

Registered number  
01754748

Cheshunt Motor Company Limited

Filleted Accounts

31 December 2021

**Cheshunt Motor Company Limited****Registered number:** 01754748**Balance Sheet****as at 31 December 2021**

	<b>Notes</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Tangible assets	5	1,495,959	1,501,983
<b>Current assets</b>			
Stocks		1,474,633	1,427,817
Debtors	6	190,325	335,565
Cash at bank and in hand		262,231	161,698
		<u>1,927,189</u>	<u>1,925,080</u>
<b>Creditors: amounts falling due within one year</b>	7	(1,763,987)	(1,355,860)
<b>Net current assets</b>		<u>163,202</u>	<u>569,220</u>
<b>Total assets less current liabilities</b>		<u>1,659,161</u>	<u>2,071,203</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(529,275)	(733,338)
<b>Provisions for liabilities</b>		(13,594)	(14,625)
<b>Net assets</b>		<u>1,116,292</u>	<u>1,323,240</u>
<b>Capital and reserves</b>			
Called up share capital		185,000	185,000
Share premium		191,417	191,417
Profit and loss account		739,875	946,823
<b>Shareholder's funds</b>		<u>1,116,292</u>	<u>1,323,240</u>

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

P R Holmes

Director

Approved by the board on 28 September 2022



**Cheshunt Motor Company Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2021**

**1 Accounting policies**

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

The company's functional and presentational currency is GBP.

***Turnover***

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the date of which the service is completed.

***Going concern***

The directors have considered the ongoing impact of COVID-19 and economic events after the reporting date in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate. The directors acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the directors to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	15% on cost
Fixtures, fittings, tools and equipment	15/20% on cost

Land and buildings were acquired in 2018 and are freehold. The director therefore considers that the residual value of these assets is not less than cost and no depreciation has been provided on the buildings this year.

Management consider indicators of impairment annually to ensure that the value of the land and buildings is appropriate.

***Stocks***

Stocks are measured at the lower of cost and net realisable value. Cars are held at their unit cost. Parts stock is determined using the weighted average method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

### ***Debtors***

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

### ***Creditors***

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method. Financial liabilities are classified according to the substance of their contractual obligations rather than their legal form.

### ***Taxation***

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

### ***Grants received***

Grants received are accounted for using the accrual model and are recognised in the profit and loss in the periods in which the related costs or expenses are recognised.

### ***Provisions***

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

### ***Leased assets***

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

### ***Pensions***

Contributions to defined contribution plans are expensed in the period to which they relate.

## **2 Audit information**

The audit report is unqualified.

Senior statutory auditor:	Richard Gillespie FCCA
Firm:	Fortus Audit LLP
Date of audit report:	30 September 2022

### 3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 4 Employees

	2021 Number	2020 Number
Average number of persons employed by the company	31	32

### 5 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2021	1,421,666	132,396	122,553	1,676,615
Additions	-	13,849	7,150	20,999
Disposals	-	(10,888)	(1,810)	(12,698)
At 31 December 2021	1,421,666	135,357	127,893	1,684,916
<b>Depreciation</b>				
At 1 January 2021	-	93,380	81,252	174,632
Charge for the year	-	10,820	15,906	26,726
On disposals	-	(10,591)	(1,810)	(12,401)
At 31 December 2021	-	93,609	95,348	188,957
<b>Net book value</b>				
At 31 December 2021	1,421,666	41,748	32,545	1,495,959
At 31 December 2020	1,421,666	39,016	41,301	1,501,983

Land and buildings were acquired in 2018 and are freehold.

### 6 Debtors

	2021 £	2020 £
Trade debtors	118,096	9,247
Other debtors	72,229	326,318
	190,325	335,565

<b>7 Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
		As restated
Bank loans	33,080	47,758
Trade creditors	328,545	440,735
Taxation and social security costs	354,438	309,674
Other creditors	1,047,924	557,693
	<u>1,763,987</u>	<u>1,355,860</u>

<b>8 Creditors: amounts falling due after one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	<u>529,275</u>	<u>733,338</u>

<b>9 Loans</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Instalments falling due for payment after more than five years	<u>396,956</u>	<u>525,338</u>
Total secured bank loans	<u>562,355</u>	<u>781,096</u>

The bank loans are with National Westminster Bank Plc and repayable over 17 years (last year 18 years) and the interest rate is fixed at 2% and 2.15% above base rate across both loans. Both loans have a first legal charge against the land and buildings.

<b>10 Capital commitments</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amounts contracted for but not provided in the accounts	<u>5,940</u>	<u>-</u>

<b>11 Other financial commitments</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Total future minimum payments under non-cancellable operating leases	<u>96,000</u>	<u>144,000</u>

Of the total commitment, £48,000 (2020 - £96,000) is payable in more than 1 year but not later than 5 years.

## **12 Related party transactions**

P R Holmes - director

Dividends declared in the year totalled £800,000 (2020 - £45,000). At the end of the year,

£516,000 (2020 - £NIL) remains payable to the director.

In previous years the company made interest free loans, with no fixed repayment date, totalling £298,000 to Beverley Hills Investments Limited, a company owned by P R Holmes' wife. In previous years a repayment of £30,000 was made leaving a balance due of £268,000 at the end of last year. The loan was fully cleared in 2021.

During the year stock was purchased from a Director totalling £30,000 (2020 - £NIL). No balance remains payable at year end.

During the year rent was paid to a Director's SIPP totalling £48,000 (2020 - £48,000). The outstanding operating lease commitment at note 11 relates to this.

### **13 Controlling party**

The ultimate controlling party is P R Holmes by virtue of his shareholding in the company.

### **14 Other information**

Cheshunt Motor Company Limited is a private company limited by shares and incorporated in England. Its registered office is:

CMC Car Dealership

Edinburgh Way

HARLOW

Essex

CM20 2EG

### **15 Prior year adjustment**

In the prior year the company presented internal sales invoices within the overall turnover, cost of sales and administration costs, as opposed to correctly eliminating these at the year end. In 2020, this has resulted in a decrease in revenue, cost of sales and administration costs of £185,199, £183,255 and £1,944 respectively. This has had no impact on the company's profit for the year or net assets.

During the year certain creditor balances have been reclassified for the purposes of the financial statements to better represent their nature. In 2020 this has resulted in an increase in other creditors of £557,693, with a corresponding decrease in trade creditors of £557,693. This has had no impact on the company's profit for the year or net assets.

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