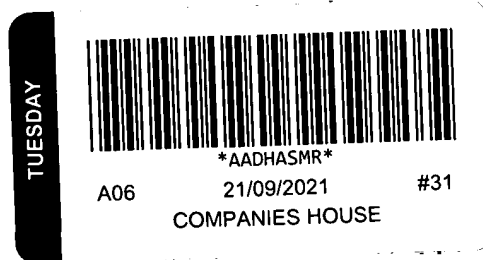


Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 December 2020
for
Close Motor Company Limited



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 2020

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Close Motor Company Limited

Company Information
for the Year Ended 31 December 2020

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

Report of the Directors
for the Year Ended 31 December 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

FUTURE DEVELOPMENTS

The primary focus of the company will be to build up trading operations now that the lockdown has been lifted with the safety of all stakeholders being paramount.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

S Close
R M Close
Mrs J Close
C A Close

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

* 
.....
S Close - Director

Date: ✓ 14.9.2021

Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Close Motor Company Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Close Motor Company Limited for the year ended 31 December 2020 which comprise the Income Statement, Statement of Financial Position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Close Motor Company Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Close Motor Company Limited and state those matters that we have agreed to state to the Board of Directors of Close Motor Company Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Close Motor Company Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Close Motor Company Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Close Motor Company Limited. You consider that Close Motor Company Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Close Motor Company Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

ASE Audit LLP

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

Date: 14 September 2021

Income Statement
for the Year Ended 31 December 2020

	Notes	2020 £	2019 £
TURNOVER		7,528,412	10,607,982
Cost of sales		(6,400,627)	(9,314,805)
GROSS PROFIT		1,127,785	1,293,177
Administrative expenses		(1,057,079)	(1,203,853)
		70,706	89,324
Other operating income	3	250,524	7,074
OPERATING PROFIT		321,230	96,398
Interest payable and similar expenses		(120,646)	(93,633)
PROFIT BEFORE TAXATION		200,584	2,765
Tax on profit		(40,830)	(5,016)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		159,754	(2,251)

Statement of Financial Position
31 December 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	5	-	-
Tangible assets	6	907,353	929,819
Investment property	7	303,589	303,589
		<u>1,210,942</u>	<u>1,233,408</u>
CURRENT ASSETS			
Stocks	8	2,086,193	2,363,589
Debtors	9	253,737	671,144
Cash at bank		188,147	-
		<u>2,528,077</u>	<u>3,034,733</u>
CREDITORS			
Amounts falling due within one year	10	(2,300,189)	(3,071,169)
NET CURRENT ASSETS/(LIABILITIES)		<u>227,888</u>	<u>(36,436)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,438,830</u>	<u>1,196,972</u>
CREDITORS			
Amounts falling due after more than one year	11	(813,706)	(736,191)
PROVISIONS FOR LIABILITIES		<u>(30,301)</u>	<u>(25,712)</u>
NET ASSETS		<u><u>594,823</u></u>	<u><u>435,069</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	355,264	355,264
Share premium	16	94,736	94,736
Retained earnings	16	144,823	(14,931)
SHAREHOLDERS' FUNDS		<u><u>594,823</u></u>	<u><u>435,069</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 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.

Statement of Financial Position - continued
31 December 2020

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
x 14.9.2021 and were signed on its behalf by:

x 
S Close - Director

Notes to the Financial Statements
for the Year Ended 31 December 2020

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

Covid-19 has caused, and will continue to cause, widespread economic disruption but its impact will hopefully be temporary. The directors have reviewed the cash flow and facilities available to the company and are confident that the company will be able to meet its debts as they fall due. Accordingly, the financial statements have been prepared 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

Government grants

Furlough grant income under the Coronavirus Job Retention Scheme and other Local Authority Coronavirus Grants are accounted for in "Other operating income" on a receivable basis.

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 2020

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 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 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 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. OTHER OPERATING INCOME

	2020	2019
	£	£
Rents received	3,876	7,074
Government grants	246,648	-
	<u>250,524</u>	<u>7,074</u>

Government grants comprise of Coronavirus Job Retention Scheme receipts of £218,413 (2019: £nil) and Local Authority grants of £28,235 (2019: £nil). The company also benefitted from rates relief from 1 April 2020.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 26 (2019 - 28).

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

5. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2020	
and 31 December 2020	<u>30,000</u>
AMORTISATION	
At 1 January 2020	
and 31 December 2020	<u>30,000</u>
NET BOOK VALUE	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>-</u>

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2020	1,095,805	294,268	1,390,073
Additions	-	5,705	5,705
At 31 December 2020	<u>1,095,805</u>	<u>299,973</u>	<u>1,395,778</u>
DEPRECIATION			
At 1 January 2020	262,195	198,059	460,254
Charge for year	8,734	19,437	28,171
At 31 December 2020	<u>270,929</u>	<u>217,496</u>	<u>488,425</u>
NET BOOK VALUE			
At 31 December 2020	<u>824,876</u>	<u>82,477</u>	<u>907,353</u>
At 31 December 2019	<u>833,610</u>	<u>96,209</u>	<u>929,819</u>

7. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2020	
and 31 December 2020	<u>303,589</u>
NET BOOK VALUE	
At 31 December 2020	<u>303,589</u>
At 31 December 2019	<u>303,589</u>

The 2020 valuation was made by the directors, on an open market value for existing use basis.

8. STOCKS

	2020 £	2019 £
Vehicle stock	2,036,196	2,289,882
Parts stock	49,997	73,707
	<u>2,086,193</u>	<u>2,363,589</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	217,727	605,056
Other debtors	36,010	64,954
Corporation tax	-	1,134
	<u>253,737</u>	<u>671,144</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdraft (see note 12)	60,618	69,707
Trade creditors	1,366,293	1,659,628
Taxation and social security	63,156	24,447
Other creditors	810,122	1,317,387
	<u>2,300,189</u>	<u>3,071,169</u>

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

	2020	2019
	£	£
Bank loans (see note 12)	707,645	611,948
Other creditors	106,061	124,243
	<u>813,706</u>	<u>736,191</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loan > 5 years	<u>15,000</u>	<u>4,792</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	28,148
Bank loans	60,618	41,559
Other loans	18,181	18,182
	<u>78,799</u>	<u>87,889</u>

Amounts falling due between one and two years:

Bank loans - 1-2 years	76,610	45,457
Other loans - 1-2 years	6,061	18,182
	<u>82,671</u>	<u>63,639</u>

Amounts falling due between two and five years:

Bank loans - 2-5 years	616,035	561,699
Other loans - 2-5 years	-	6,061
	<u>616,035</u>	<u>567,760</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

12. LOANS - continued

	2020 £	2019 £
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loan > 5 years	<u>15,000</u>	<u>4,792</u>

The bank loan of £150,000 (2019 £Nil) is a Coronavirus Business Interruption loan for which the UK Government has offered to cover the first 12 months of interest payments under the UK Government's Business Interruption Payment (BIP). This loan is repayable over 6 years with a capital repayment holiday for the first year. The loan is unsecured.

13. LEASING AGREEMENTS

At the year end the company had minimum lease payments under non-cancellable operating leases totalling £18,000 (2019: £18,000).

14. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	618,263	653,507
Vehicle funding	<u>1,506,606</u>	<u>2,142,981</u>
	<u>2,124,869</u>	<u>2,796,488</u>

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

Bank loans are also secured by a debenture and a legal charge over the company's leasehold properties.

Vehicle funding is secured on the vehicles so financed.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
355,264	Ordinary	£1	<u>355,264</u>	<u>355,264</u>

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

16. 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.

17. 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 £23,295 (2019: £25,067). There were no amounts owed to the scheme at either year end.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

18. RELATED PARTY DISCLOSURES

During the financial period the company paid rent amounting to £18,000 (2019: £18,000) to Collyweston Garage Limited, a company owned by Mr R M Close and Mrs J Close.

19. POST BALANCE SHEET EVENTS

The company continues to be impacted by the constant changes in trading restrictions due to the Covid-19 pandemic. The showrooms were allowed to re-open on 12 April 2021.

On 2 January 2021 the company took on the Suzuki franchise.