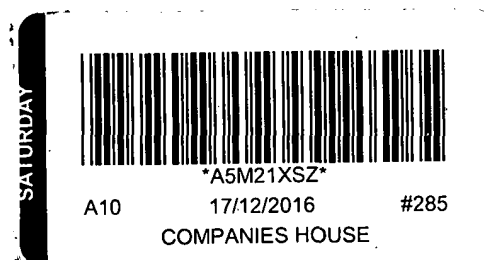


Company Registration No. 03016454 (England and Wales)

C.F.MOTORING SERVICES LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016



C.F.MOTORING SERVICES LTD

COMPANY INFORMATION

Directors	Mr F A Calvert Mr P C Calvert Mr W M Calvert Mrs P Calvert
Secretary	Ms M Reardon
Company number	03016454
Registered office	Units 1-6 Chainbridge Road North Blaydon on Tyne Tyne and Wear NE21 5SR
Auditor	RSM UK Audit LLP Chartered Accountants 1 St James' Gate Newcastle upon Tyne NE1 4AD
Bankers	Yorkshire Bank Plc Quayside House 110 Quayside Newcastle upon Tyne NE1 3DX
Solicitors	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX

C.F.MOTORING SERVICES LTD

STRATEGIC REPORT

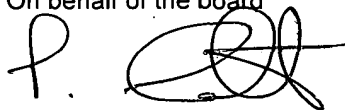
FOR THE YEAR ENDED 31 MARCH 2016

The directors present the strategic report for the year ended 31 March 2016.

Fair review of the business

2016/17 has been another year of considerable growth for the Company. The Directors are pleased to report revenue increases of 16%. This is on the back of 18% for the prior year. As such we have been recognised as one of Ward Hadaway fastest fifty growth companies in the North East for the second year running. Integration of our Infrastructure investment and continued process reorganisation has been a focus of the year. Efficiency gains are beginning to show in the financial statements. Indeed gross margin has increased significantly by 41% over the period. This is testament to the hard work and efforts of all staff.

On behalf of the board

A handwritten signature in black ink, appearing to be 'P. Calvert', written over a faint circular stamp or watermark.

Mr P C Calvert

Director

14 December 2016

C.F.MOTORING SERVICES LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report and financial statements for the year ended 31 March 2016.

Principal activities

The principal activities of the company are vehicle recovery operators and motor body repairs.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr F A Calvert

Mr P C Calvert

Mr W M Calvert

Mrs P Calvert

Results and dividends

The results for the year are set out on page 5.

Ordinary dividends were paid amounting to £300,000. The directors do not recommend payment of a further dividend.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr P C Calvert

Director

14 December 2016

C.F.MOTORING SERVICES LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

The directors are responsible for preparing the Strategic Report and the Directors' Report 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). 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C.F.MOTORING SERVICES LTD

We have audited the financial statements on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.



Steven Cleugh (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD
15 December 2016

C.F.MOTORING SERVICES LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover	3	13,409,047	11,568,332
Cost of sales		(8,601,951)	(8,162,346)
Gross profit		4,807,096	3,405,986
Distribution costs		(658,897)	(554,037)
Administrative expenses		(2,535,102)	(2,231,371)
Operating profit	4	1,613,097	620,578
Interest receivable and similar income	8	4,070	2,609
Interest payable and similar charges	9	(27,010)	(21,754)
Profit on ordinary activities before taxation		1,590,157	601,433
Taxation	10	(289,503)	(140,956)
Profit for the financial year		1,300,654	460,477

C.F.MOTORING SERVICES LTD**BALANCE SHEET****AS AT 31 MARCH 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	12	3,283,576		3,622,208	
Current assets					
Stocks	13	1,373		1,373	
Debtors	14	1,223,051		1,198,726	
Cash at bank and in hand		2,664,822		1,305,869	
		3,889,246		2,505,968	
Creditors: amounts falling due within one year	15	(2,955,364)		(2,951,655)	
Net current assets/(liabilities)		933,882		(445,687)	
Total assets less current liabilities		4,217,458		3,176,521	
Creditors: amounts falling due after more than one year	16	(243,006)		(211,745)	
Provisions for liabilities	20	(81,528)		(72,506)	
Net assets		3,892,924		2,892,270	
Capital and reserves					
Called up share capital	22	1,000		1,000	
Revaluation reserve	23	20,750		21,005	
Profit and loss reserves	23	3,871,174		2,870,265	
Total equity		3,892,924		2,892,270	

The financial statements were approved by the board of directors and authorised for issue on 14 December 2016 and are signed on its behalf by:



Mr P C Calvert
Director

C.F.MOTORING SERVICES LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2014		1,000	21,260	2,409,533	2,431,793
Year ended 31 March 2015:					
Profit and total comprehensive income for the year		-	-	460,477	460,477
Transfers		-	(255)	255	-
Balance at 31 March 2015		1,000	21,005	2,870,265	2,892,270
Year ended 31 March 2016:					
Profit and total comprehensive income for the year		-	-	1,300,654	1,300,654
Dividends	11	-	-	(300,000)	(300,000)
Transfers		-	(255)	255	-
Balance at 31 March 2016		1,000	20,750	3,871,174	3,892,924

C.F.MOTORING SERVICES LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	27	1,967,625		1,486,190	
Interest paid		(27,010)		(21,754)	
Income taxes paid		(116,582)		(55,501)	
Net cash inflow from operating activities		1,824,033		1,408,935	
Investing activities					
Purchase of tangible fixed assets		(448,511)		(882,366)	
Proceeds on disposal of tangible fixed assets		961,702		9,992	
Interest received		4,070		2,609	
Net cash generated from/(used in) investing activities		517,261		(869,765)	
Financing activities					
Payment of finance leases obligations		(682,341)		(128,735)	
Dividends paid		(300,000)		-	
Net cash used in financing activities		(982,341)		(128,735)	
Net increase in cash and cash equivalents		1,358,953		410,435	
Cash and cash equivalents at beginning of year		1,305,869		895,434	
Cash and cash equivalents at end of year		2,664,822		1,305,869	

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

C.F.Motoring Services Ltd is a company limited by shares incorporated in England and Wales. The registered office is Units 1-6, Chainbridge Road North, Blaydon on Tyne, Tyne and Wear, NE21 5SR.

The company's principal activities are disclosed in the Directors' Report.

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.

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.

These financial statements are the first financial statements of C.F.Motoring Services Ltd prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of C.F.Motoring Services Ltd for the year ended 31 March 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Going concern

The company's business activities, together with the factors likely to affect its future development, the performance and position are set out in the Director's Report. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern.

The Directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

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.

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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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.

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 Freehold	40 years straight line
Land and buildings Leasehold	Straight line over the terms of the lease
Plant and machinery	4 years straight line
Motor vehicles	4 years straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised 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.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 trade and other 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.

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

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

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 the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover analysed by class of business		
Recovery services	6,119,389	5,545,820
Bodyshop services	7,040,810	5,815,639
Miscellaneous income	226,598	180,700
Rental income	22,250	26,173
	<u>13,409,047</u>	<u>11,568,332</u>
 Other revenue		
Interest income	<u>4,070</u>	<u>2,609</u>
 Turnover analysed by geographical market		
	2016 £	2015 £
United Kingdom	<u>13,409,047</u>	<u>11,568,332</u>

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

4 Operating profit

	2016	2015
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	593,138	505,900
Depreciation of tangible fixed assets held under finance leases	343,687	325,668
Profit on disposal of tangible fixed assets	(414,803)	(7,645)
Cost of stocks recognised as an expense	3,685,657	3,165,738
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	10,500	10,000
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	1,900	1,900
All other non-audit services	3,800	1,900
	<u> </u>	<u> </u>
	5,700	3,800
	<u> </u>	<u> </u>

6 Employees

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

	2016	2015
	Number	Number
Number of production staff	138	124
Number of distribution staff	9	9
Number of administrative staff	19	19
Directors	4	4
	<u> </u>	<u> </u>
	170	156
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	4,763,215	4,269,856
Social security costs	408,002	399,981
Pension costs	423,857	372,274
	<u> </u>	<u> </u>
	5,595,074	5,042,111
	<u> </u>	<u> </u>

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	409,740	445,456
Company pension contributions to small self-administered scheme	400,000	350,000
	<u>809,740</u>	<u>795,456</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>150,535</u>	<u>99,000</u>
--------------------------------------	----------------	---------------

8 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	<u>4,070</u>	<u>2,609</u>

9 Interest payable and similar charges

	2016 £	2015 £
Other finance costs:		
Interest on finance leases and hire purchase contracts	<u>27,010</u>	<u>21,754</u>
	<u>27,010</u>	<u>21,754</u>

10 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	280,481	115,609
Adjustments in respect of prior periods	-	485
Total current tax	<u>280,481</u>	<u>116,094</u>
Deferred tax		
Origination and reversal of timing differences	<u>9,022</u>	<u>24,862</u>
Total tax charge	<u>289,503</u>	<u>140,956</u>

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

10 Taxation (Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2016 £	2015 £
Profit before taxation	1,590,157	601,433
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	318,031	126,301
Tax effect of expenses that are not deductible in determining taxable profit	753	792
Permanent capital allowances in excess of depreciation	(35,519)	(26,913)
Adjustments in respect of financial assets	15,296	18,282
Other non-reversing timing differences	-	451
Under/(over) provided in the year	-	(485)
Deferred tax adjustments in respect of prior years	-	24,862
Tax at marginal rate	-	(2,334)
Change in deferred tax rate	(9,058)	-
Tax expense for the year	289,503	140,956

11 Dividends

	2016 £	2015 £
Final paid	300,000	-

On 5 April 2016 a dividend of £2.8million was proposed and paid.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

12 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2015	2,166,768	20,090	1,067,709	3,295,365	6,549,932
Additions	74,213	-	438,695	632,184	1,145,092
Disposals	(554,423)	-	(85,905)	(450,729)	(1,091,057)
At 31 March 2016	1,686,558	20,090	1,420,499	3,476,820	6,603,967
Depreciation and impairment					
At 1 April 2015	386,072	20,089	785,351	1,736,212	2,927,724
Depreciation charged in the year	85,732	-	96,049	755,044	936,825
Eliminated in respect of disposals	(106,746)	-	(85,894)	(351,518)	(544,158)
At 31 March 2016	365,058	20,089	795,506	2,139,738	3,320,391
Carrying amount					
At 31 March 2016	1,321,500	1	624,993	1,337,082	3,283,576
At 31 March 2015	1,780,696	1	282,358	1,559,153	3,622,208

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2016 £	2015 £
Motor vehicles	1,160,475	893,728
Depreciation charge for the year in respect of leased assets	343,687	325,668

The freehold property at Westerhope, Newcastle upon Tyne was valued at £270,000 as at 19 December 1997 by Messrs Chesterton, property consultant, on the basis of open market value. If those freehold land and buildings had not been revalued they would have been included on the historical cost basis set out as follows.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2016 £	2015 £
Cost	1,651,468	2,131,678
Accumulated depreciation	351,738	372,752
Carrying value	1,299,730	1,758,926

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

12 Tangible fixed assets (Continued)

Motor vehicles with a carrying amount of £1,160,475 (2015 - £893,728) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

13 Stocks

	2016 £	2015 £
Finished goods and goods for resale	1,373	1,373

14 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,195,476	1,191,888
Prepayments and accrued income	27,575	6,838
	<u>1,223,051</u>	<u>1,198,726</u>

15 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Obligations under finance leases	18	447,428	464,449
Trade creditors		977,093	1,040,001
Corporation tax		280,481	116,582
Other taxation and social security		552,345	428,345
Other creditors		135,899	140,209
Accruals and deferred income		562,118	762,069
		<u>2,955,364</u>	<u>2,951,655</u>

16 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Obligations under finance leases	18	243,006	211,745

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

17 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,195,476	1,191,888
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	2,365,544	2,618,473
	<u> </u>	<u> </u>

18 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Less than one year	447,428	464,449
Between one and five years	243,006	211,745
	<u> </u>	<u> </u>
	690,434	676,194
	<u> </u>	<u> </u>

The finance leases above are secured upon the assets to which they relate. Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2-3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	20	81,528	72,506
		<u> </u>	<u> </u>
		81,528	72,506
		<u> </u>	<u> </u>

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	81,528	72,506
	<u> </u>	<u> </u>

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

20 Deferred taxation (Continued)

	2016 £
Movements in the year:	
Liability at 1 April 2015	72,506
Charge to profit or loss	9,022
	<u> </u>
Liability at 31 March 2016	<u>81,528</u>

21 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £423,857 (2015 - £372,274).

22 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>

The company's Ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

23 Reserves

Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

24 Operating lease commitments

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

	2016 £	2015 £
Within one year	53,831	26,357
Between two and five years	1,939	-
	<u>55,770</u>	<u>26,357</u>

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	<u>1,031,477</u>	<u>959,639</u>

Transactions with related parties

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

	Dividends paid to director		Rent paid to pension scheme	
	2016 £	2015 £	2016 £	2015 £
Key management personnel	300,000	-	-	-
Other related parties	-	-	87,118	77,658
	<u>300,000</u>	<u>-</u>	<u>87,118</u>	<u>77,658</u>

No guarantees have been given or received.

26 Controlling party

Mr F. A. Calvert is the company's ultimate controlling party by virtue of his 100% holding of the company's share capital.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

27 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	1,300,654	460,477
Adjustments for:		
Taxation charged	289,503	140,956
Finance costs	27,010	21,754
Investment income	(4,070)	(2,609)
Gain on disposal of tangible fixed assets	(414,803)	(7,645)
Depreciation of tangible fixed assets	936,825	831,568
Movements in working capital:		
(Increase) in debtors	(24,325)	(397,493)
(Decrease)/increase in creditors	(143,169)	439,182
Cash generated from operations	<u>1,967,625</u>	<u>1,486,190</u>