

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 28 February 2018
for
B. W. Aylesbury Limited



ASE Audit LLP
Statutory Auditors & Chartered Accountants
Rowan Court
Concord Business Park
Manchester
Greater Manchester
M22 0RR

Contents of the Financial Statements
for the Year Ended 28 February 2018

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

B. W. Aylesbury Limited
Company Information
for the Year Ended 28 February 2018

DIRECTORS: C B Brown
H J Cockton
P W Cockton

SECRETARY: H J Cockton

REGISTERED OFFICE: Aylesbury Honda
Gatehouse Road
Aylesbury
Buckinghamshire
HP19 8ED

REGISTERED NUMBER: 03274494 (England and Wales)

AUDITORS: ASE Audit LLP
Statutory Auditors & Chartered Accountants
Rowan Court
Concord Business Park
Manchester
Greater Manchester
M22 0RR

Strategic Report
for the Year Ended 28 February 2018

The directors present their strategic report for the year ended 28 February 2018.

REVIEW OF BUSINESS

The directors are satisfied with the results for the year and have identified a number of measures that are important to the success of the business. These concentrate on revenue, gross margin, underlying gross profit, and cash generation and are monitored on a regular basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

Economic conditions

Brexit continues cause uncertainty and customer demand is up and down this has had a direct impact on company performance. Our financial strategy therefore remains to grow sales over the long term while maintaining a strong balance sheet.

Key dealerships

The company has dealer agreements with manufacturers which enable us to achieve our key objectives of providing top quality products and services to our customers. The loss of certain of these franchises could have a short to medium term impact on our product offering and therefore our financial performance. The company works closely with these manufacturers to ensure that, together, we provide the best customer value and experience.

Industry costs

A refurbishment or relocation of our Nissan dealership will require future investment and require the company to continually explore ways to reduce costs through the use of the new technology and seek the best value from our suppliers.

Business continuity

The directors recognise that a major disaster, such as fire, prolonged power failure or major computer failure could have a significant impact on the company's operational capability. Insurance cover and recovery plans are therefore in place to ensure the business as a whole remains operational.

Manufacturer supply of new and improved products

The company is reliant on new vehicle products from Vauxhall and Suzuki. This exposes the company to risks in a number of areas as the company is dependent on its manufacturer/supplier in respect of:

- Availability of new vehicle product
- Quality of new vehicle product
- Pricing of new vehicle product

The directors are confident that future new products from its manufacturers and suppliers will continue to be competitively priced and high quality and therefore consider that this "manufacturer risk" is minimal. It is, in any case, mitigated by other core business areas of the company, including used vehicle sales, parts sales and service work.

Environmental Policy

The management continue to work towards the development of the company's environmental policy. It is the managements' objective to continually improve performance in this area. When assessing the environmental performance of the company, management consider various measures, including waste, recycling and CO2 emissions from the company's vehicles.

Used vehicle price variation

Used vehicle prices can decline significantly. As a significant proportion of our business comprises used vehicle sales, these declines can have a material impact on our business. The impact of declines in used vehicle prices can result in reduced profits on sales and also write-downs in the value of used vehicle inventory.

Group, people and reputation

The company has invested heavily in its people and its reputation over a number of years. It is therefore reliant on these individuals to a degree in delivering the company result and reinforcing the underlying brand. The group undertakes a regular review of remuneration and packages to ensure that it attracts and retains the best people.

Strategic Report
for the Year Ended 28 February 2018

Competition

We compete with other franchised vehicle dealerships, independent used vehicle sellers, private buyers and sellers, internet based dealers, independent service and repair shops and vehicle manufacturers who have entered the retail market. We compete for the sale of new and used vehicles, the performance of warranty repairs, non-warranty repairs, routine maintenance business and for the provision of spare parts. The principal competitive factors in service and parts sales are price, familiarity with a manufacturer's brands and models and the quality of customer service.

WLTP

The lack of available product continues to be a problem as our manufacturer partners gear up production of newly tested models.

GDPR

The confusion and fears created has caused problems and has, and will require some investment going forward.

Possible impact of Brexit

A "Hard" Brexit may have an impact on the UK car market from March 2019 with possible rises in the cost of vehicles and parts from overseas due to adverse exchange rates and higher tariffs.

Per SMMT "Import tariffs alone could push up the list price of cars imported to the UK from the continent by an average of £1,500 if brands and their retail networks were unable to absorb these additional costs". This would affect demand for new car sales with selling prices rises inevitable, although used car sales volumes may increase.

FINANCIAL KEY PERFORMANCE INDICATORS


The company has recently invested heavily in a new DMS to provide better daily operating information to help control costs and monitor performance. This information will feed into a series of reports providing the business with regular key point indicators.

This will allow the managers to monitor retail hours sold, hours per job card as well as attendance measures within the aftersales department.

Within the sales department we continue to look at sales conversion ratios, demo ratios to identify weak points within the sales process as well as reports to show profit per unit on all sales types. We have also introduced a way that sales execs can monitor their earning potential each month to drive performance.

The parts department will report £'s sold per channel each day and are also measuring the earning from each customer to ensure that the delivery costs are well invested.

ON BEHALF OF THE BOARD:



.....
H J Cockton - Director

Date: 17/9/18

Report of the Directors
for the Year Ended 28 February 2018

The directors present their report with the financial statements of the company for the year ended 28 February 2018.

DIVIDENDS

The total distribution of dividends for the year ended 28 February 2018 will be £72,500 (2017: £37,500).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2017 to the date of this report.

C B Brown
H J Cockton
P W Cockton

FINANCIAL RISKS AND UNCERTAINTIES

The company uses various financial instruments, other than derivatives, which include bank, financial institution and stocking loans, cash and various items, such as consignment stock, trade debtors and trade creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for the company's operations. Their existence exposes the company to a number of financial risks.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The directors review and agree policies for managing each of these risks which are summarised below. These policies have remained unchanged from previous years.

Interest rate risk

The company finances its operations through a mixture of bank, other external borrowings and preference shares.

The company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities. The balance sheet includes trade debtors and creditors which do not attract interest and are therefore subject to fair value interest rate risk.

The company policy throughout the year has been to achieve its objective of managing interest rate risk through day to day involvement of management in business decisions rather than through setting maximum or minimum levels for the level of fixed interest rate borrowings.

Market risk

As the group does not normally make investments, price risk is considered inconsequential. Transactions other than in Sterling are inconsequential.

Liquidity risk

The company seeks to manage risk by ensuring sufficient liquidity is available to meet foreseeable needs to invest cash assets safely and profitably.

The company's policy throughout the year has been to achieve this objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum liquidity ratios.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparts have high credit ratings assigned by international credit-rating agencies. The principle credit risk therefore arises from its trade debtors.

In order to manage credit risk, the directors set credit limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the finance director on a regular basis in conjunction with debt ageing and collection history.

POST BALANCE SHEET EVENTS

There have been no events that have affected the company post balance sheet.

DISCLOSURE IN THE STRATEGIC REPORT

The Directors review of business, and their consideration of the risks and uncertainties surrounding the business may be found in the Strategic Report.

Report of the Directors
for the Year Ended 28 February 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

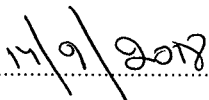
The auditors, ASE Audit LLP, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
H J Cockton - Director

Date:



Report of the Independent Auditors to the Members of
B. W. Aylesbury Limited

Opinion

We have audited the financial statements of B. W. Aylesbury Limited (the 'company') for the year ended 28 February 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, 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 Financial Reporting Standard 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 company's affairs as at 28 February 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Report of the Independent Auditors to the Members of
B. W. Aylesbury Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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.



Ian McMahon FCCA FMAAT (Senior Statutory Auditor)
for and on behalf of ASE Audit LLP
Statutory Auditors & Chartered Accountants
Rowan Court
Concord Business Park
Manchester
Greater Manchester
M22 0RR

Date:

20/9/2018

Statement of Comprehensive Income
for the Year Ended 28 February 2018

	Notes	2018 £	2017 £
TURNOVER	3	31,795,716	29,750,721
Cost of sales		<u>29,187,669</u>	<u>27,359,283</u>
GROSS PROFIT		2,608,047	2,391,438
Administrative expenses		<u>1,961,030</u>	<u>1,793,524</u>
		647,017	597,914
Other operating income	4	<u>5,364</u>	-
OPERATING PROFIT	7	652,381	597,914
Interest payable and similar expenses	9	<u>19,867</u>	<u>20,115</u>
PROFIT BEFORE TAXATION		632,514	577,799
Tax on profit	10	<u>134,387</u>	<u>124,361</u>
PROFIT FOR THE FINANCIAL YEAR		498,127	453,438
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>498,127</u>	<u>453,438</u>

Statement of Financial Position
28 February 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	12	1,320,561	1,381,341
CURRENT ASSETS			
Stocks	13	4,013,384	3,216,384
Debtors	14	766,731	1,101,453
Cash at bank and in hand		<u>2,521,696</u>	<u>1,633,018</u>
		7,301,811	5,950,855
CREDITORS			
Amounts falling due within one year	15	<u>(4,078,587)</u>	<u>(3,174,735)</u>
NET CURRENT ASSETS		<u>3,223,224</u>	<u>2,776,120</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,543,785	4,157,461
CREDITORS			
Amounts falling due after more than one year	16	(37,361)	(77,196)
PROVISIONS FOR LIABILITIES	20	<u>(21,027)</u>	<u>(20,495)</u>
NET ASSETS		<u>4,485,397</u>	<u>4,059,770</u>
CAPITAL AND RESERVES			
Called up share capital	21	10,000	10,000
Capital redemption reserve	22	490,000	490,000
Retained earnings	22	<u>3,985,397</u>	<u>3,559,770</u>
SHAREHOLDERS' FUNDS		<u>4,485,397</u>	<u>4,059,770</u>

The financial statements were approved by the Board of Directors on its behalf by:

17/9/2018

and were signed on


H J Cockton - Director


P W Cockton - Director

Statement of Changes in Equity
for the Year Ended 28 February 2018

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 March 2016	10,000	3,143,832	490,000	3,643,832
Changes in equity				
Dividends	-	(37,500)	-	(37,500)
Total comprehensive income	-	453,438	-	453,438
Balance at 28 February 2017	<u>10,000</u>	<u>3,559,770</u>	<u>490,000</u>	<u>4,059,770</u>
Changes in equity				
Dividends	-	(72,500)	-	(72,500)
Total comprehensive income	-	498,127	-	498,127
Balance at 28 February 2018	<u>10,000</u>	<u>3,985,397</u>	<u>490,000</u>	<u>4,485,397</u>

Notes to the Financial Statements
for the Year Ended 28 February 2018

1. STATUTORY INFORMATION

B W Aylesbury Limited is a private company, limited by shares, registered in England and Wales.

The company's registered office address is Aylesbury Honda, Gatehouse Road, Aylesbury, Buckinghamshire, HP19 8ED.

The presentation currency of the financial statements is Pound Sterling (£).

The company has no one single place of business.

The company's principal activity is that of a motor retailer.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of B.W. Aylesbury (Holdings) Limited and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Consignment stock

Vehicles held on consignment have been included in 'vehicles' within 'stocks' on the basis that the company has determined that it holds the significant risks and rewards attached to these vehicles.

Stock valuation

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including CAP valuation guides. The directors maintain oversight of ageing stock profiles and a monthly review of any provision required is performed.

Property, plant and equipment assets

Property, plant and equipment are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows.

Notes to the Financial Statements - continued
for the Year Ended 28 February 2018

2. ACCOUNTING POLICIES - continued

Incentives and other rebates from brand partners

The company receives income in the form of various incentives which are determined by the brand partners. The amount received is generally based on achieving specific objectives such as a specified sales volume, as well as other objectives including maintaining brand partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Objectives are generally set and measured on either a quarterly or annual basis.

Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned. This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain that the related target will be met. Where incentives are linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

The company may also receive contributions towards advertising, promotional and rent expenditure. Where such contributions are received they are recognised as a reduction in the related expenditure in the period to which they relate.

Turnover

Turnover from the sale of goods is recognised in the Statement of Comprehensive Income, net of discounts and value added tax, when the significant risks and rewards of ownership have been transferred to the buyer. In general this occurs when vehicles or parts have been supplied or when a service has been completed.

Incentives received from manufacturers in respect of target achievements are accounted for as a deduction from the cost of the vehicles or parts to which they relate.

Commission income is accounted for on a receivable basis.

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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Freehold property	- Land - nil, buildings 5% on cost
Plant and machinery	- 25% on reducing balance

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 within 'other operating income' in the Statement of Comprehensive Income.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell after making due allowances for obsolete stock.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Consignment stock

Consignment vehicles that are regarded effectively as being under the control of the company due to the transfer of the risks and responsibilities, are included within stocks on the Statement of Financial Position, although legal title has not passed to the company, in accordance with FRS 102. The corresponding liability is included within trade creditors and is secured directly on these vehicles.

Notes to the Financial Statements - continued
for the Year Ended 28 February 2018

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only has basic financial instruments, which are recognised at amortised cost.

Current taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Operating leases: lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Debtors

Short term debtors are measured at transaction price, less any impairment.

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.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

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.

Notes to the Financial Statements - continued
for the Year Ended 28 February 2018

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2018	2017
	£	£
Sales of goods	29,527,876	27,385,453
Sales of services	2,232,998	2,345,744
Commissions received	34,842	19,524
	<u>31,795,716</u>	<u>29,750,721</u>

All turnover arose within the United Kingdom.

4. OTHER OPERATING INCOME

	2018	2017
	£	£
Sundry receipts	<u>5,364</u>	<u>-</u>

5. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	1,992,634	1,905,769
Social security costs	246,902	208,180
Other pension costs	47,205	42,237
	<u>2,286,741</u>	<u>2,156,186</u>

The average number of employees during the year was as follows:

	2018	2017
Directors	3	3
Administration	5	4
Vehicle sales	19	18
Aftersales	<u>29</u>	<u>28</u>
	<u>56</u>	<u>53</u>

6. DIRECTORS' EMOLUMENTS

	2018	2017
	£	£
Directors' remuneration	411,472	360,768
Directors' pension contributions to money purchase schemes	<u>20,760</u>	<u>20,760</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2018	2017
Money purchase schemes	<u>2</u>	<u>2</u>

Information regarding the highest paid director is as follows:

	2018	2017
	£	£
Emoluments etc	175,747	144,976
Pension contributions to money purchase schemes	<u>-</u>	<u>6,000</u>

Notes to the Financial Statements - continued
for the Year Ended 28 February 2018

7. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Rent	35,000	35,000
Depreciation - owned assets	<u>64,049</u>	<u>53,310</u>

8. AUDITORS' REMUNERATION

	2018	2017
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	13,474	8,400
Auditors' remuneration for non audit work	<u>3,368</u>	<u>2,100</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank loan interest	2,803	4,266
Stocking loan interest	17,037	16,393
Other interest receivable	-	(544)
Corporation tax interest	<u>27</u>	<u>-</u>
	<u>19,867</u>	<u>20,115</u>

10. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	129,889	118,894
Prior year corporation tax	<u>3,966</u>	<u>-</u>
Total current tax	133,855	118,894
Deferred tax	<u>532</u>	<u>5,467</u>
Tax on profit	<u>134,387</u>	<u>124,361</u>

Notes to the Financial Statements - continued
for the Year Ended 28 February 2018

10. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>632,514</u>	<u>577,799</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.080% (2017 - 20%)	120,684	115,560
Effects of:		
Depreciation in excess of capital allowances	9,975	4,031
Adjustments to tax charge in respect of previous periods	3,794	-
Adjustments to Statement of Financial Position	-	(697)
Deferred tax rate difference	(93)	-
Deferred tax movement	-	5,467
Corporation tax interest	<u>27</u>	<u>-</u>
Total tax charge	<u>134,387</u>	<u>124,361</u>

Factors that may affect future tax charges

A reduction in the corporation tax rate from 20% to 19% from 1 April 2019 and to 17% from 1 April 2020 was substantively enacted on 6 September 2016. Future tax liabilities will reduce accordingly.

11. DIVIDENDS

	2018 £	2017 £
Ordinary shares shares of £1 each		
Interim	<u>72,500</u>	<u>37,500</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Totals £
COST			
At 1 March 2017	1,829,448	64,925	1,894,373
Additions	-	3,269	3,269
At 28 February 2018	<u>1,829,448</u>	<u>68,194</u>	<u>1,897,642</u>
DEPRECIATION			
At 1 March 2017	476,809	36,223	513,032
Charge for year	56,837	7,212	64,049
At 28 February 2018	<u>533,646</u>	<u>43,435</u>	<u>577,081</u>
NET BOOK VALUE			
At 28 February 2018	<u>1,295,802</u>	<u>24,759</u>	<u>1,320,561</u>
At 28 February 2017	<u>1,352,639</u>	<u>28,702</u>	<u>1,381,341</u>

Included in cost of land and buildings is freehold land of £737,500 (2017 - £737,500) which is not depreciated.

Freehold property with a carrying value of £1,295,802 (2017: £1,352,639) is pledged as security for the company's bank loan.

**Notes to the Financial Statements - continued
for the Year Ended 28 February 2018**

13. STOCKS

	2018 £	2017 £
Vehicle stock	3,862,222	3,098,222
Parts stock	151,162	118,162
	<u>4,013,384</u>	<u>3,216,384</u>

Stock recognised in cost of sales during the year as an expense was £27,337,949 (2017: £23,781,623).

An impairment loss of £44,047 (2017: £2,027) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Stock to the value of £2,414,812 (2017: £1,589,037) is pledged as security for the vehicle funding and bank loans.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	266,879	580,125
Amounts owed by group undertakings	392,791	465,291
Other debtors	-	2,605
Directors' loan accounts	74,173	2,776
Prepayments	32,888	50,656
	<u>766,731</u>	<u>1,101,453</u>

An impairment loss of £Nil (2017: £Nil) has been recognised against trade debtors.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts (see note 17)	40,035	24,542
Trade creditors	3,438,724	2,536,566
Corporation tax	129,890	118,894
Social security and other taxes	61,007	113,723
VAT	65,938	-
Other creditors	1,077	63,268
Directors' loan accounts	-	43,230
Accruals and deferred income	341,916	274,512
	<u>4,078,587</u>	<u>3,174,735</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Bank loans (see note 17)	<u>37,361</u>	<u>77,196</u>

Secured loans

The bank loan is secured by legal charges over the freehold land and buildings of the company.

17. LOANS

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year or on demand:		
Bank loans	<u>40,035</u>	<u>24,542</u>

Notes to the Financial Statements - continued
for the Year Ended 28 February 2018

17. LOANS - continued

	2018 £	2017 £
Amounts falling due between one and two years:		
Bank loans	<u>37,361</u>	<u>40,041</u>
Amounts falling due between two and five years:		
Bank loans	<u>-</u>	<u>37,155</u>

The bank loan amounting to £77,396 (2017: £101,738) bears interest at 2.6% above the bank base rate and is due to be repaid by May 2020 in equal monthly instalments.

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	35,000	35,000
Between one and five years	<u>11,667</u>	<u>46,667</u>
	<u>46,667</u>	<u>81,667</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	2018 £	2017 £
Bank loans	77,396	101,738
Vehicle funding	<u>2,845,092</u>	<u>1,863,995</u>
	<u>2,922,488</u>	<u>1,965,733</u>

The bank loan is secured by legal charges over the freehold land and buildings of the company.

The vehicle funding liabilities included within trade creditors are secured directly against the vehicles to which they relate.

20. PROVISIONS FOR LIABILITIES

	2018 £	2017 £
Deferred tax	<u>21,027</u>	<u>20,495</u>
		Deferred tax
		£
Balance at 1 March 2017		20,495
Provided during year		<u>532</u>
Balance at 28 February 2018		<u>21,027</u>

21. CALLED UP SHARE CAPITAL

Number:	Class:	Nominal value:	2018 £	2017 £
10,000	Ordinary shares	£1	<u>10,000</u>	<u>10,000</u>

Notes to the Financial Statements - continued
for the Year Ended 28 February 2018

22. RESERVES

Capital redemption reserve

This includes the nominal value of share which have been redeemed by the company.

Retained earnings

This include the accumulated profits and losses of the company less dividends paid.

23. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £47,205 (2017: £42,237). Contributions totalling £3,150 (2017: £2,848) were payable to the fund at the Statement of Financial Position date.

24. CAPITAL COMMITMENTS

	2018	2017
	£	£
Contracted but not provided for in the financial statements	<u>49,819</u>	<u>-</u>

25. RELATED PARTY DISCLOSURES

George Browns Limited is a company in which C B Brown is both a director and shareholder. During the year, the company made sales to George Browns Limited of £84,795 (2017: £99,464). Included within debtors is an amount due from George Browns Limited totalling £640 (2017: £1,823).

26. ULTIMATE CONTROLLING PARTY

On 28th May 2016, B.W. Aylesbury (Holdings) Limited acquired 100% of the shares in the company.

The ultimate parent undertaking is deemed to be B.W. Aylesbury (Holdings) Limited, there is no one ultimate controlling party.