

Company Registration No. 03016454 (England and Wales)

**C.F.MOTORING SERVICES LTD**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2019**



# C.F.MOTORING SERVICES LTD

## COMPANY INFORMATION

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

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# C.F.MOTORING SERVICES LTD

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2019

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The directors present the strategic report for the year ended 31 March 2019.

#### Fair review of the business

C.F. Motoring Services Ltd are one of the UK's largest vehicle rescue, recovery and body repair specialists. Other principal activities include salvage, storage, motorway management and maintenance schemes operating throughout the North East of England and the Borders. For the year to 31 March 2019 turnover remained consistent at £14.8m (2018: £14.8m).

2019 was a year of consolidation. Financial gains were realised from the previous year's initiatives of optimising efficiency and cost control. Gross margin has remained consistent year on year. The weather was fairly mild but work volumes remained strong. This allowed us to operate in a more structured and organised manner. 2019 did not suffer the extreme "Beast from the East" phenomenon where we relied upon overtime and outsourcing measures to cope with the extreme demands placed upon us.

#### Principal risks and uncertainties

The automotive sector that we operate in is highly competitive and therefore contract rates can remain suppressed. It is imperative to have strong working relationships with our work provider partners to enable us to develop profitably. Whilst volumes remain strong we are wary of the potential risks of Brexit. Our supply chain for sourcing parts and fleet vehicles is likely to be disrupted in the event of a disorganised, hard Brexit. Similarly if the UK economy suffers like 2008 then we will have the challenges of reduced accident repair and recovery volumes. The financial crisis reduced road user numbers and our key work providers rationalised their businesses.

#### Development and performance

We continue to develop our hybrid and electric product offering. We have obtained Renault approval to supplement our current manufacturer accreditations. We therefore hope to be at the forefront of vehicle development and training for our staff. Further developments include the planning of another accident repair centre for larger vehicles.

#### Key performance indicators

	2019	2018
Turnover	£14.8m	£14.8m
Gross margin	33.6%	33.8%
Net profit before tax margin	12.2%	11.1%
Net assets	£5.5m	£4.1m

The directors are pleased with the turnover and overall performance for the year. All sites are now bedded in and working well, contributing to the overall results for the year. C.F. Motoring is able to offer additional capacity and absorb the spikes from the severe weather period.

Turnover per employee for the year to 31 March 2019 amounted to £82,526 (2018: £75,749).

Administrative expenditure decreased from £2.787m to £2.616m in 2019, in the main as a result of various cost movements and increased efficiencies.

## **C.F.MOTORING SERVICES LTD**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2019**

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Net assets at 31 March 2019 amount to £5.5m (2018: £4.1m), £4.8m (2018: £3.1m) of which is in cash at bank. This has been generated by profit in the year of £1.4m (2018: £1.3m). The directors remain pleased with the strong balance sheet position and consider that the company is well positioned to meet the challenges that are faced in the current trading climate.

On behalf of the board



P C Calvert

**Director**

Date: 19/12/19

# C.F.MOTORING SERVICES LTD

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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The directors present their annual report and financial statements for the year ended 31 March 2019.

### 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:

F A Calvert  
P C Calvert  
W M Calvert  
P Calvert

### Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £8,000 (2018: £10,000). A dividend of £3m was paid to CFMS Holdings Limited post year end. The directors do not recommend payment of a further dividend.

### Matters of strategic importance

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the company's strategic report information required by Schedule 7 of the Large and medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of principal risks and future developments.

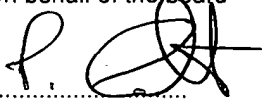
### Auditor

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 each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director 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



P C Calvert  
Director

Date: 19/12/19

# **C.F.MOTORING SERVICES LTD**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

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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; and
- 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**

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### **Opinion**

We have audited the financial statements of C.F.Motoring Services Ltd (the 'company') for the year ended 31 March 2019 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C.F.MOTORING SERVICES LTD (CONTINUED)

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### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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.

RSM UK Audit LLP

Rachel Fleming (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  
19/12/19.....



# C.F.MOTORING SERVICES LTD


## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
<b>Turnover</b>	<b>3</b>	14,772,105	14,771,145
Cost of sales		(9,815,709)	(9,784,892)
<b>Gross profit</b>		<u>4,956,396</u>	<u>4,986,253</u>
Distribution costs		(550,212)	(558,785)
Administrative expenses		(2,615,628)	(2,786,641)
<b>Operating profit</b>	<b>6</b>	<u>1,790,556</u>	<u>1,640,827</u>
Interest receivable and similar income	<b>8</b>	16,237	3,080
Interest payable and similar expenses	<b>9</b>	(7,880)	(10,855)
<b>Profit before taxation</b>		<u>1,798,913</u>	<u>1,633,052</u>
Tax on profit	<b>10</b>	(378,605)	(314,842)
<b>Profit for the financial year</b>		<u>1,420,308</u>	<u>1,318,210</u>
Retained earnings brought forward		4,112,588	2,804,378
Dividends	<b>11</b>	(8,000)	(10,000)
<b>Retained earnings carried forward</b>		<u><u>5,524,896</u></u>	<u><u>4,112,588</u></u>

**C.F.MOTORING SERVICES LTD****BALANCE SHEET****AS AT 31 MARCH 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12		2,380,316		2,422,482
<b>Current assets</b>					
Stocks	13	1,373		1,373	
Debtors	14	1,586,111		1,556,579	
Cash at bank and in hand		4,781,596		3,134,144	
		6,369,080		4,692,096	
<b>Creditors: amounts falling due within one year</b>	15	(2,897,382)		(2,845,902)	
<b>Net current assets</b>			3,471,698		1,846,194
<b>Total assets less current liabilities</b>			5,852,014		4,268,676
<b>Creditors: amounts falling due after more than one year</b>	16		(219,519)		(125,152)
<b>Provisions for liabilities</b>	19		(106,599)		(29,936)
<b>Net assets</b>			5,525,896		4,113,588
<b>Capital and reserves</b>					
Called up share capital	22		1,000		1,000
Profit and loss reserves	23		5,524,896		4,112,588
<b>Total equity</b>			5,525,896		4,113,588

The financial statements were approved by the board of directors and authorised for issue on 19/12/19 and are signed on its behalf by:

  
 P C Calvert  
 Director

# C.F.MOTORING SERVICES LTD

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	2,226,828		2,371,309	
Interest paid		(7,880)		(10,855)	
Income taxes paid		(361,175)		(620,347)	
<b>Net cash inflow from operating activities</b>		<u>1,857,773</u>		<u>1,740,107</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(355,344)		(679,064)	
Proceeds on disposal of tangible fixed assets		356,669		240,938	
Interest received		16,237		3,080	
<b>Net cash generated from/(used in) investing activities</b>		<u>17,562</u>		<u>(435,046)</u>	
<b>Financing activities</b>					
Repayment of director's loan		-		(1,857,526)	
Payment of finance leases obligations		(219,883)		(329,373)	
Dividends paid		(8,000)		-	
<b>Net cash used in financing activities</b>		<u>(227,883)</u>		<u>(2,186,899)</u>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>1,647,452</u>		<u>(881,838)</u>	
Cash and cash equivalents at beginning of year		3,134,144		4,015,982	
<b>Cash and cash equivalents at end of year</b>		<u><u>4,781,596</u></u>		<u><u>3,134,144</u></u>	

# C.F.MOTORING SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

#### Company information

C.F.Motoring Services Ltd (the 'company') is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Units 1-6 Chainbridge North, Blaydon-On-Tyne, Tyne and Wear, United Kingdom, NE21 5SR.

The company's principal activities and nature of its operations 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.

#### 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 Strategic 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.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for 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.

#### Tangible fixed assets

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

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

Leasehold property improvements	40 years straight line
Plant and machinery	4 years straight line
Motor vehicles	4 years straight line

#### 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.

# C.F.MOTORING SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies (Continued)

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

#### **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.

#### **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, 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.

#### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of 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.

#### **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 statement of comprehensive income 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 date.

# C.F.MOTORING SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies (Continued)

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 statement of comprehensive income 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.

#### 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.

### 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:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Recovery services	4,846,729	5,182,245
Bodyshop services	9,622,615	8,898,213
Miscellaneous income	302,761	688,897
Rental income	-	1,790
	<u>14,772,105</u>	<u>14,771,145</u>

# C.F.MOTORING SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 3 Turnover and other revenue (Continued)

	2019 £	2018 £
Other revenue		
Interest income	16,237	3,080

The company's turnover is wholly derived from within the UK.

### 4 Employees

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

	2019 Number	2018 Number
Production staff	137	156
Distribution staff	3	3
Administrative staff	33	32
Directors	4	4
	177	195

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	5,094,173	5,401,289
Social security costs	585,639	537,000
Pension costs	172,637	141,441
	5,852,449	6,079,730

### 5 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	570,000	754,100
Company pension contributions to defined contribution schemes	100,000	100,000
	670,000	854,100

# C.F.MOTORING SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 5 Directors' remuneration (Continued)

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

	2019 £	2018 £
Remuneration for qualifying services	200,000	223,363

### 6 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	600,018	474,376
Depreciation of tangible fixed assets held under finance leases	136,474	284,786
Profit on disposal of tangible fixed assets	(322,913)	(178,942)
Cost of stocks recognised as an expense	4,090,350	3,987,833

### 7 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	11,000	11,000
<b>For other services</b>		
Taxation compliance services	2,000	1,900
All other non-audit services	2,500	2,400
	4,500	4,300

### 8 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	16,237	3,080

### 9 Interest payable and similar expenses

	2019 £	2018 £
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	7,848	10,855
Other interest	32	-
	7,880	10,855



# C.F.MOTORING SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 10 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	301,974	336,049
Adjustments in respect of prior periods	(32)	-
Total current tax	<u>301,942</u>	<u>336,049</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>76,663</u>	<u>(21,207)</u>
Total tax charge	<u>378,605</u>	<u>314,842</u>

The total tax charge for the year included in the profit and loss account can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	<u>1,798,913</u>	<u>1,633,052</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	341,793	310,280
Tax effect of expenses that are not deductible in determining taxable profit	2,112	1,092
Adjustments in respect of prior years	(32)	-
Permanent capital allowances in excess of depreciation	43,749	-
Change in deferred tax rate	(9,017)	2,495
Other timing differences	-	975
Taxation charge for the year	<u>378,605</u>	<u>314,842</u>

### 11 Dividends

	2019 £	2018 £
Final paid	<u>8,000</u>	<u>10,000</u>

# C.F.MOTORING SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 12 Tangible fixed assets

	Leasehold property improvements	Plant and machinery	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2018	1,343,086	897,747	3,449,063	5,689,896
Additions	31,723	13,251	683,108	728,082
Disposals	-	-	(672,461)	(672,461)
At 31 March 2019	1,374,809	910,998	3,459,710	5,745,517
<b>Depreciation and impairment</b>				
At 1 April 2018	126,284	690,878	2,450,252	3,267,414
Depreciation charged in the year	90,546	177,823	468,123	736,492
Eliminated in respect of disposals	-	-	(638,705)	(638,705)
At 31 March 2019	216,830	868,701	2,279,670	3,365,201
<b>Carrying amount</b>				
At 31 March 2019	1,157,979	42,297	1,180,040	2,380,316
At 31 March 2018	1,216,802	206,869	998,811	2,422,482

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

	2019 £	2018 £
Motor vehicles	501,835	158,342

### 13 Stocks

	2019 £	2018 £
Finished goods and goods for resale	1,373	1,373

### 14 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,543,045	1,514,991
Prepayments and accrued income	43,066	41,588
	1,586,111	1,556,579

# C.F.MOTORING SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 15 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Obligations under finance leases	17	185,798	127,310
Trade creditors		1,133,459	1,047,544
Corporation tax		95,816	155,049
Other taxation and social security		536,597	528,368
Other creditors		89,305	90,693
Accruals and deferred income		856,407	896,938
		<u>2,897,382</u>	<u>2,845,902</u>

### 16 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Obligations under finance leases	17	<u>219,519</u>	<u>125,152</u>

### 17 Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Less than one year	185,798	132,746
Between one and five years	237,077	130,541
	<u>422,875</u>	<u>263,287</u>
Less: future finance charges	(17,558)	(10,825)
	<u>405,317</u>	<u>252,462</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 and motor vehicles. 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.

### 18 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>1,543,045</u>	<u>1,514,991</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>2,079,171</u>	<u>2,035,175</u>

# C.F.MOTORING SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 19 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	20	106,599	29,936

### 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 2019 £	Liabilities 2018 £
<b>Balances:</b>		
Accelerated capital allowances	107,717	30,389
Short term timing differences	(1,118)	(453)
	<u>106,599</u>	<u>29,936</u>

#### Movements in the year:

	2019 £
Liability at 1 April 2018	29,936
Charge to profit or loss	76,663
Liability at 31 March 2019	<u>106,599</u>

### 21 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	172,637	141,441

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. Included within creditors due within one year are £12,689 (2018: £5,336) of outstanding pension contributions.

The company also makes contributions to the pension scheme of the Directors.

Included within the charge for defined contribution schemes above is an amount of £100,000 (2018: £110,000) in respect of the small self administered scheme the company also operates.

# C.F.MOTORING SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 22 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</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

#### **Profit and loss reserves**

Cumulative profit and loss net of distributions to owners.

### 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:

	2019 £	2018 £
Within one year	242,842	292,472
Between one and five years	513,258	702,684
In over five years	-	28,208
	<u>756,100</u>	<u>1,023,364</u>

Within 3 months of the year end date, the company obtained additional operating lease agreements, with a combined lease commitment of £99,239.

# C.F.MOTORING SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 25 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	1,420,308	1,318,210
<b>Adjustments for:</b>		
Taxation charged	378,605	314,842
Finance costs	7,880	10,855
Investment income	(16,237)	(3,080)
Gain on disposal of tangible fixed assets	(322,913)	(178,942)
Depreciation and impairment of tangible fixed assets	736,492	759,162
<b>Movements in working capital:</b>		
(Increase) in debtors	(29,532)	(103,088)
Increase in creditors	52,225	253,350
<b>Cash generated from operations</b>	<u>2,226,828</u>	<u>2,371,309</u>

### 26 Related party transactions

#### Remuneration of key management personnel

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

	2019 £	2018 £
Aggregate compensation	<u>902,517</u>	<u>1,061,653</u>

#### Transactions with related parties

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

	Dividends paid to directors		Rent paid to pension scheme	
	2019 £	2018 £	2019 £	2018 £
Key management personnel	8,000	10,000	-	-
Other related parties	-	-	315,958	311,156

### 27 Ultimate controlling party

On 29 March 2019 a new parent company, CFMS Holdings Limited, acquired the entire share capital of C.F.Motoring Services Limited.

The ultimate controlling parties of C.F.Motoring Services Limited are F A Calvert and P Calvert by virtue of each party holding 50% of CFMS Holdings Limited's share capital.