

Company Registration No. 03016454 (England and Wales)

C.F.MOTORING SERVICES LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

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C.F.MOTORING SERVICES LTD

COMPANY INFORMATION

Directors	F A Calvert P C Calvert W M Calvert P Calvert
Secretary	M Geddes
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 United Kingdom NE1 4AD
Bankers	Virgin Money 132-134 Northumberland Street Newcastle Upon Tyne NE1 7DG
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 2023

The directors present the strategic report for the year ended 31 March 2023.

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.

In the year to 31 March 2023 turnover had increased significantly to £16.8m from £14.7m in 2022. This was predominantly due to a return to normal operating conditions after two years impacted by the Covid-19 pandemic and the various challenges associated with dealing with lockdowns and the impact this had on our business operations.

However, as the country recovered from the pandemic new issues and challenges arose, specifically the current 'cost of living' crisis and increased inflation, which is currently running at around 7%. Interest rate increases have also been experienced across the recent period end and since the year end. The directors are managing the risks that these challenges present, by working closely with our work provider partners to renegotiate commercial terms and where improved margins are realised, we try to pass the benefit of this back to our employees. The unfortunate consequence being that we, as with other businesses will be fueling core inflation.

In summary the directors are extremely pleased with the year-end outcome and are delighted that profit before tax increased from £1.7m to £2.7m across the year to 2023.

The key performance indicators which the directors use to assess business performance are shown in the table below:

	2023	2022
Turnover	£16.8m	£14.7m
Gross Margin	36.6%	33.4%
Net profit before tax margin	16.2%	11.9%
Net assets	£3.5m	£3.3m
Turnover per employee	£99.7k	£83.5k

Distribution costs decreased from £642k to £333k as a result of a change in contractual obligations and administrative expenditure increased from £2,507k to £3,144k which evidences that our fixed costs have increased in line with wider global price increases across the year to 31 March 2023.

Liquidity remains in a strong position, and we hold cash at bank at year end of £2.7m (2022: £3.8m). This has been generated by profit in the year of £2.2m (2022: £1.4m). Dividends paid to the holding company across the period amounted to £2m (2002: £0.6m). The directors remain pleased with the strong balance sheet position and consider that the group is well positioned to meet the challenges that are faced in the current trading climate.

Principal risks and uncertainties

Staff retention, recruitment and wage inflation are all perceived by the directors to be key risks and the source of uncertainty facing the business. At the time of writing this report, there remains a risk of a UK recession should the balance between interest rates and inflation not be managed by the Bank of England. To date however the business benefits from higher interest rates as we have minimal debt and large credit bank balances. The war in Ukraine contributed and exacerbated energy prices although there has been some reduction in prices since the war began in 2022. The directors managed the risks of increasing energy prices, by locking into fixed energy price deals, but are aware of the increased costs that will stem from those deals coming to an end in the future and have factored these into future projections and budgets, when making long term business decisions.

C.F.MOTORING SERVICES LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Development and performance

The business has continued to significantly invest in electric, hybrid, ADAS, carbon neutral accreditation, training and equipment. We have also purchased a further site in the Stockton, Teesside area that became operational in May 2023. This market leading facility will increase our geographical footprint and allow us to provide a comprehensive accident repair and recovery service to the people of Cleveland and North Yorkshire.

On behalf of the board



.....
P C Calvert
Director

Date: 16/11/23
.....

C.F.MOTORING SERVICES LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

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

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £2,000,000 (2022: £606,665). 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.

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

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: 16/11/23
.....

C.F.MOTORING SERVICES LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

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 2023 which comprise statement of income and retained earnings, balance sheet, and notes to the financial statements, including 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 2023 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The audit engagement team identified the risk of management override of controls and revenue recognition around the year end as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in relation to management override included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments. Audit procedures performed in relation to revenue recognition around the year end include but were not limited to testing transactions around the year end to supporting documentation to ensure revenue was recorded in the correct period.

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.

Claire Leece

Claire Leece (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
United Kingdom, NE1 4AD

17/11/23

C.F.MOTORING SERVICES LTD


STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	16,754,004	14,692,539
Cost of sales		(10,617,874)	(9,781,800)
Gross profit		6,136,130	4,910,739
Distribution costs		(332,759)	(641,993)
Administrative expenses		(3,144,285)	(2,507,445)
Other operating income		-	37,891
Operating profit	6	2,659,086	1,799,192
Interest receivable and similar income	8	57,123	1,338
Interest payable and similar expenses	9	(4,266)	(47,915)
Profit before taxation		2,711,943	1,752,615
Tax on profit	10	(503,736)	(344,441)
Profit for the financial year		2,208,207	1,408,174
Retained earnings brought forward		3,279,259	2,477,750
Dividends	11	(2,000,000)	(606,665)
Retained earnings carried forward		3,487,466	3,279,259

C.F.MOTORING SERVICES LTD**BALANCE SHEET****AS AT 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12		2,221,396		1,770,321
Current assets					
Stocks		122,626		1,373	
Debtors	13	2,739,242		1,713,922	
Cash at bank and in hand		2,676,372		3,835,508	
		5,538,240		5,550,803	
Creditors: amounts falling due within one year	14	(3,608,983)		(3,485,645)	
Net current assets			1,929,257		2,065,158
Total assets less current liabilities			4,150,653		3,835,479
Creditors: amounts falling due after more than one year	15		(124,137)		(171,743)
Provisions for liabilities	17		(538,050)		(383,477)
Net assets			3,488,466		3,280,259
Capital and reserves					
Called up share capital	20		1,000		1,000
Profit and loss reserves	21		3,487,466		3,279,259
Total equity			3,488,466		3,280,259

The financial statements were approved by the board of directors and authorised for issue on 16/11/23 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 2023

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, United Kingdom, NE21 5SR.

Going concern

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 and 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 goods and services provided in the normal course of business, and is shown net of VAT. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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	4 to 40 years straight line
Plant and machinery	4 years straight line
Motor vehicles	4 to 6 years straight line

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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 debtors 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 creditors 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.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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.

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.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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.

C.F.Motoring Services Ltd consider there to be no significant accounting estimates.

3 Turnover and other revenue

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

	2023 £	2022 £
Turnover analysed by class of business		
Recovery services	5,326,109	4,084,942
Bodyshop services	11,204,943	10,494,611
Miscellaneous income	222,952	112,986
	<u>16,754,004</u>	<u>14,692,539</u>

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:

	2023 Number	2022 Number
Production staff	120	129
Distribution staff	3	4
Administrative staff	43	39
Directors	4	4
	<u>170</u>	<u>176</u>

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Employees (Continued)

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	5,389,421	4,876,920
Social security costs	609,753	475,190
Pension costs	366,347	183,072
	<u>6,365,521</u>	<u>5,535,182</u>

5 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	386,198	403,768
Company pension contributions to defined contribution schemes	260,000	90,000
	<u>646,198</u>	<u>493,768</u>

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

	2023 £	2022 £
Remuneration for qualifying services	210,525	183,102
Company pension contributions to defined contribution schemes	70,000	40,000
	<u>280,525</u>	<u>223,102</u>

6 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(37,891)
Depreciation of owned tangible fixed assets	441,124	397,455
Depreciation of tangible fixed assets held under finance leases	68,399	117,437
Profit on disposal of tangible fixed assets	(190,650)	(237,211)
Operating lease charges	527,933	412,668
	<u>846,806</u>	<u>640,058</u>

At the year end there are no outstanding performance conditions relating to the government grants received in the prior period.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	20,000	17,450
For other services		
Taxation compliance services	3,500	3,150
All other non-audit services	5,000	4,200
	8,500	7,350

8 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	57,123	1,338

9 Interest payable and similar expenses

	2023 £	2022 £
Interest on finance leases and hire purchase contracts	4,266	47,915

10 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	356,246	76,465
Adjustments in respect of prior periods	(7,083)	704
Total current tax	349,163	77,169
Deferred tax		
Origination and reversal of timing differences	154,573	267,272
Total tax charge	503,736	344,441

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Taxation (Continued)

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:

	2023 £	2022 £
Profit before taxation	2,711,943	1,752,615
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	515,269	332,997
Tax effect of expenses that are not deductible in determining taxable profit	2,161	9,472
Adjustments in respect of prior years	(7,083)	704
Remeasurement of deferred tax for changes in tax rates	-	92,035
Additional deduction for land remediation expenditure	37,098	(17)
Fixed asset differences	(43,709)	(90,750)
Taxation charge for the year	503,736	344,441

11 Dividends

	2023 £	2022 £
Final paid	2,000,000	606,665

12 Tangible fixed assets

	Leasehold property improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2022	616,561	1,576,855	3,181,673	5,375,089
Additions	348,766	346,642	375,496	1,070,904
Disposals	-	-	(443,571)	(443,571)
At 31 March 2023	965,327	1,923,497	3,113,598	6,002,422
Depreciation and impairment				
At 1 April 2022	304,191	1,171,886	2,128,691	3,604,768
Depreciation charged in the year	33,223	198,214	278,086	509,523
Eliminated in respect of disposals	-	-	(333,265)	(333,265)
At 31 March 2023	337,414	1,370,100	2,073,512	3,781,026
Carrying amount				
At 31 March 2023	627,913	553,397	1,040,086	2,221,396
At 31 March 2022	312,370	404,969	1,052,982	1,770,321

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets (Continued)

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

	2023 £	2022 £
Motor vehicles	160,652	279,246

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	2,676,476	1,542,714
Corporation tax recoverable	-	112,304
Prepayments and accrued income	62,766	58,904
	2,739,242	1,713,922

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Obligations under finance leases	16	30,670	32,220
Trade creditors		1,871,951	1,372,963
Amounts owed to group undertakings		-	606,665
Corporation tax		356,246	-
Other taxation and social security		672,464	635,903
Other creditors		23,252	30,022
Accruals and deferred income		654,400	807,872
		3,608,983	3,485,645

15 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Obligations under finance leases	16	124,137	171,743

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Less than one year	30,670	36,081
Between one and five years	147,837	192,408
	<u>178,507</u>	<u>228,489</u>
Less: future finance charges	(23,700)	(24,526)
	<u>154,807</u>	<u>203,963</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.

17 Provisions for liabilities

	Notes	2023 £	2022 £
Deferred tax liabilities	18	<u>538,050</u>	<u>383,477</u>

18 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 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	540,230	388,168
Tax losses	-	(4,691)
Short term timing differences	(2,180)	-
	<u>538,050</u>	<u>383,477</u>

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

19 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	366,347	183,072

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 £23,252 (2022: £30,022) 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 £270,000 (2022: £100,000) in respect of the small self administered scheme the company also operates.

20 Share capital

	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

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.

C.F.MOTORING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

22 Operating lease commitments

Lessee

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:

	2023 £	2022 £
Within one year	417,534	84,669
Between one and five years	733,955	25,132
	<u>1,151,489</u>	<u>109,801</u>

23 Related party transactions

Transactions with related parties

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

	Rent paid to pension scheme	
	2023 £	2022 £
Other related parties	<u>237,440</u>	<u>210,390</u>

24 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 Ltd are incorporated. The financial statements of CFMS Holdings Limited can be obtained from the company's registered office, C F House, Chainbridge Road, Blaydon, United Kingdom, NE21 5SR.

The ultimate controlling parties of C.F.Motoring Services Ltd are F A Calvert and P Calvert by virtue of their shareholdings of CFMS Holdings Limited.