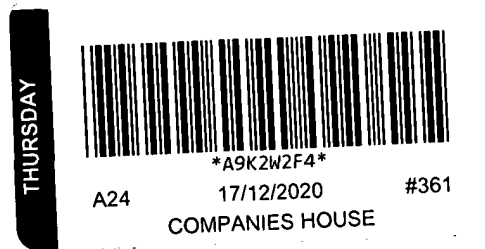


REGISTERED NUMBER: 03823504 (England and Wales)

**Unaudited Financial Statements for the Year Ended 31 December 2019**

**for**

**Close Motor Company Limited**



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

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for the Year Ended 31 December 2019**

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**Close Motor Company Limited**

**Company Information**  
**for the Year Ended 31 December 2019**

**DIRECTORS:**

S Close  
R M Close  
Mrs J Close  
C A Close

**SECRETARY:**

Mrs J Close

**REGISTERED OFFICE:**

7/11 High Street  
Corby  
Northamptonshire  
NN17 1UX

**REGISTERED NUMBER:**

03823504 (England and Wales)

**ACCOUNTANTS:**

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

**Close Motor Company Limited (Registered number: 03823504)**

**Statement of Financial Position**  
**31 December 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Intangible assets	4	-	-
Tangible assets	5	929,819	106,499
Investment property	6	303,589	303,589
		<u>1,233,408</u>	<u>410,088</u>
<b>CURRENT ASSETS</b>			
Stocks	7	2,363,589	2,168,127
Debtors	8	671,144	909,537
Cash at bank		-	177,589
		<u>3,034,733</u>	<u>3,255,253</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	(3,071,169)	(2,994,261)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(36,436)</u>	<u>260,992</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,196,972</u>	<u>671,080</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	(736,191)	(463,188)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(25,712)</u>	<u>(20,572)</u>
<b>NET ASSETS</b>		<u><u>435,069</u></u>	<u><u>187,320</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	355,264	105,264
Share premium	14	94,736	94,736
Retained earnings	14	(14,931)	(12,680)
<b>SHAREHOLDERS' FUNDS</b>		<u><u>435,069</u></u>	<u><u>187,320</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

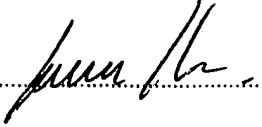
The notes form part of these financial statements

**Statement of Financial Position - continued**  
**31 December 2019**

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

The financial statements were approved by the Board of Directors and authorised for issue on 2/12/2020 and were signed on its behalf by:

.....  
S Close - Director



**Notes to the Financial Statements**  
**for the Year Ended 31 December 2019**

**1. STATUTORY INFORMATION**

Close Motor Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is included on the Statement of Financial Position and the registered office address of the company is 7/11 High Street, Corby, Northamptonshire, NN17 1UX.

The company does not have a single trading address.

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

The principal activity of company is that of a motor dealership.

**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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going concern**

The company had net current liabilities at the year end of £36,436 and made a loss for the year of £2,251, which may be indicators that the company is not a going concern. Furthermore, Covid-19 has caused, and will continue to cause, widespread economic disruption. However, based on current bank balances and facilities, current funding and current trading, the directors believe that the company will be able to meet its debts as they fall due for the period of 12 months after the approval of these financial statements. They have therefore prepared the financial statements on a going concern basis.

**Turnover**

Turnover from the sale of goods is recognised in the Income Statement, 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.

**Goodwill**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Income Statement over its estimated economic life.

Goodwill has been fully written off.

**Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 3% straight line
Plant and machinery	- 25% reducing balance
Motor vehicles	- 25% reducing balance

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Income Statement.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**2. ACCOUNTING POLICIES - continued**

**Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**Consignment stocks**

Consigned vehicles, which due to the significant risks and responsibilities of ownership passing to the company are regarded effectively as being under the control of the company, are included within stocks on the Statement of Financial Position although legal title has not passed to the company. The corresponding liability is included within trade creditors and is secured directly on these vehicles.

**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.

**Taxation**

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

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 reporting statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting 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.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the Income Statement in the period to which they relate.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 28 (2018 - 28).

**4. INTANGIBLE FIXED ASSETS**

	<b>Goodwill</b>
	<b>£</b>
<b>COST</b>	
At 1 January 2019	
and 31 December 2019	<b>30,000</b>
<b>AMORTISATION</b>	
At 1 January 2019	
and 31 December 2019	<b>30,000</b>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<b>-</b>
At 31 December 2018	<b>-</b>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019**

**5. TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST</b>			
At 1 January 2019	301,255	240,298	541,553
Additions	794,550	53,970	848,520
At 31 December 2019	<u>1,095,805</u>	<u>294,268</u>	<u>1,390,073</u>
<b>DEPRECIATION</b>			
At 1 January 2019	252,667	182,387	435,054
Charge for year	9,528	15,672	25,200
At 31 December 2019	<u>262,195</u>	<u>198,059</u>	<u>460,254</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>833,610</u>	<u>96,209</u>	<u>929,819</u>
At 31 December 2018	<u>48,588</u>	<u>57,911</u>	<u>106,499</u>

**6. INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 1 January 2019 and 31 December 2019	<u>303,589</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>303,589</u>
At 31 December 2018	<u>303,589</u>

The 2019 valuation was made by the directors, on an open market value for existing use basis.

**7. STOCKS**

	2019 £	2018 £
Vehicle stock	2,289,882	2,110,692
Parts stock	73,707	57,435
	<u>2,363,589</u>	<u>2,168,127</u>

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Trade debtors	605,056	821,116
Other debtors	64,954	88,421
Corporation tax	1,134	-
	<u>671,144</u>	<u>909,537</u>



**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019**

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Bank loan and overdraft	69,707	24,654
Trade creditors	1,659,628	2,110,312
Taxation and social security	24,447	89,338
Other creditors	1,317,387	769,957
	<u>3,071,169</u>	<u>2,994,261</u>

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019	2018
	£	£
Bank loan	611,948	113,188
Other creditors	124,243	350,000
	<u>736,191</u>	<u>463,188</u>

Amounts falling due in more than five years:

Repayable otherwise than by instalments		
Preference shares	<u>-</u>	<u>250,000</u>

Repayable by instalments		
Bank loans more 5 yr by instal	<u>4,792</u>	<u>12,172</u>

**11. LEASING AGREEMENTS**

At the year end the company had minimum lease payments under non-cancellable operating leases totalling £Nil (2018: £13,500).

**12. SECURED DEBTS**

The following secured debts are included within creditors:

	2019	2018
	£	£
Bank loan	653,507	137,842
Vehicle funding	2,142,981	1,993,085
	<u>2,796,488</u>	<u>2,130,927</u>

R M Close and Mrs J Close have provided a personal guarantee, which is limited to £425,000 for the company's bank loan.

The bank loan is also secured by a debenture and a legal charge over the company's leasehold properties.

Vehicle funding is secured on the vehicles so financed.

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£	£
355,264	Ordinary	£1	355,264	105,264
NIL			<u>-</u>	<u>-</u>
			<u>355,264</u>	<u>105,264</u>

250,000 £1 preference shares were converted to ordinary shares on 11 December 2019.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**14. RESERVES**

**Share premium**

This reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Retained earnings**

This reserve includes all current and prior period retained profits and losses and revaluation gains and losses on investment property.

**15. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme, these amounted to £25,067 (2018: £18,851).

**16. RELATED PARTY DISCLOSURES**

During the financial period the company paid rent amounting to £18,000 (2018: £18,000) to Collyweston Garage Limited, a company owned by Mr R M Close and Mrs J Close.

**17. POST BALANCE SHEET EVENTS**

In response to the global Covid-19 pandemic the UK Government announced immediate lockdown measures on 23 March 2020. The company responded to this by closing both sites effectively mothballing the business for the period of lockdown. New restrictions were added in April and the UK Government formally reviewed the lockdown measures on 7 May 2020. On 10 May 2020 the Prime Minister unveiled a road map of how the nation would potentially exit lockdown and from 1 June 2020 car showrooms were permitted to re-open.

After the lockdown restrictions were introduced the company performed various measures to ensure that the company's cash resources and facilities were maintained as positively as possible. These measures included the furloughing of staff from 25 March, the deferral of the Q1 VAT payment, and the deferral of the bank loan repayments.

On 31 October 2020 the Prime Minister announced a four week lockdown for England commencing 5 November 2020, during which car showrooms were required to close although workshops were allowed to remain open. The furlough scheme has been extended until 31 March 2021. During the period, we closed our sales operation furloughing our sales and administrative staff keeping skeleton staff only for our aftersales.

Despite the Covid-19 threat and the resultant economic turmoil our focus has not changed, and will not change, unless further unforeseen disruption unfolds.

On 27 July 2020 Mitsubishi announced that it would be freezing the supply of new vehicles to the UK and EU car markets. As a result, we considered our options and are to open our new Suzuki franchises on 4 January 2021.