

Imperial Motor Company Limited

Annual Report and Unaudited Filleted Financial Statements
for the Year Ended 31 August 2022

Manningtons
7 Wellington Square
Hastings
East Sussex
TN34 1PD

Imperial Motor Company Limited

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Company Information

Director	Mr KR Freed
Company secretary	Mrs MM Freed
Registered office	7 Wellington Square Hastings East Sussex TN34 1PD
Accountants	Manningtons 7 Wellington Square Hastings East Sussex TN34 1PD

Imperial Motor Company Limited

(Registration number: 04477060)
Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>5</u>	7,217	8,492
Current assets			
Stocks	<u>6</u>	501,534	750,675
Debtors	<u>7</u>	100,778	100,000
Cash at bank and in hand		265,935	86,757
		868,247	937,432
Creditors: Amounts falling due within one year	<u>8</u>	(93,954)	(366,540)
Net current assets		774,293	570,892
Total assets less current liabilities		781,510	579,384
Provisions for liabilities		(1,372)	(1,613)
Net assets		780,138	577,771
Capital and reserves			
Called up share capital		100	100
Retained earnings		780,038	577,671
Shareholders' funds		780,138	577,771

For the financial year ending 31 August 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 24 May 2023

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Mr KR Freed

Director

The notes on pages 3 to 8 form an integral part of these financial statements.
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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

7 Wellington Square
Hastings
East Sussex
TN34 1PD
England

The principal place of business is:

Unit 2B
Chichester Road
St Leonards on Sea
E Sussex
TN38 9BG

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Imperial Motor Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixture, fittings and equipment	15% reducing balance
Motor vehicles	25% straight line

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised at the transaction price, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised at the transaction price.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 6 (2021 - 6).

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 September 2021	26,217	26,217
At 31 August 2022	26,217	26,217
Amortisation		
At 1 September 2021	26,217	26,217
At 31 August 2022	26,217	26,217
Carrying amount		
At 31 August 2022	-	-

5 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 September 2021	19,067	4,167	23,234
At 31 August 2022	19,067	4,167	23,234
Depreciation			
At 1 September 2021	10,575	4,167	14,742
Charge for the year	1,275	-	1,275
At 31 August 2022	11,850	4,167	16,017
Carrying amount			
At 31 August 2022	7,217	-	7,217
At 31 August 2021	8,492	-	8,492

6 Stocks

	2022 £	2021 £
Other inventories	501,534	750,675

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

7 Debtors

	Note	2022 £	2021 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<u>10</u>	100,000	100,000
Prepayments		778	-
		<u>100,778</u>	<u>100,000</u>

8 Creditors

Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Due within one year			
Bank loans and overdrafts	<u>9</u>	-	260,182
Trade creditors		4,626	2,913
Taxation and social security		73,296	97,001
Accruals and deferred income		5,350	5,350
Other creditors		10,446	459
Director loan account		236	635
		<u>93,954</u>	<u>366,540</u>

Creditors: amounts falling due after more than one year

2022 £	2021 £
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9 Loans and borrowings

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	<u>-</u>	<u>260,182</u>

10 Related party transactions

At the year end the company was owed £100,00 from an associated company, (2021 £100,00)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.