

REGISTERED NUMBER: 06558606 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 29 November 2020
for
Servicing Stop Limited**



BBK Partnership
Chartered Accountants & Statutory Auditors
1 Beauchamp Court
10 Victors Way
Barnet
Hertfordshire
EN5 5TZ

Servicing Stop Limited
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FOR THE YEAR ENDED 29 NOVEMBER 2020

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Servicing Stop Limited
Company Information
FOR THE YEAR ENDED 29 NOVEMBER 2020

DIRECTORS:

Mr O J Richmond
Mr T R Richmond

SECRETARY:

Mr C Whitbread

REGISTERED OFFICE:

57 London Rd
Enfield
Middlesex
EN2 6DU

REGISTERED NUMBER:

06558606 (England and Wales)

AUDITORS:

BBK Partnership
Chartered Accountants & Statutory Auditors
1 Beauchamp Court
10 Victors Way
Barnet
Hertfordshire
EN5 5TZ

Servicing Stop Limited
Strategic Report
FOR THE YEAR ENDED 29 NOVEMBER 2020

The directors present their strategic report for the year ended 29 November 2020.

REVIEW OF BUSINESS

The profit for the year after taxation amounted to £1,961,428 (2019: £ 133,151)

The company retains a positive combined bank balance of £ 2,093,802 (2019: £ 31,757)

The directors are satisfied with the results in the year under review in a progressively competitive industry with tough trading conditions.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal financial instruments comprise cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to fund the company's operations as well as to manage working capital.

The directors continue to assess the risks facing the company. Both the securing of new business and maintaining existing relationships are key to the company's success.

Other ongoing challenges are overhead cost control which is kept under regular review by the director.

The directors of the Company reviews on a regular basis the company's risk exposure and risk appetite. The key risks broadly fall into the following categories:

MARKET

The company monitors the general economic and political changes in the motor vehicle service sector. The directors pay attention to these changes and tailor their services and agreement in order to maintain the level of income and profitability.

COMPETITIVE

The main competitive risks to the company arise from changing in government policies and general economic conditions. The company continues to invest in providing qualitative service by working in partnership with contractors and other associated persons to provide better and efficient services.

LEGISLATIVE RISK

On a regular basis the directors review the company legislative risk exposure and ensure that all applicable directions are observed.

FINANCIAL INSTRUMENT RISK

The company has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievements of its performance objectives. The objectives aim to limit undue counterparty exposure, ensure efficient working capital exists and monitor the management of risk at a business unit level.

Servicing Stop Limited

**Strategic Report
FOR THE YEAR ENDED 29 NOVEMBER 2020**

KEY PERFORMANCE INDICATORS

The directors have considered the use of the key performance indicators. The continuous measurement and monitoring of the business performance is a critical element of the management process. In order to provide consistent and comprehensive information the Company use a number of key performance indicators (KPI's) to provide a timely and well-balanced review of the financial performance against predefined targets. These include the levels of turnover, gross and net profit margins and profitability ratios.


Other key KPIs that demonstrate the level of performance in different parts of the business include:

Average salary levels

Performance against budget and prior year.

The directors are satisfied with the KPI's delivered in the year and is confident that expected performance levels can be maintained for the foreseeable future.

ON BEHALF OF THE BOARD:


.....

Mr O J Richmond - Director

Date: 22-12-2020

Servicing Stop Limited
Report of the Directors
FOR THE YEAR ENDED 29 NOVEMBER 2020

The directors present their report with the financial statements of the company for the year ended 29 November 2020.

DIVIDENDS

No dividends will be distributed for the year ended 29 November 2020.

FUTURE DEVELOPMENTS

The directors anticipate the business environment will remain competitive. They believe that the company is in a good financial position and identified risks are being well managed. With careful focus on the appropriate diversification and development of new services, as well as continuing review of the state of the market and the activities of competitors, the directors are confident in the company's ability to maintain and build on this position, albeit with cautious growth expectations.

RESEARCH AND DEVELOPMENT

The company is currently and continually undertaking research and development to improve the performance of its integral website using pioneering algorithms.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 30 November 2019 to the date of this report.

Mr O J Richmond
Mr T R Richmond

FINANCIAL INSTRUMENTS

Treasury operations and financial instruments

The directors have established a risk and financial management framework whose primary objective is to protect the company from events that hinder the achievement of performance objective.

The objective aim to limit the undue counterparty exposure, ensure sufficient working capital and monitor risk at a business unit level.

The company principal financial instruments during the year comprised of a significant liquid cash holding at bank. The main purpose of these financial instruments is to provide funding for company's operations.

Liquidity risk

The company manages its cash requirements in order to maximise interest income and minimise expenses, whilst ensuring the company has sufficient liquid resources to meet the operation needs of the business.

Interest rate risk

Currently the company's exposure to interest rate risk is minimal.

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedure. Trade debtors will be monitored on an ongoing basis and provision may be made for doubtful debts where necessary.

Servicing Stop Limited

**Report of the Directors
FOR THE YEAR ENDED 29 NOVEMBER 2020**

GOING CONCERN

The directors have considered the company's objective, risk management policies, liquidity risk, credit risk, capital management policies and procedures, the nature of its market positioning and its expenditure and cash flow projections. As a result of this review the directors have concluded that the company has adequate and reliable resources to continue to adopt a going concern basis in preparing these financial statements. However, the extraordinary circumstances created by the global pandemic Covid-19 coronavirus, the directors have taken steps deemed necessary as disclosed in the Note 3, the accounting policies and notes to the accounts.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

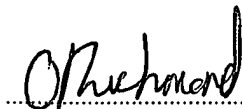
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, BBK Partnership, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr O J Richmond - Director

Date: 22.12.2020

Report of the Independent Auditors to the Members of Servicing Stop Limited

Opinion

We have audited the financial statements of Servicing Stop Limited (the 'company') for the year ended 29 November 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 Financial Reporting Standard 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 29 November 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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.

Emphasis of matter

Going Concern: In forming our opinion we have considered the adequacy of the disclosure made in the directors' report and in note 3 of the financial statements regarding the global uncertainty caused by Covid-19 coronavirus. The financial statements have been prepared on a going concern basis. The appropriateness of this basis is supported by the increased demand in the company's services accelerated by the global lockdown and its ability to continue its operations via online tools. In view of the significance of this matter we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Other Matters

The financial statements of Servicing Stop Limited for the year ended 29 November 2019, were audited by another auditor who expressed an unmodified opinion on those statements on 14 October 2020.

Report of the Independent Auditors to the Members of Servicing Stop Limited

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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 Report of the Directors.

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 five, 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 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.

Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Servicing Stop Limited**

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 a Report of the Auditors 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.

Alan Kaye FCA (Senior Statutory Auditor)
for and on behalf of BBK Partnership
Chartered Accountants & Statutory Auditors
1 Beauchamp Court
10 Victors Way
Barnet
Hertfordshire
EN5 5TZ



Date: 22-12-2020

Servicing Stop Limited

Statement of Comprehensive Income

FOR THE YEAR ENDED 29 NOVEMBER 2020

	Notes	29.11.20 £	29.11.19 £
TURNOVER	4	14,980,391	14,635,891
Cost of sales		<u>(7,274,311)</u>	<u>(7,764,946)</u>
GROSS PROFIT		7,706,080	6,870,945
Administrative expenses		<u>(5,811,501)</u>	<u>(6,711,206)</u>
		1,894,579	159,739
Other operating income		<u>281,415</u>	<u>-</u>
OPERATING PROFIT	7	2,175,994	159,739
Interest payable and similar expenses	9	<u>(97,613)</u>	<u>(72,392)</u>
PROFIT BEFORE TAXATION		2,078,381	87,347
Tax on profit	10	<u>(116,953)</u>	<u>45,804</u>
PROFIT FOR THE FINANCIAL YEAR		1,961,428	133,151
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1,961,428</u></u>	<u><u>133,151</u></u>

The notes form part of these financial statements

Servicing Stop Limited (Registered number: 06558606)

Statement of Financial Position
29 NOVEMBER 2020

	Notes	29.11.20 £	29.11.19 £
FIXED ASSETS			
Intangible assets	11	910,400	903,869
Tangible assets	12	<u>68,009</u>	<u>75,900</u>
		978,409	979,769
CURRENT ASSETS			
Debtors	13	657,690	259,080
Prepayments and accrued income		550,097	591,243
Cash at bank and in hand		<u>2,093,802</u>	<u>31,757</u>
		3,301,589	882,080
CREDITORS			
Amounts falling due within one year	14	<u>3,065,652</u>	<u>2,646,431</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>235,937</u>	<u>(1,764,351)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,214,346	(784,582)
CREDITORS			
Amounts falling due after more than one year	15	<u>37,500</u>	<u>-</u>
NET ASSETS/(LIABILITIES)		<u>1,176,846</u>	<u>(784,582)</u>
CAPITAL AND RESERVES			
Called up share capital	17	200	200
Share premium	18	199,900	199,900
Retained earnings	18	<u>976,746</u>	<u>(984,682)</u>
SHAREHOLDERS' FUNDS		<u>1,176,846</u>	<u>(784,582)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22.12.2020 and were signed on its behalf by:


.....
Mr O J Richmond - Director

The notes form part of these financial statements

Servicing Stop Limited

**Statement of Changes in Equity
FOR THE YEAR ENDED 29 NOVEMBER 2020**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 30 November 2018	200	(1,117,833)	199,900	(917,733)
Changes in equity				
Total comprehensive income	-	133,151	-	133,151
Balance at 29 November 2019	200	(984,682)	199,900	(784,582)
Changes in equity				
Total comprehensive income	-	1,961,428	-	1,961,428
Balance at 29 November 2020	200	976,746	199,900	1,176,846

The notes form part of these financial statements

Servicing Stop Limited
Statement of Cash Flows
FOR THE YEAR ENDED 29 NOVEMBER 2020

	Notes	29.11.20 £	29.11.19 £
Cash flows from operating activities			
Cash generated from operations	1	2,016,069	(194,561)
Interest element of hire purchase or finance lease rental payments paid		(97,613)	(72,392)
Tax paid		<u>5,244</u>	<u>45,804</u>
Net cash from operating activities		<u>1,923,700</u>	<u>(221,149)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(193,069)	(247,095)
Purchase of tangible fixed assets		<u>-</u>	<u>(272)</u>
Net cash from investing activities		<u>(193,069)</u>	<u>(247,367)</u>
Cash flows from financing activities			
New loans in year		50,000	-
Government Grant		<u>281,414</u>	<u>-</u>
Net cash from financing activities		<u>331,414</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents		<u>2,062,045</u>	<u>(468,516)</u>
Cash and cash equivalents at beginning of year	2	<u>31,757</u>	<u>500,273</u>
Cash and cash equivalents at end of year	2	<u><u>2,093,802</u></u>	<u><u>31,757</u></u>

The notes form part of these financial statements

Servicing Stop Limited

**Notes to the Statement of Cash Flows
FOR THE YEAR ENDED 29 NOVEMBER 2020**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	29.11.20	29.11.19
	£	£
Profit before taxation	2,078,381	87,347
Depreciation charges	194,429	163,327
Government grants	(281,415)	-
Finance costs	<u>97,613</u>	<u>72,392</u>
	2,089,008	323,066
Increase in trade and other debtors	(357,464)	(257,206)
Increase/(decrease) in trade and other creditors	<u>284,525</u>	<u>(260,421)</u>
Cash generated from operations	<u><u>2,016,069</u></u>	<u><u>(194,561)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 29 November 2020

	29.11.20	30.11.19
	£	£
Cash and cash equivalents	<u><u>2,093,802</u></u>	<u><u>31,757</u></u>

Year ended 29 November 2019

	29.11.19	30.11.18
	£	£
Cash and cash equivalents	<u><u>31,757</u></u>	<u><u>500,273</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 30.11.19	Cash flow	At 29.11.20
	£	£	£
Net cash			
Cash at bank and in hand	<u>31,757</u>	<u>2,062,045</u>	<u>2,093,802</u>
	<u>31,757</u>	<u>2,062,045</u>	<u>2,093,802</u>
Debt			
Debts falling due within 1 year	-	(12,500)	(12,500)
Debts falling due after 1 year	<u>-</u>	<u>(37,500)</u>	<u>(37,500)</u>
	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>
Total	<u><u>31,757</u></u>	<u><u>2,012,045</u></u>	<u><u>2,043,802</u></u>

The notes form part of these financial statements

Servicing Stop Limited

**Notes to the Financial Statements
FOR THE YEAR ENDED 29 NOVEMBER 2020**

1. NATURE OF OPERATIONS

The company operates a motor mechanic service, inviting customers to book servicing and repairs through them, for appointed garages to collect, service and deliver back their vehicles.

2. STATUTORY INFORMATION

Servicing Stop Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the company.

Significant judgements and estimates

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of the 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 estimates are 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.

Servicing Stop Limited

Notes to the Financial Statements - continued FOR THE YEAR ENDED 29 NOVEMBER 2020

3. ACCOUNTING POLICIES - continued

Turnover and other income

Turnover from the provision of services is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on completion of the motor vehicle service on the agreed date.

Rendering of services

When the outcome of a transaction can be estimated reliably, turnover is recognised by reference to the stage of completion at the balance sheet date.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that assets as follows:

Development Costs - Over 7 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 10% on cost
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 20% on cost

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

Servicing Stop Limited

Notes to the Financial Statements - continued FOR THE YEAR ENDED 29 NOVEMBER 2020

3. ACCOUNTING POLICIES - continued

Financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and all deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to and 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 initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method 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.

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 payables are classified as current liabilities of the company does not have an unconditional right at the end of the reporting period to defer settlements of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlements for at least twelve months after the reporting date they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 29 NOVEMBER 2020

3. ACCOUNTING POLICIES - continued

Research and development

In the research phase of an internal project, it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic life, which is 7 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease

Government grants

The company receives government grants in respect of Job Retention Scheme. These grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the accrual model.

Going concern

The accounts have been prepared in a going concern basis.

The current pandemic caused by Covid-19 has triggered global uncertainty and the impact particularly in the motor vehicle servicing sector is expected to be extraordinary. The directors are monitoring the progress and effect of the spread of the virus, though they are unable to immediately quantify its impact on future commerciality. Strategies and policies to manage the evolving developments have been implemented by the director's, specifically:

- Monitoring changes in confirmed orders and cancellations
- Monitoring the management responses of associated institutions
- Reviewing the impact on forecast that may impact impairment evaluations
- Possibilities in insurance recoveries

The directors are assured that the company has sufficient resources to bear the global impact within the motor vehicle servicing sector.

Servicing Stop Limited

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 29 NOVEMBER 2020**

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	29.11.20 £	29.11.19 £
Rendering of services	<u>14,980,391</u>	<u>14,635,891</u>
	<u>14,980,391</u>	<u>14,635,891</u>

5. EMPLOYEES AND DIRECTORS

	29.11.20 £	29.11.19 £
Wages and salaries	1,426,288	1,688,492
Social security costs	149,191	166,006
Other pension costs	<u>18,704</u>	<u>20,546</u>
	<u>1,594,183</u>	<u>1,875,044</u>

The average number of employees during the year was as follows:

	29.11.20	29.11.19
Management	21	34
Administration	5	8
Sales	<u>10</u>	<u>15</u>
	<u>36</u>	<u>57</u>

During the year, the sum of £78,750 (2019: 157,095) was capitalised as an intangible fixed asset being wages and social security costs incurred as part of research and development.

6. DIRECTORS' EMOLUMENTS

	29.11.20 £	29.11.19 £
Directors' remuneration	<u>152,500</u>	<u>150,000</u>

The sum paid to the highest earning director during the year was £90,000 (2019: 90,000).

The total pension provision attributable to the directors as at 29 November 2020 was £Nil (2019:£Nil).

During the year the sum of £92,500 (2019: 90,000) to director's remuneration was capitalised as an intangible fixed asset.

Servicing Stop Limited

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 29 NOVEMBER 2020**

7. OPERATING PROFIT

The operating profit is stated after charging:

	29.11.20	29.11.19
	£	£
Depreciation - owned assets	7,891	12,681
Development costs amortisation	<u>186,538</u>	<u>150,645</u>

8. AUDITORS' REMUNERATION

	29.11.20	29.11.19
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	10,000	12,500
Auditors' remuneration for non audit work	<u>2,000</u>	<u>-</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	29.11.20	29.11.19
	£	£
Leasing	<u>97,613</u>	<u>72,392</u>

10. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	29.11.20	29.11.19
	£	£
Current tax:		
UK corporation tax	<u>116,953</u>	<u>(45,804)</u>
Tax on profit	<u>116,953</u>	<u>(45,804)</u>

Servicing Stop Limited

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 29 NOVEMBER 2020

11. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 30 November 2019	1,463,611
Additions	<u>193,069</u>
At 29 November 2020	<u>1,656,680</u>
AMORTISATION	
At 30 November 2019	559,742
Amortisation for year	<u>186,538</u>
At 29 November 2020	<u>746,280</u>
NET BOOK VALUE	
At 29 November 2020	<u>910,400</u>
At 29 November 2019	<u>903,869</u>

12. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 30 November 2019 and 29 November 2020	<u>38,487</u>	<u>104,787</u>	<u>1,750</u>	<u>145,024</u>
DEPRECIATION				
At 30 November 2019	7,681	59,693	1,750	69,124
Charge for year	<u>3,849</u>	<u>4,042</u>	<u>-</u>	<u>7,891</u>
At 29 November 2020	<u>11,530</u>	<u>63,735</u>	<u>1,750</u>	<u>77,015</u>
NET BOOK VALUE				
At 29 November 2020	<u>26,957</u>	<u>41,052</u>	<u>-</u>	<u>68,009</u>
At 29 November 2019	<u>30,806</u>	<u>45,094</u>	<u>-</u>	<u>75,900</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29.11.20 £	29.11.19 £
Trade debtors	494,682	112,280
Other debtors	<u>163,008</u>	<u>146,800</u>
	<u>657,690</u>	<u>259,080</u>

Servicing Stop Limited

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 29 NOVEMBER 2020**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29.11.20	29.11.19
	£	£
Bank loans and overdrafts (see note 16)	12,500	-
Trade creditors	1,202,881	2,055,170
Tax	122,197	-
Social security and other taxes	453,375	148,061
Pension	8,324	8,783
VAT	1,032,927	236,485
Amex Credit Card	24,581	20,434
Accruals and deferred income	<u>208,867</u>	<u>177,498</u>
	<u><u>3,065,652</u></u>	<u><u>2,646,431</u></u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	29.11.20	29.11.19
	£	£
Bank loans (see note 16)	<u><u>37,500</u></u>	<u><u>-</u></u>

16. LOANS

An analysis of the maturity of loans is given below:

	29.11.20	29.11.19
	£	£
Amounts falling due within one year or on demand:		
Bank Loan	<u><u>12,500</u></u>	<u><u>-</u></u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u><u>37,500</u></u>	<u><u>-</u></u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			29.11.20	29.11.19
Number:	Class:	Nominal value:	£	£
102	Ordinary	£1	102	102
98	A Ordinary	£1	<u>98</u>	<u>98</u>
			<u><u>200</u></u>	<u><u>200</u></u>

Servicing Stop Limited

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 29 NOVEMBER 2020**

18. RESERVES

	Retained earnings £	Share premium £	Totals £
At 30 November 2019	(984,682)	199,900	(784,782)
Profit for the year	<u>1,961,428</u>	<u> </u>	<u>1,961,428</u>
At 29 November 2020	<u>976,746</u>	<u>199,900</u>	<u>1,176,646</u>

19. POST BALANCE SHEET EVENTS

The company has prepared its financial statements having passed through the first phase of the global pandemic triggered by Covid-19. The directors cannot immediately quantify the impact of the more recent second phase, however they anticipate a greater demand for the company's services as more people use personal vehicles as a mode of safer transport.

20. CONTROLLING PARTY

None of the shareholders have a controlling holding in the company.