

Company Registration No. 03016454 (England and Wales)

C.F.MOTORING SERVICES LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020



C.F.MOTORING SERVICES LTD

COMPANY INFORMATION

Directors	F A Calvert P C Calvert W.M Calvert P Calvert
Secretary	M Reardon
Company number	03016454
Registered office	Units 1-6 Chainbridge North Blaydon-On-Tyne Tyne and Wear United Kingdom 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 2020

The directors present the strategic report for the year ended 31 March 2020.

Fair review of the business

C.F.Motoring Services Ltd are one of the UK's largest vehicle rescue, recovery and body repair specialists. We cover and operate within the North East of England. From the Scottish borders down to the North York moors and across to Carlisle. For the year to 31 March 2020 turnover was £14.9m (2019: £14.8m).

2020 has remained consistent with 2019. However, towards the year end the UK started to suffer the effects of the global Coronavirus pandemic which therefore had some impact on the 2020 results. The business was affected most during the first lockdown in spring of 2020 when the traffic levels on the roads were significantly reduced and the demand for repair work slowed down. Our industry was designated key worker status and so we made the choice to keep all sites and services open and fully functional to assist our work provider partners and keep as many customers mobile as we could. For the remainder of 2020 demand has varied depending on the local restrictions in place at the time. With the support of the Coronavirus job retention scheme we have been able to mitigate the financial impact of the reduced demand for services.

We have received various levels of support including supply chain and general guidance, trading terms enhancements, discount reductions and relaxation of performance matrix monitoring. This all contributed to enable us to focus on keeping other key workers operational and traffic flowing.

Principal risks and uncertainties

The principal risk affecting the business in the short to medium term is the Coronavirus and all the risks and uncertainty it brings. Effects will be felt through decreased workloads as a result of lockdowns impairing road traffic usage, a disrupted supply chain, work provider financial strength, reduced travel journey's with people choosing to work from home and the resultant economic downturn that will follow.

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.

Development and performance

We continue to develop our portfolio of services. Our aim is to be the complete solution for motor insurers, breakdown motoring organisations, fleets and accident managers. We have enhanced our commercial, hybrid and electric repair capabilities. At the same time expanding our express repair facilities. Significant investment has been made with regards to training, equipment and the purchase of a new site to accommodate additional vehicle storage and logistic operations.

Key performance indicators

	2020	2019
Turnover	£14.9m	£14.8m
Gross margin	30.2%	33.6%
Net profit before tax margin	7.7%	12.2%
Net assets	£2.4m	£5.5m

Turnover per employee for the year to 31 March 2020 amounted to £78,247 (2019: £83,458).

Administrative expenditure increased from £2.616m to £2.779m in 2020.

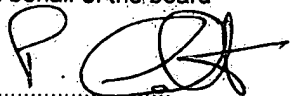
Net assets at 31 March 2020 amount to £2.4m (2019: £5.5m). £2.7m (2019: £4.8m) of which is in cash at bank. This has been generated by profit in the year of £892k (2019: £1.4m). The directors remain pleased with the strong balance sheet position and consider that the company is well positioned to meet the challenges that are faced in the current trading climate.

C.F.MOTORING SERVICES LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

On behalf of the board



P C Calvert
Director

Date: 8/1/21

C.F.MOTORING SERVICES LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

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 £4,000,000 (2019: £8,000). 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:

8/1/21

C.F.MOTORING SERVICES LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

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

Opinion

We have audited the financial statements of C.F.Motoring Services Ltd (the 'company') for the year ended 31 March 2020 which comprise the statement of income and retained earnings, the balance sheet 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 2020 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.

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)

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

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C.F.MOTORING SERVICES LTD

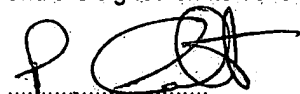
STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Turnover	3	14,866,919	14,772,105
Cost of sales		(10,377,560)	(9,815,709)
Gross profit		4,489,359	4,956,396
Distribution costs		(572,123)	(550,212)
Administrative expenses		(2,778,741)	(2,615,628)
Operating profit	6	1,138,495	1,790,556
Interest receivable and similar income	8	12,373	16,237
Interest payable and similar expenses	9	(8,619)	(7,880)
Profit before taxation		1,142,249	1,798,913
Tax on profit	10	(251,076)	(378,605)
Profit for the financial year		891,173	1,420,308
Retained earnings brought forward		5,524,896	4,112,588
Dividends	11	(4,000,000)	(8,000)
Retained earnings carried forward		2,416,069	5,524,896

C.F.MOTORING SERVICES LTD**BALANCE SHEET****AS AT 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		2,305,028		2,380,316
Current assets					
Stocks	13	1,373		1,373	
Debtors	14	1,653,177		1,586,111	
Cash at bank and in hand		2,665,441		4,781,596	
		<u>4,319,991</u>		<u>6,369,080</u>	
Creditors: amounts falling due within one year	15	<u>(4,020,162)</u>		<u>(2,897,382)</u>	
Net current assets			<u>299,829</u>		<u>3,471,698</u>
Total assets less current liabilities			<u>2,604,857</u>		<u>5,852,014</u>
Creditors: amounts falling due after more than one year	16		(71,597)		(219,519)
Provisions for liabilities	18		(116,191)		(106,599)
Net assets			<u><u>2,417,069</u></u>		<u><u>5,525,896</u></u>
Capital and reserves					
Called up share capital	21		1,000		1,000
Profit and loss reserves	22		2,416,069		5,524,896
Total equity			<u><u>2,417,069</u></u>		<u><u>5,525,896</u></u>

The financial statements were approved by the board of directors and authorised for issue on 8/1/21 and are signed on its behalf by:



P C Calvert
Director

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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.

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of CFMS Holdings Limited. These consolidated financial statements are available from its registered office, C F House, Chainbridge Road, Blaydon, NE21 5SR.

Change in accounting policy

The company has adopted the amendments to FRS 102 published in the Triennial Review 2017. This has resulted in no change in accounting policy and no changes in the current or prior year figures presented in the financial statements.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Going concern

At the balance sheet date, the company had net current assets of £299,829 (2019: £3,471,698), including cash at bank and in hand of £2,665,441 (2019: £4,781,596). The company manages its day to day working capital requirements through its available cash resources and cash flow from operating activities.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report and the Directors report. In addition, the financial statements include the principal risks and uncertainties facing the business. The directors have considered the company's forecast financial performance including which factor in the uncertainties in the economic environment as a result of the COVID pandemic.

Consequently, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the directors continue to adopt the going concern basis in preparing the 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.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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.

Cash and cash equivalents

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

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

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 and amounts owed to group undertakings, 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 2020

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:

	2020 £	2019 £
Turnover analysed by class of business		
Recovery services	4,512,051	4,846,729
Bodyshop services	10,331,203	9,622,615
Miscellaneous income	23,665	302,761
	<u>14,866,919</u>	<u>14,772,105</u>

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

3 Turnover and other revenue (Continued)

	2020 £	2019 £
Other revenue		
Interest income	12,373	16,237

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:

	2020 Number	2019 Number
Production staff	143	137
Distribution staff	3	3
Administrative staff	40	33
Directors	4	4
	190	177

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	5,094,179	5,094,173
Social security costs	592,099	585,639
Pension costs	187,858	172,637
	5,874,136	5,852,449

5 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	660,000	570,000
Company pension contributions to defined contribution schemes	100,000	100,000
	760,000	670,000

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

5 Directors' remuneration (Continued)

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

	2020 £	2019 £
Remuneration for qualifying services	290,000	200,000

6 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Research and development costs	3,392	-
Depreciation of owned tangible fixed assets	592,522	600,018
Depreciation of tangible fixed assets held under finance leases	121,456	136,474
Profit on disposal of tangible fixed assets	(44,094)	(322,913)

7 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	15,000	11,000
For other services		
Taxation compliance services	2,000	2,000
All other non-audit services	2,600	2,500
	4,600	4,500

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	12,373	16,237

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on finance leases and hire purchase contracts	8,619	7,848
Other interest	-	32
	8,619	7,880

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

10 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	241,878	301,974
Adjustments in respect of prior periods	(394)	(32)
Total current tax	<u>241,484</u>	<u>301,942</u>
Deferred tax		
Origination and reversal of timing differences	(3,234)	76,663
Changes in tax rates	12,571	-
Adjustment in respect of prior periods	255	-
Total deferred tax	<u>9,592</u>	<u>76,663</u>
Total tax charge	<u>251,076</u>	<u>378,605</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:

	2020 £	2019 £
Profit before taxation	<u>1,142,249</u>	<u>1,798,913</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	217,027	341,793
Tax effect of expenses that are not deductible in determining taxable profit	832	2,112
Adjustments in respect of prior years	(139)	(32)
Permanent capital allowances in excess of depreciation	32,971	43,749
Research and development tax credit	(12,186)	-
Adjustment to opening and closing deferred tax	-	(9,017)
Remeasurement of deferred tax for changes in tax rates	12,571	-
Taxation charge for the year	<u>251,076</u>	<u>378,605</u>

11 Dividends

	2020 £	2019 £
Final paid	<u>4,000,000</u>	<u>8,000</u>

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

12 Tangible fixed assets

	Leasehold property improvements	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2019	1,374,809	910,998	3,459,710	5,745,517
Additions	397,366	247,502	3	644,871
Disposals	-	-	(120,833)	(120,833)
At 31 March 2020	1,772,175	1,158,500	3,338,880	6,269,555
Depreciation and impairment				
At 1 April 2019	216,830	868,701	2,279,670	3,365,201
Depreciation charged in the year	101,648	174,219	438,111	713,978
Eliminated in respect of disposals	-	-	(114,652)	(114,652)
At 31 March 2020	318,478	1,042,920	2,603,129	3,964,527
Carrying amount				
At 31 March 2020	1,453,697	115,580	735,751	2,305,028
At 31 March 2019	1,157,979	42,297	1,180,040	2,380,316

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

	2020 £	2019 £
Motor vehicles	280,045	501,835

13 Stocks

	2020 £	2019 £
Finished goods and goods for resale	1,373	1,373

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	1,610,111	1,543,045
Prepayments and accrued income	43,066	43,066
	1,653,177	1,586,111

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

15 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Obligations under finance leases	17	133,126	185,798
Trade creditors		1,228,173	1,133,459
Amounts owed to group undertakings		1,000,000	-
Corporation tax		80,349	95,816
Other taxation and social security		557,839	536,597
Other creditors		54,562	89,305
Accruals and deferred income		966,113	856,407
		<u>4,020,162</u>	<u>2,897,382</u>

16 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	17	<u>71,597</u>	<u>219,519</u>

17 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Less than one year	133,126	185,798
Between one and five years	81,075	237,077
	<u>214,201</u>	<u>422,875</u>
Less: future finance charges	(9,478)	(17,558)
	<u>204,723</u>	<u>405,317</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 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	19	<u>116,191</u>	<u>106,599</u>

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

19 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 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	117,730	107,717
Short term timing differences	(1,539)	(1,118)
	<u>116,191</u>	<u>106,599</u>
Movements in the year:		2020 £
Liability at 1 April 2019		106,599
Charge to profit or loss		9,592
Liability at 31 March 2020		<u>116,191</u>

20 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>187,858</u>	<u>172,637</u>

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 £20,262 (2019: £12,689) 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 (2019: £100,000) 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 2020

21 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
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.

22 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

23 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:

	2020 £	2019 £
Within one year	332,573	242,842
Between one and five years	358,355	513,258
	<u>690,928</u>	<u>756,100</u>

24 Related party transactions

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	
	2020 £	2019 £	2020 £	2019 £
Key management personnel	-	8,000	-	-
Other related parties	-	-	320,148	315,958
	<u>-</u>	<u>8,000</u>	<u>320,148</u>	<u>315,958</u>

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

25 Ultimate controlling party

CFMS Holdings Limited, a company incorporated in England and Wales, is the immediate and ultimate parent company and the smallest and largest group for which financial statements including C.F.Motoring Services Limited are incorporated. The financial statements of CFMS Holdings Limited can be obtained from the company's registered office, C F House, Chainbridge Road, Blaydon, NE21 5SR.

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