

Company Registration No. 05005577 (England and Wales)

TOP GEAR (BRIDPORT) LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020
PAGES FOR FILING WITH REGISTRAR

TOP GEAR (BRIDPORT) LIMITED

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TOP GEAR (BRIDPORT) LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		29,177		37,250
Tangible assets	4		196,749		288,315
			<u>225,926</u>		<u>325,565</u>
Current assets					
Stocks		1,703,311		1,787,352	
Debtors	5	907,567		1,049,721	
Cash at bank and in hand		53,961		35,110	
		<u>2,664,839</u>		<u>2,872,183</u>	
Creditors: amounts falling due within one year	6	<u>(1,313,389)</u>		<u>(1,456,281)</u>	
Net current assets			<u>1,351,450</u>		<u>1,415,902</u>
Total assets less current liabilities			<u>1,577,376</u>		<u>1,741,467</u>
Creditors: amounts falling due after more than one year	7		(410,605)		(590,790)
Provisions for liabilities	8		(46,279)		(41,356)
Net assets			<u>1,120,492</u>		<u>1,109,321</u>
Capital and reserves					
Called up share capital	9		200,000		200,000
Profit and loss reserves			920,492		909,321
Total equity			<u>1,120,492</u>		<u>1,109,321</u>

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

For the financial year ended 31 January 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

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

TOP GEAR (BRIDPORT) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2020

The financial statements were approved by the board of directors and authorised for issue on 29 September 2020 and are signed on its behalf by:

Mr S D Kilcoyne
Director

Company Registration No. 05005577

TOP GEAR (BRIDPORT) LIMITED

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

1 Accounting policies

Company information

Top Gear (Bridport) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Wessex House, Teign Road, Newton Abbot, Devon, TQ12 4AA.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

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

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

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Trademarks	10% straight line
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1.5 Tangible fixed assets

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

TOP GEAR (BRIDPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

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

Land and buildings Leasehold	Over the term of the lease on a straight-line basis
Plant and machinery	10% per annum on a straight-line basis
Fixtures, fittings & equipment	10% per annum on a straight-line basis
Computer equipment	20% per annum on a straight-line basis
Motor vehicles	25% per annum on a reducing balance basis

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

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

1.7 Financial instruments

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

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

Basic financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

TOP GEAR (BRIDPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies **(Continued)**

1.8 Equity instruments

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

1.9 Taxation

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

Current tax

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

Deferred tax

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.10 Employee benefits

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

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

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

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

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

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

TOP GEAR (BRIDPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

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

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.14 Factoring

The company has entered into a confidential invoice discounting agreement under which specific trade debtors are transferred to the bank, which offers a credit facility available to be drawn up to a fixed percentage of the book value of the debts.

The bank has recourse to the company for any debtors that default, therefore separate presentation is appropriate whereby the trade debtors secured under the agreement are shown as trade debtors due to the company and the cash advanced by the bank is included in creditors falling due within one year.

Factoring fees and interest are charged to the profit and loss account when incurred.

2 Employees

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

	2020 Number	2019 Number
Total	27	34

3 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 1 February 2019 and 31 January 2020	106,053	31,152	137,205
Amortisation and impairment			
At 1 February 2019	96,804	3,151	99,955
Amortisation charged for the year	4,957	3,116	8,073
At 31 January 2020	101,761	6,267	108,028
Carrying amount			
At 31 January 2020	4,292	24,885	29,177
At 31 January 2019	9,249	28,001	37,250

TOP GEAR (BRIDPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 February 2019	3,590	718,677	722,267
Additions	-	27,284	27,284
Disposals	-	(69,205)	(69,205)
At 31 January 2020	<u>3,590</u>	<u>676,756</u>	<u>680,346</u>
Depreciation and impairment			
At 1 February 2019	3,590	430,362	433,952
Depreciation charged in the year	-	73,420	73,420
Eliminated in respect of disposals	-	(23,775)	(23,775)
At 31 January 2020	<u>3,590</u>	<u>480,007</u>	<u>483,597</u>
Carrying amount			
At 31 January 2020	<u>-</u>	<u>196,749</u>	<u>196,749</u>
At 31 January 2019	<u>-</u>	<u>288,315</u>	<u>288,315</u>

5 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	399,097	439,144
Gross amounts owed by contract customers	37,121	18,596
Amounts owed by group undertakings	266,955	308,784
Other debtors	26,760	96,985
Prepayments and accrued income	107,910	116,604
	<u>837,843</u>	<u>980,113</u>
Amounts falling due after more than one year:		
	<u>69,724</u>	<u>69,608</u>
Total debtors	<u>907,567</u>	<u>1,049,721</u>

The Gross amounts owed by customers above represent the net investment in finance leases.

The cost of assets acquired in the year for the purpose of letting under finance leases was £29,939.

TOP GEAR (BRIDPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

6 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	517,917	500,635
Obligations under finance leases	119,520	109,342
Trade creditors	430,024	467,391
Corporation tax	33,745	32,225
Other taxation and social security	83,622	67,420
Other creditors	101,217	219,626
Accruals and deferred income	27,344	59,642
	<u>1,313,389</u>	<u>1,456,281</u>

Obligations under finance leases and hire purchase contracts are secured upon the assets required.

Included in Other creditors are loans by the directors totalling £46,343 (2019: £89,942) which are unsecured and repayable on demand.

7 Creditors: amounts falling due after more than one year

	2020	2019
Notes	£	£
Bank loans and overdrafts	291,857	365,945
Obligations under finance leases	118,748	224,845
	<u>410,605</u>	<u>590,790</u>

Obligations under finance leases are secured upon the assets acquired.

The bank overdraft and bank loan are secured by a charge over the company's assets. The bank loan is repayable by instalments within 5 years.

8 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020	Liabilities 2019
	£	£
Balances:		
Accelerated capital allowances	<u>46,279</u>	<u>41,356</u>

TOP GEAR (BRIDPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

8	Deferred taxation	(Continued)
		2020
	Movements in the year:	£
	Liability at 1 February 2019	41,356
	Charge to profit or loss	4,923
	Liability at 31 January 2020	<u>46,279</u>

9	Called up share capital	2020	2019
		£	£
	Ordinary share capital		
	Issued and fully paid		
	199,850 Ordinary shares of £1 each	199,850	199,850
	150 Ordinary shares non-voting of £1 each	150	150
		<u>200,000</u>	<u>200,000</u>

The non-voting shares have full dividend rights, but are only entitled to a return of capital on a winding up.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2020	2019
£	£
2,708	67,708
<u>2,708</u>	<u>67,708</u>

11 Events after the reporting date

Since the year end, the Covid-19 outbreak and resultant lockdown meant that the company could not work for a period. The ultimate financial effect of Covid-19 cannot be quantified at this point, but the directors are confident that there will be a return to normality as soon as possible and that the company will continue to operate for the foreseeable future.

TOP GEAR (BRIDPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

12 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of services		Purchase of services	
	2020 £	2019 £	2020 £	2019 £
Other related parties	40,985	-	-	60,000
	<u>40,985</u>	<u>-</u>	<u>-</u>	<u>60,000</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2020	2019
	£	£
Other related parties	44,249	93,614
	<u>44,249</u>	<u>93,614</u>

The company has taken advantage of the exemption available to small groups under FRS 102 from disclosing intra-group transactions.

During the year a controlled by a director charged the company £43,132 (2019: £43,193) for computer consultancy.

During the year interest of £30,000 (2019: £30,000) was charged by the directors on loans to the company.

13 Parent company

The company is a wholly-owned subsidiary of Top Gear (International Holdings) Limited, a company registered in England & Wales.

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