

Company Registration No. 03016454 (England and Wales)

C.F.MOTORING SERVICES LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018



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 2018

The directors present the strategic report for the year ended 31 March 2018.

Fair review of the business

C.F. Motoring Services Ltd continues to be 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 2018 turnover increased by circa 4% to 14.8m (2017:£14.2m).

The body repair, recovery and managed motorway scheme networks remain highly competitive. We have focused heavily on optimizing efficiency and cost control throughout the year. This has involved procurement exercises to renegotiate our supply terms and secure best value. In turn we have fine tuned our operational systems to provide the highest levels of customer service. We also encountered "The beast from the East" weather front that tested our resources, staff, contingency measures and severe weather event plans. Indeed this period led to us having to rely heavily on additional overtime and hire car usage to supplement our courtesy car fleet. For lengthy periods the road system was severely degraded. A combination of these factors meant that at times we operated inefficiently to our model. The pleasing part being that all staff worked extremely hard and we managed to cope with extreme, regular surges of work volumes. Our recovery and body repair teams gaining many commendations. The Directors are therefore delighted to report that overall for the year both turnover and gross margin increased.

Principal risks and uncertainties

The principal risks to the business will arise from a period where several of our contracts are to be re tendered for. We envisage strong competition from our rivals as the economic climate is uncertain. When evaluating contract profitability we have to be aware of increasing rebate, discount, penalty and reward schemes that have entered the market. Traditional evaluation models do not work when reviewing this type of contract.

Development and performance

We have further developed our hybrid and electric product offering by attaining Tesla approved body repair status throughout the North East of England. This encompasses both structural and cosmetic competencies. Further developments have been made by the continuation of our "minuteman" motorway management and maintenance proposition. This is based on our effectiveness in keeping the roads open and clear of incidents and debris. A study finding that we keep the road network moving in the most efficient and cost effective manner. Further investment and development is planned for this sector of the business.

C.F.MOTORING SERVICES LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Key performance indicators

	2018	2017
Turnover	£14.8m	£14.2m
Gross margin	33.8%	33.6%
Net profit before tax margin	11.1%	12.1%
Net assets	£4.1m	£2.8m

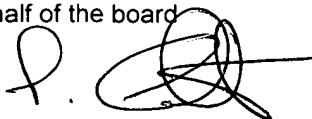
The directors are pleased with the increase in turnover. All sites are now bedded in and working well, contributing to the overall results for the year. C.F. Motoring is able to offer additional capacity and absorb the spikes from the severe weather period.

Turnover per employee for the year to 31 March 2018 amounted to £75,749 (2017: £73,431).

Administrative expenditure increased from £2.035m to £2.787m in 2018, in the main as a result of the company's properties being transferred into the company's pension scheme in the prior year and being leased by the company going forward.

Net assets at 31 March 2018 amount to £4.1m, £3.1m of which is in cash at bank. This has been generated by profit in the year of £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



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Mr P C Calvert

Director

Date: 19/12/18

C.F.MOTORING SERVICES LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

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 7.

Ordinary dividends were paid amounting to £10,000 (2017: £2,800,000). 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 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



Mr P C Calvert
Director

Date: 12/12/18

C.F.MOTORING SERVICES LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

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

Opinion

We have audited the financial statements of C.F.Motoring Services Ltd (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, 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 2018 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.

25th Dec 2012

Steven Cleugh FCCA (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
20/12/12

C.F.MOTORING SERVICES LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover	3	14,771,145	14,172,201
Cost of sales		(9,784,892)	(9,404,190)
Gross profit		<u>4,986,253</u>	<u>4,768,011</u>
Distribution costs		(558,785)	(595,522)
Administrative expenses		(2,786,641)	(2,035,966)
Operating profit	6	<u>1,640,827</u>	<u>2,136,523</u>
Interest receivable and similar income	8	3,080	2,214
Interest payable and similar expenses	9	(10,855)	(17,321)
Profit before taxation		<u>1,633,052</u>	<u>2,121,416</u>
Tax on profit	10	(314,842)	(408,962)
Profit for the financial year		<u><u>1,318,210</u></u>	<u><u>1,712,454</u></u>

C.F.MOTORING SERVICES LTD**BALANCE SHEET****AS AT 31 MARCH 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12	2,422,482		2,386,548	
Current assets					
Stocks	13	1,373		1,373	
Debtors	14	1,556,579		1,453,491	
Cash at bank and in hand		3,134,144		4,015,982	
		4,692,096		5,470,846	
Creditors: amounts falling due within one year	15	(2,845,902)		(4,886,205)	
Net current assets		1,846,194		584,641	
Total assets less current liabilities		4,268,676		2,971,189	
Creditors: amounts falling due after more than one year	16	(125,152)		(114,668)	
Provisions for liabilities	19	(29,936)		(51,143)	
Net assets		4,113,588		2,805,378	
Capital and reserves					
Called up share capital	22	1,000		1,000	
Profit and loss reserves	23	4,112,588		2,804,378	
Total equity		4,113,588		2,805,378	

The financial statements were approved by the board of directors and authorised for issue on 19/12/18
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 2018

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2016		1,000	20,750	3,871,174	3,892,924
Year ended 31 March 2017:					
Profit and total comprehensive income for the year		-	-	1,712,454	1,712,454
Dividends	11	-	-	(2,800,000)	(2,800,000)
Transfers		-	(20,750)	20,750	-
Balance at 31 March 2017		1,000	-	2,804,378	2,805,378
Year ended 31 March 2018:					
Profit and total comprehensive income for the year		-	-	1,318,210	1,318,210
Dividends	11	-	-	(10,000)	(10,000)
Balance at 31 March 2018		1,000	-	4,112,588	4,113,588

C.F.MOTORING SERVICES LTD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	24	2,371,309		2,501,569	
Interest paid		(10,855)		(17,321)	
Income taxes paid		(620,347)		(280,481)	
Net cash inflow from operating activities		1,740,107		2,203,767	
Investing activities					
Purchase of tangible fixed assets		(679,064)		(535,470)	
Proceeds on disposal of tangible fixed assets		240,938		1,177,750	
Interest received		3,080		2,214	
Net cash (used in)/generated from investing activities		(435,046)		644,494	
Financing activities					
Repayment of director's loan		(1,857,526)		(952,474)	
Payment of finance leases obligations		(329,373)		(544,627)	
Net cash used in financing activities		(2,186,899)		(1,497,101)	
Net (decrease)/increase in cash and cash equivalents		(881,838)		1,351,160	
Cash and cash equivalents at beginning of year		4,015,982		2,664,822	
Cash and cash equivalents at end of year		3,134,144		4,015,982	

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

C.F.Motoring Services Ltd is a private company limited by shares and is registered and 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 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 2018

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.

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 publicly 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.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

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.

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 where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, 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 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 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.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

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 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:

	2018 £	2017 £
Turnover analysed by class of business		
Recovery services	5,182,245	5,692,324
Bodyshop services	8,898,213	7,958,283
Miscellaneous income	688,897	505,534
Rental income	1,790	16,060
	<u>14,771,145</u>	<u>14,172,201</u>
	2018 £	2017 £
Other revenue		
Interest income	<u>3,080</u>	<u>2,214</u>

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

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

4 Employees

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

	2018 Number	2017 Number
Production staff	156	155
Distribution staff	3	3
Administrative staff	32	31
Directors	4	4
	<u>195</u>	<u>193</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	5,401,289	4,956,047
Social security costs	537,000	463,899
Pension costs	141,441	30,049
	<u>6,079,730</u>	<u>5,449,995</u>

5 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	754,100	407,911
Company pension contributions to small self administered scheme	100,000	-
	<u>854,100</u>	<u>407,911</u>

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

Remuneration for qualifying services	<u>223,363</u>	<u>204,085</u>
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6 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	474,376	668,176
Depreciation of tangible fixed assets held under finance leases	284,786	277,569
Profit on disposal of tangible fixed assets	(178,942)	(432,997)
Cost of stocks recognised as an expense	<u>3,987,833</u>	<u>3,727,988</u>

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

7 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	11,000	11,000
For other services		
Taxation compliance services	1,900	2,000
All other non-audit services	2,400	1,850
	<u>4,300</u>	<u>3,850</u>

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	3,080	2,214
	<u>3,080</u>	<u>2,214</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	3,080	2,214
	<u>3,080</u>	<u>2,214</u>

9 Interest payable and similar expenses

	2018 £	2017 £
Other finance costs:		
Interest on finance leases and hire purchase contracts	10,855	17,321
	<u>10,855</u>	<u>17,321</u>

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

10 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	336,049	439,347
Deferred tax		
Origination and reversal of timing differences	(21,207)	(37,515)
Adjustment in respect of prior periods	-	7,130
Total deferred tax	(21,207)	(30,385)
Total tax charge	314,842	408,962

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:

	2018 £	2017 £
Profit before taxation	1,633,052	2,121,416
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	310,280	424,283
Tax effect of expenses that are not deductible in determining taxable profit	1,092	622
Permanent capital allowances in excess of depreciation	-	(23,727)
Deferred tax adjustments in respect of prior years	-	7,130
Change in deferred tax rate	2,495	826
Other timing differences	975	(172)
Taxation charge for the year	314,842	408,962

11 Dividends

	2018 £	2017 £
Final paid	10,000	2,800,000

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

12 Tangible fixed assets

	Leasehold property improvements	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2017	1,064,662	844,278	3,383,317	5,292,257
Additions	147,751	163,656	545,685	857,092
Disposals	-	(72,410)	(387,043)	(459,453)
Transfers	130,673	(37,777)	(92,896)	-
At 31 March 2018	1,343,086	897,747	3,449,063	5,689,896
Depreciation and impairment				
At 1 April 2017	27,769	587,343	2,290,597	2,905,709
Depreciation charged in the year	98,515	172,336	488,311	759,162
Eliminated in respect of disposals	-	(68,801)	(328,656)	(397,457)
At 31 March 2018	126,284	690,878	2,450,252	3,267,414
Carrying amount				
At 31 March 2018	1,216,802	206,869	998,811	2,422,482
At 31 March 2017	1,036,893	256,935	1,092,720	2,386,548

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

	2018 £	2017 £
Motor vehicles	158,342	684,828
Depreciation charge for the year in respect of leased assets	284,786	277,569

13 Stocks

	2018 £	2017 £
Finished goods and goods for resale	1,373	1,373

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

14 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	1,514,991	1,333,902
Prepayments and accrued income	41,588	119,589
	<u>1,556,579</u>	<u>1,453,491</u>

15 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Obligations under finance leases	17	127,310	289,139
Trade creditors		1,047,544	914,457
Corporation tax		155,049	439,347
Other taxation and social security		528,368	576,005
Other creditors		90,693	1,992,440
Accruals and deferred income		896,938	674,817
		<u>2,845,902</u>	<u>4,886,205</u>

16 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases	17	<u>125,152</u>	<u>114,668</u>

17 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Less than one year	132,746	300,179
Between one and five years	130,541	109,847
	<u>263,287</u>	<u>410,026</u>
Less: future finance charges	(10,825)	(6,219)
	<u>252,462</u>	<u>403,807</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.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

18 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,514,991	1,333,902
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	2,035,175	3,581,714
	<u> </u>	<u> </u>

19 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	20	29,936	51,143
		<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 2018 £	Liabilities 2017 £
Balances:		
Accelerated capital allowances	30,389	51,570
Short term timing differences	(453)	(427)
	<u>29,936</u>	<u>51,143</u>
Movements in the year:		2018 £
Liability at 1 April 2017		51,143
Credit to profit or loss		(21,207)
		<u> </u>
Liability at 31 March 2018		29,936
		<u> </u>

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

21 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	141,441	30,049

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 £5,336 (2017: £5,024) 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 £110,000 (2017: £nil) in respect of the small self administered scheme the company also operates.

22 Share capital

	2018 £	2017 £
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.

23 Reserves

Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in the statement of comprehensive income.

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 2018

24 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	1,318,210	1,712,454
Adjustments for:		
Taxation charged	314,842	408,962
Finance costs	10,855	17,321
Investment income	(3,080)	(2,214)
Gain on disposal of tangible fixed assets	(178,942)	(432,997)
Depreciation and impairment of tangible fixed assets	759,162	945,745
Movements in working capital:		
(Increase) in debtors	(103,088)	(230,440)
Increase in creditors	253,350	82,738
Cash generated from operations	<u>2,371,309</u>	<u>2,501,569</u>

25 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:

	2018 £	2017 £
Within one year	292,472	239,804
Between one and five years	702,684	802,344
In over five years	28,208	120,500
	<u>1,023,364</u>	<u>1,162,648</u>

26 Related party transactions

Remuneration of key management personnel

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

	2018 £	2017 £
Aggregate compensation	<u>1,061,653</u>	<u>690,681</u>

Transactions with related parties

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

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

26 Related party transactions (Continued)

	Dividends paid to directors		Rent paid to pension scheme	
	2018 £	2017 £	2018 £	2017 £
Key management personnel	10,000	2,800,000	-	-
Other related parties	-	-	311,156	95,951

The following amounts were outstanding at the reporting end date:

	2018 £	2017 £
Amounts owed to related parties		
Directors' current accounts	-	1,847,526