board by:

Mr Gregory Joyce
Director

Registered office:
Anchor House
Anchor Business Park
Bath Road
Padworth
Berkshire
RG7 5JF

The directors present their report and the financial statements of the group for the year ended 31st March 2019.

Directors

The directors who served the company during the year were as follows:

Mr Graham Joyce
Mrs Sarah Joyce
Mr Gregory Joyce
Mr Simon Joyce

Dividends

Particulars of recommended dividends are detailed in note 10 to the financial statements.

Financial instruments

Details of financial instruments are provided in the Note 20 to the financial statement.

Disclosure of information in the strategic report

The review of the business and principal uncertainties are contained in the Strategic Report on Page 4 of the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 13th December 2019 and signed on behalf of the board by:

Mr Gregory Joyce
Director

Registered office:
Anchor House
Anchor Business Park
Bath Road
Padworth
Berkshire
RG7 5JF

Opinion

We have audited the financial statements of Anchor Vans Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st March 2019 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st March 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Harish Mistry FCA (Senior Statutory Auditor)

For and on behalf of
H B Mistry & Co Limited
Chartered accountants & statutory auditor
Tudor House
Mill Lane
Calcot
Reading
Berkshire
RG31 7RS

13th December 2019

Anchor Vans Ltd

Consolidated Statement of Income and Retained Earnings

Year ended 31st March 2019

	Note	2019 £	2018 £
Turnover	3	23,047,162	20,686,944
Cost of sales		20,309,844	18,052,468
Gross profit		2,737,318	2,634,476
Distribution costs		983,963	904,591
Administrative expenses		1,211,895	1,077,508
Other operating income		60,858	27,450
Operating profit	4	602,318	679,827
Interest payable and similar expenses	8	86,265	48,306
Profit before taxation		516,053	631,521
Tax on profit	9	114,589	118,789
Profit for the financial year and total comprehensive income		401,464	512,732
Dividends paid and payable	10	(10,000)	(10,000)
Retained earnings at the start of the year		3,545,053	3,042,321
Retained earnings at the end of the year		3,936,517	3,545,053

All the activities of the group are from continuing operations.

Anchor Vans Ltd

Company Statement of Income and Retained Earnings

Year ended 31st March 2019

	Note	2019 £	2018 £
Profit for the financial year and total comprehensive income		395,210	512,732
Dividends paid and payable	10	(10,000)	(10,000)
Retained earnings at the start of the year		3,545,053	3,042,321
Retained earnings at the end of the year		3,930,263	3,545,053

The notes on pages 21 to 33 form part of these financial statements.

Anchor Vans Ltd

Consolidated Statement of Financial Position

31st March 2019

	Note		2019 £	2018 £
Fixed assets				
Intangible assets	**11**		210,000	–
Tangible assets	**12**		5,574,608	3,109,981
			5,784,608	3,109,981
Current assets				
Stocks	**14**	4,427,977		3,805,889
Debtors	**15**	110,457		193,271
Cash at bank and in hand		280,844		42,744
		4,819,278		4,041,904
Creditors: amounts falling due within one year	**16**	3,320,651		2,032,254
Net current assets			1,498,627	2,009,650
Total assets less current liabilities			7,283,235	5,119,631
Creditors: amounts falling due after more than one year	**17**		2,999,503	1,469,123
Provision	**18**		347,015	105,255
Net assets			3,936,717	3,545,253
Capital and reserves				
Called up share capital	**22**		200	200
Profit and loss account	**23**		3,936,517	3,545,053
Shareholders funds			3,936,717	3,545,253

These financial statements were approved by the board of directors and authorised for issue on 13th December 2019, and are signed on behalf of the board by:

Mr Gregory Joyce
Director

Company registration number: 02446355

The notes on pages 21 to 33 form part of these financial statements.

Anchor Vans Ltd

Company Statement of Financial Position

31st March 2019

	Note		2019 £	2018 £
Fixed assets				
Tangible assets	12		3,110,168	3,109,981
Investments	13		1,869,318	–
			4,979,486	3,109,981
Current assets				
Stocks	14	4,427,977		3,805,889
Debtors	15	670,618		193,271
Cash at bank and in hand		280,844		42,744
		5,379,439		4,041,904
Creditors: amounts falling due within one year	16	3,308,877		2,032,254
Net current assets			2,070,562	2,009,650
Total assets less current liabilities			7,050,048	5,119,631
Creditors: amounts falling due after more than one year	17		2,999,503	1,469,123
Provision	18		120,082	105,255
Net assets			3,930,463	3,545,253
Capital and reserves				
Called up share capital	22		200	200
Profit and loss account	23		3,930,263	3,545,053
Shareholders funds			3,930,463	3,545,253

The profit for the financial year of the parent company was £395,210 (2018: £512,732).

These financial statements were approved by the board of directors and authorised for issue on 13th December 2019, and are signed on behalf of the board by:

Mr Gregory Joyce
Director

Company registration number: 02446355

The notes on pages 21 to 33 form part of these financial statements.

Anchor Vans Ltd

Consolidated Statement of Cash Flows

Year ended 31st March 2019

	2019	2018
	£	£
Cash flows from operating activities		
Profit for the financial year	401,464	512,732
Adjustments for:		
Depreciation of tangible assets	112,623	110,115
Amortisation of intangible assets	15,061	–
Interest payable and similar expenses	86,265	48,306
Tax on profit	116,692	118,789
Accrued (income)/expenses	(20,434)	4,007
Changes in:		
Stocks	(622,088)	(162,770)
Trade and other debtors	82,814	(44,808)
Trade and other creditors	820,171	(269,051)
Provisions and employee benefits	1,772	(5,265)
Cash generated from operations	994,340	312,055
Interest paid	(86,265)	(48,306)
Tax paid	(121,096)	(119,120)
Net cash from operating activities	786,979	144,629
Cash flows from investing activities		
Purchase of tangible assets	(2,577,250)	(68,184)
Net cash used in investing activities	(2,577,250)	(68,184)
Cash flows from financing activities		
Proceeds from borrowings	2,038,371	(338,583)
Dividends paid	(10,000)	(10,000)
Net cash from/(used in) financing activities	2,028,371	(348,583)
Net increase/(decrease) in cash and cash equivalents	238,100	(272,138)
Cash and cash equivalents at beginning of year	42,744	314,882
Cash and cash equivalents at end of year	280,844	42,744

The notes on pages 21 to 33 form part of these financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

(a) Disclosures in respect of each class of share capital have not been presented.
(b) No cash flow statement has been presented for the company.
(c) Disclosures in respect of financial instruments have not been presented.
(d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings. The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes. The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements

There are no significant judgements or estimates other than those disclosed in the notes to the accounts.

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

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at average rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

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.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	10% on cost

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

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, depending on the useful economic life of individual assets in the following range:

Freehold Buildings	-	2% - 10% on cost
Fixtures & Fittings	-	10% - 50% on cost
Motor Vehicles	-	25% on cost
Equipment	-	10% - 50% on cost

No depreciation is provided on freehold land or assets in the course of construction.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

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.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial risk management objectives and policies

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade and other debtors
Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents
Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings
All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Business combinations

Business combinations are accounted for using the purchase method.

The cost of a business combination is measured as the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

Where control is achieved in stages, the cost of the business combination is the aggregate of the fair values of the assets given, liabilities incurred or assumed, and equity instruments issued at the date of each transaction in the series.

Where the business combination requires an adjustment to the cost contingent on future events, the estimated amount of that adjustment is included in the cost of the combination at the acquisition date providing it is probable and can be measured reliably. Where it is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration is treated as an adjustment to the cost of the combination.

Exemption from audit by parent guarantee

Under Section 479A of the Companies Act 2006, exemptions from an audit of the financial statements for the year ending 31st March 2019 have been taken by companies stated below.

Company Name	**Registered number**
Padworth Properties Limited	11355145
Anchor Property Group Limited	06846476

As required, the Company guarantees all outstanding liabilities to which the subsidiary companies listed above are subject at the end of the financial year, until they are satisfied in full and the guarantee is enforceable against the parent undertaking by any person to whom the subsidiary companies listed above is liable in respect of those liabilities.

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Anchor House, Anchor Business Park, Bath Road, Padworth, Berkshire, RG7 5JF.

2. Statement of compliance

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

3. Turnover

Turnover arises from:

	2019	2018
	£	£
Sale of goods	22,564,294	20,225,480
Commissions	482,868	461,464
	23,047,162	20,686,944

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

4. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018
	£	£
Amortisation of intangible assets	15,061	–
Depreciation of tangible assets	112,623	110,115
Impairment of trade debtors	(14,968)	(23,452)

5. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	12,500	10,625

Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	2,375	2,250
Other non-audit services	4,375	3,600
	6,750	5,850

6. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2019	2018
	No.	No.
Production staff	22	21
Distribution staff	7	9
Administrative staff	8	7
Management staff	4	4
Drivers	13	13
	54	54

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£	£
Wages and salaries	1,555,694	1,405,261
Social security costs	138,008	120,256
Other pension costs	14,186	80,179
	1,707,888	1,605,696

7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	203,600	166,600
Company contributions to defined contribution pension plans	6,667	72,000
	210,267	238,600

The number of directors who accrued benefits under company pension plans was as follows:

	2019	2018
	No.	No.
Defined contribution plans	3	3

Remuneration of the highest paid director in respect of qualifying services:

	2019	2018
	£	£
Aggregate remuneration	80,000	64,000
Company contributions to defined contribution pension plans	6,667	40,000
	86,667	104,000

8. Interest payable and similar expenses

	2019	2018
	£	£
Interest on banks loans and overdrafts	63,166	28,627
Other interest payable and similar charges	23,099	19,679
	86,265	48,306

9. Tax on profit

Major components of tax expense

	2019	2018
	£	£
Current tax:		
UK current tax expense	101,765	127,222
Deferred tax:		
Origination and reversal of timing differences	12,824	(8,433)
Tax on profit	114,589	118,789

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019	2018
	£	£
Profit on ordinary activities before taxation	516,053	631,521
Profit on ordinary activities by rate of tax	98,050	119,989
Effect of expenses not deductible for tax purposes	3,605	44
Effect of capital allowances and depreciation	(8,679)	(594)
Fixed assets ineligible for capital allowances	12,625	7,783
Research and development claim	(3,836)	–
Tax on profit	101,765	127,222

10. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2019	2018
	£	£
Equity dividends on ordinary shares	10,000	10,000

11. Intangible assets

Group	Goodwill
	£
Cost	
At 1st April 2018	–
Acquisitions through business combinations	225,061
At 31st March 2019	225,061
Amortisation	
At 1st April 2018	–
Charge for the year	15,061
At 31st March 2019	15,061
Carrying amount	
At 31st March 2019	210,000
At 31st March 2018	–

The company has no intangible assets.

12. Tangible assets

Group	Land and buildings	Fixtures and fittings	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
At 1st April 2018	3,282,649	79,682	51,256	547,593	3,961,180
Additions	2,475,000	14,466	–	87,784	2,577,250
At 31st March 2019	5,757,649	94,148	51,256	635,377	6,538,430
Depreciation					
At 1st April 2018	313,272	50,468	45,157	442,302	851,199
Charge for the year	52,522	9,767	4,353	45,981	112,623
At 31st March 2019	365,794	60,235	49,510	488,283	963,822
Carrying amount					
At 31st March 2019	5,391,855	33,913	1,746	147,094	5,574,608
At 31st March 2018	2,969,377	29,214	6,099	105,291	3,109,981

12. Tangible assets *(continued)*

Company	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	**Total £**
Cost					
At 1st April 2018	3,282,649	79,682	51,256	547,593	3,961,180
Additions	–	14,466	–	87,784	102,250
At 31st March 2019	3,282,649	94,148	51,256	635,377	4,063,430
Depreciation					
At 1st April 2018	313,272	50,468	45,157	442,302	851,199
Charge for the year	41,962	9,767	4,353	45,981	102,063
At 31st March 2019	355,234	60,235	49,510	488,283	953,262
Carrying amount					
At 31st March 2019	2,927,415	33,913	1,746	147,094	3,110,168
At 31st March 2018	2,969,377	29,214	6,099	105,291	3,109,981

13. Investments

The group has no investments.

Company	**Shares in group undertakings £**
Cost	
At 1st April 2018	–
Additions	1,869,318
At 31st March 2019	1,869,318
Impairment	
At 1st April 2018 and 31st March 2019	–
Carrying amount	
At 31st March 2019	1,869,318
At 31st March 2018	–

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Padworth Properties Limited	Ordinary	100
Anchor Properties Group Lmited	Ordinary	100

14. Stocks

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Parts and consumable stock	73,079	70,170	73,079	70,170
Vehicle stock for resale	4,354,898	3,735,719	4,354,898	3,735,719
	4,427,977	3,805,889	4,427,977	3,805,889

15. Debtors

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Trade debtors	101,806	181,589	101,806	181,589
Amounts owed by group undertakings	1	–	560,162	–
Prepayments and accrued income	8,650	3,000	8,650	3,000
Amount due from related party	–	8,682	–	8,682
	110,457	193,271	670,618	193,271

16. Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Bank loans and overdrafts	736,199	485,428	736,199	485,428
Trade creditors	664,893	323,554	664,893	323,554
Accruals and deferred income	82,961	103,395	81,761	103,395
Corporation tax	107,891	127,222	97,317	127,222
Social security and other taxes	227,830	149,182	227,830	149,182
Director loan accounts	957,484	700,264	957,484	700,264
Amount owed to related party	400,184	–	400,184	–
Other creditors	143,209	143,209	143,209	143,209
	3,320,651	2,032,254	3,308,877	2,032,254

The following liabilities disclosed under creditors is secured by the company by granting a fixed and floating charge over its assets.

	2019	2018	2019	2018
	£	£	**£**	£
Bank loans and overdraft	722,242	464,030	722,242	464,030

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

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Bank loans and overdrafts	2,999,503	1,469,123	2,999,503	1,469,123

17. Creditors: amounts falling due after more than one year *(continued)*

Included within creditors: amounts falling due after more than one year is an amount of £2,147,263 (2018: £1,001,002) for the group and £2,147,263 (2018: £1,001,002) for the company in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The rate of interest is 1.4% and 1.97% over base rate and the review dates for the loans fall between 14th January 20206 and 14th July 2033. The commercial loans is subject to monthly reviews to ensure that the company and its subsidiary companies continue to comply with its loan covenant requirements.

The following liabilities disclosed under creditors falling due after more than one year is secured by the company by granting a fixed and floating charge over its assets.

18. Provision

Group

	Warranties	Deferred tax (note 19)	Chargeback provision	**Total**
	£	£	£	**£**
At 1st April 2018	59,693	16,447	29,115	105,255
Additions	–	231,291	–	231,291
Charge against provision	5,772	–	(4,000)	1,772
Movement during the year	–	8,697	–	8,697
At 31st March 2019	65,465	256,435	25,115	347,015

Company

	Warranties	Deferred tax (note 19)	Chargeback provision	**Total**
	£	£	£	**£**
At 1st April 2018	59,693	16,447	29,115	105,255
Additions	–	4,358	–	4,358
Charge against provision	5,772	–	(4,000)	1,772
Movement during the year	–	8,697	–	8,697
At 31st March 2019	65,465	29,502	25,115	120,082

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Included in provision (note 18)	256,435	16,447	29,502	16,447

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Accelerated capital allowances	26,053	16,447	29,502	16,447
Revaluation of tangible assets	230,382	–	–	–
	256,435	16,447	29,502	16,447

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £7,519 (2018: £8,179).

21. Financial risk management objectives and policies

The company holds or issues financial instruments in order to achieve its main objectives, being:

(a) to finance its operations;
(b) to finance its capital expenditure and investments;(c) to finance its vehicle stock.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Interest rate risk
The following table sets out the carrying amounts by repricing/maturity dates and effective interest rates (when applicable) of the company's financial instruments that are exposed to interest rate risk:

	Facility amount	Rate	Review date
	£		
Commercial mortgage	2,400,000	1.40% over base rate	14th January 2026
Stock loan	501,499	2.99% over base rate	31st August 2020
Commericial loan	1,800,000	1.97% over base rate	14th July 2033
Halifax Mastercard	18,000	15.9% variable	

The commercial mortgage is subject to review monthly and quarterly reviews to ensure that the company continues to comply with its loan covenant requirements.

Credit risk
Vans are released to clients on receipt of cleared funds. Our exposure to bad debt lies mainly with small items in the service department though it is not our policy to give credit facilities to clients as we take credit cards.

Liquidity risk
Vehicles are paid for on collection so protecting the company from over trading. The credit crunch, falling van prices in the recession are the most likely factors to affect liquidity. The company has renewed its banking facilities to allow it to continue trading in this challenging trading environment.

Currency risk
The company carries out all its transactions in Pounds Sterling and therefore is not exposed to currency risk.

Fair values of financial assets and liabilities
The fair value of financial instruments held by the company is not materially different from the carrying value shown in the balance sheet.

The fair value of financial instruments has been estimated as follows:

Debtors:
Debtors are valued at the amounts receivable after making provision for anticipated bad debts.

Cash and Bank:
Amounts held in current accounts and variable rate deposit accounts are valued at the amounts held in those accounts. The company does not have any funds in fixed rate deposit accounts.

Creditors:
Creditors are valued at the current value of amounts payable.

Bank loans:
Variable rate loans are valued at the amount payable at the balance sheet date exclusive of interest charges in respect of future periods. The company does not have any fixed rate loans.

Hedge accounting

The company does not engage in any hedging activities.

22. Called up share capital

Authorised share capital

	2019		2018	
	No.	£	No.	£
A Ordinary shares of £0.01 each	10,000	100	10,000	100
B Ordinary shares of £0.01 each	10,000	100	10,000	100
	20,000	200	20,000	200

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
A Ordinary shares of £0.01 each	10,000	100	10,000	100
B Ordinary shares of £0.01 each	10,000	100	10,000	100
	20,000	200	20,000	200

23. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

24. Business combinations

Acquisition of Padworth Properties Limited and Anchor Properties Group Limited.

On 14th August 2018, The Anchor Vans Limited acquired 100% of the ordinary share capital of Padworth Properties Limited and its wholly owned subsidiary Anchor Properties Group Limited.

The Goodwill of £225,061 arising from the acquisition is attributable to the company's ability to increase its business efficiency and growth by centralising it trading operations from one site. The management has estimated the useful life of this goodwill to be 10years.

24. Business combinations *(continued)*

The fair value of consideration paid in relation to the acquisition of Padworth Properties Limited and Anchor Properties Group Limited..is as follows:

	£
Cash	1,859,837
Consideration paid - desc in a/cs	9,480
	1,869,317

The following amounts of assets and liabilities stated at fair values were recognised at the acquisition date. No adjustment was required to the carrying values stated in the Balance Sheet of subsidiary companies at the date of acquisition.

The fair value of amounts recognised at the acquisition date in relation to Padworth Properties Limited and Anchor Properties Group Limited. are as follows:

	Fair value £
Tangible assets acquired	2,475,000
Other creditors assumed	(600,162)
Provision assumed	(227,164)
Liabilities assumed user defined 1 - business combination 1	(3,418)
	1,644,256
Goodwill on acquisition	225,061
	1,869,317

The following amounts of assets and liabilities stated at fair values were recognised at the acquisition date. No adjustment was required to the carrying values stated in the Balance Sheet of subsidiary companies at the date of acquisition.

25. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Not later than 1 year	60,000	48,000	60,000	48,000

26. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	2019			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	**Balance outstanding**
	£	£	£	**£**
Mr Graham Joyce	(436,628)	(2,000)	32,333	(406,295)
Mrs Sarah Joyce	(263,636)	(283,553)	–	(547,189)
Mr Gregory Joyce	–	(2,000)	–	(2,000)
Mr Simon Joyce	–	(2,000)	–	(2,000)
	(700,264)	(289,553)	32,333	(957,484)

	2018			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr Graham Joyce	(707,335)	(5,000)	275,707	(436,628)
Mrs Sarah Joyce	(273,624)	(5,000)	14,988	(263,636)
Mr Gregory Joyce	–	–	–	–
Mr Simon Joyce	–	–	–	–
	(980,959)	(10,000)	290,695	(700,264)

The outstanding loans are shown under creditors in note 15. The loans are interest free and repayable on demand.

27. Related party transactions

Company

The company is controlled by Mr Graham Joyce and Mrs Sarah Joyce by virtue of their majority shareholding in the company.

The parties below are related to Anchor Vans Limited and following transaction took place at arm's length with the entities.

Anchor Pension Plan

The pension plan owns premises rented to the company.

	2019	2018
	£	£
Rent paid	24,000	48,000

There were no outstanding balances due to or owed by the pension fund at the year end.

Trade Vans UK Limited

The company in which Mr Graham Joyce is a majority shareholder.

	2019	2018
	£	£
Sales	(553,867)	(326,023)
Management charges receivable	(60,681)	(27,450)
	(614,548)	(353,473)
Interest paid on loan	22,558	18,970
Purchases	79,005	189,579
	(512,985)	(144,924)

The amount outstanding to (owed by) Trade Vans UK Ltd at the year end was £400,184.(2018 £(8682)).

Anchor Properties Group Ltd

This is a wholly owned subsidiary of Padworth Properties Ltd a holding Company, which was acquired in its entirety by Anchor Vans Limited on 14th August 2018. The company owns premises rented to the Anchor Vans Limited.

	2019	2018
	£	£
Rent payable	40,000	–

The amount owed by Anchor Properties Group Ltd at the year end was £560,162.(2018 £Nil)

Dividend

During the year dividend of £10,000 (2018 - £10,000) was paid to directors.