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REGISTERED NUMBER: 02048726 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTOR AND**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**  
**FOR**  
**CHESTERFIELD MOTOR COMPANY LIMITED**



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**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**CHESTERFIELD MOTOR COMPANY LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**DIRECTOR:** S Wheeldon-Wright

**SECRETARY:** S Wheeldon-Wright

**REGISTERED OFFICE:** Eckington Way  
Sheffield  
S20 3FG

**REGISTERED NUMBER:** 02048726 (England and Wales)

**AUDITORS:** Allen, West and Foster Limited  
Statutory Auditors  
2 Broomgrove Road  
Sheffield  
South Yorkshire  
S10 2LR

**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

The director presents his strategic report of the company and the group for the year ended 31 December 2018.

**REVIEW OF BUSINESS**

The group's principal activities during the year are as stated in the directors' report.

The group started the year trading from 3 locations but the director took the decision during the year to cease trading at one of its sites. The remaining sites are a car supermarket and a Ford franchise.

The director uses a range of performance measures to monitor and manage the business. The key performance indicators are shown below.

	Unit	2018	2017
Gross Profit	%	5.00	4.17
Operating Profit	%	1.05	0.05
Current Ratio		2.45	2.16

The uncertainty over Brexit was a major factor in another tough year of trading which saw Turnover decrease from £28,632,894 to £26,567,921. The profit after tax has increased from £161,843 to £226,973, although last years profit included a write back on investments of £165,950.

Net Assets at the end of the financial year were £5,341,232. The director considers this a satisfactory position which he is confident will increase in future years.

**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**PRINCIPAL RISKS AND UNCERTAINTIES**

There are certain risks, which could materially and adversely impact the company's result compared to expectation. A summary of the key risks is set out below. This is not an exhaustive list of the factors that could affect the group's performance.

**General economic conditions :**

The general economic environment and levels of consumer and business confidence have a direct impact on levels of demand in the motor retail sector. In addition, fuel prices, interest rates and levels of unemployment can all impact sales levels. Demand levels are closely monitored by the group company's on an ongoing basis (via sales and enquiry analysis).

**Used vehicle prices**

Used vehicle volatility can present a significant risk in the event that the market price moves rapidly between the point of purchase and the point of sale of a used vehicle. This leads to reduced margins and increased provisions on unsold stock. This risk is mitigated by a combination of regular monitoring of the used vehicle market by the group's buyers and a focus on stock turnover to reduce the time used vehicles are held in stock.

**Competitive environment**

The market in which the group company's operate is competitive locally, and therefore competitor pressure could result in losing sales to its competitors. The group manages this risk by regularly reviewing prices locally to make sure they remain competitive.

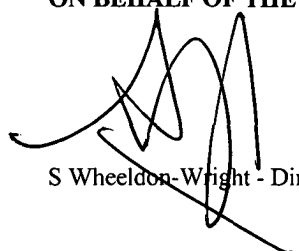
**Loss of key personnel**

This would present significant operational difficulties for the group company's. The management seek to ensure that key personnel are appropriately remunerated.

**Liquidity**

The group finances its business through a mixture of retained profit, trade credit and funding facilities provided by its director and its bankers. It is considered that the facilities in place are adequate for the group's plans.

**ON BEHALF OF THE BOARD:**



S Wheeldon-Wright - Director

16 May 2019

**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2018.

**PRINCIPAL ACTIVITY**

The company's principal activity during the year was the sale, repair and servicing of new and used motor vehicles.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2018.

**DIRECTOR**

S Wheeldon-Wright held office during the whole of the period from 1 January 2018 to the date of this report.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The group uses various financial instruments: these include, borrowings, 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 raise finance for the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below.

The financial risk management objectives and policies of the group are as follows:

**Price risk**

Price risk is controlled through the initial purchasing decisions and the constant monitoring of stock and sales data.

**Credit risk**

The group's principal financial assets are cash and trade debtors. The credit risk associated with the cash is minimal. The principle credit risk arises from its trade debtors.

In order to manage credit risk, the director has implemented processes to ensure receipt of cleared funds for vehicle sales before the vehicle is released. Other trade debtors require approved credit in advance, which is supported by references, and payment is required within the terms and conditions agreed and hence credit risk is minimised.

**Liquidity risk**

The group makes efforts to manage the financial risk by the monitoring of cashflow to ensure the group is able to meet its foreseeable debts as they fall due and to invest any cash assets profitably.

The group has an overdraft facility which it manages to minimise interest rate expense, whilst ensuring it has sufficient liquid resources to meet the operating needs of its business.

**Cash flow interest rate risk**

The group is part of a group overdraft facility which it manages to minimise interest rate expense, whilst ensuring it has sufficient liquid resources to meet the operating needs of its business.

**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

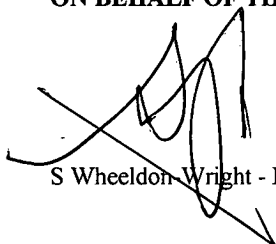
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group 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 director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he 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 group's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



S Wheeldon-Wright - Director

16 May 2019

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**CHESTERFIELD MOTOR COMPANY LIMITED**

**Opinion**

We have audited the financial statements of Chesterfield Motor Company Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 group's and of the parent company affairs as at 31 December 2018 and of the group's 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 group 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, 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.

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



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**CHESTERFIELD MOTOR COMPANY LIMITED**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page five, the director is 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 director determines 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 director is responsible for assessing the group's and the parent 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

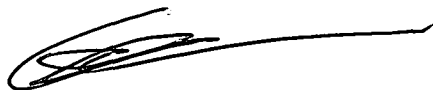
**Auditors' responsibilities for the audit of the financial statements**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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.



Stephen Allen ACA FCCA (Senior Statutory Auditor)  
for and on behalf of Allen, West and Foster Limited  
Statutory Auditors  
2 Broomgrove Road  
Sheffield  
South Yorkshire  
S10 2LR

16 May 2019

**CHESTERFIELD MOTOR COMPANY LIMITED (REGISTERED NUMBER: 02048726)**

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>TURNOVER</b>	3	26,567,921	28,632,894
Cost of sales		25,248,543	27,439,753
<b>GROSS PROFIT</b>		1,319,378	1,193,141
Administrative expenses		1,039,233	1,178,174
<b>OPERATING PROFIT</b>	5	280,145	14,967
Interest receivable and similar income	6	176	8,153
		280,321	23,120
Amounts written off investments	7	-	(165,950)
		280,321	189,070
Interest payable and similar expenses	8	-	1,700
<b>PROFIT BEFORE TAXATION</b>		280,321	187,370
Tax on profit	9	53,348	25,527
<b>PROFIT FOR THE FINANCIAL YEAR</b>		226,973	161,843
Profit attributable to:			
Owners of the parent		226,938	161,983
Non-controlling interests		35	(140)
		226,973	161,843

The notes form part of these financial statements

**CHESTERFIELD MOTOR COMPANY LIMITED (REGISTERED NUMBER: 02048726)**

**CONSOLIDATED OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

Notes	2018 £	2017 £
<b>PROFIT FOR THE YEAR</b>	226,973	161,843
<b>OTHER COMPREHENSIVE INCOME</b>		
Purchase of own shares	-	(7,549,000)
Share capital redeemed	-	5,001
Income tax relating to components of other comprehensive income	-	-
	<u>-</u>	<u>-</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>	<u>-</u>	<u>(7,543,999)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>226,973</u>	<u>(7,382,156)</u>
Total comprehensive income attributable to:		
Owners of the parent	226,938	(7,382,016)
Non-controlling interests	35	(140)
	<u>226,973</u>	<u>(7,382,156)</u>

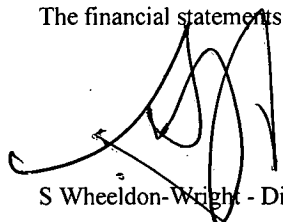
The notes form part of these financial statements

**CHESTERFIELD MOTOR COMPANY LIMITED (REGISTERED NUMBER: 02048726)**

**CONSOLIDATED BALANCE SHEET**  
**31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible assets	11	1,617,799	1,639,740
Investments	12	-	-
		<u>1,617,799</u>	<u>1,639,740</u>
<b>CURRENT ASSETS</b>			
Stocks	13	6,045,958	6,018,688
Debtors	14	260,329	474,033
Cash at bank and in hand		2,857	2,616
		<u>6,309,144</u>	<u>6,495,337</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	2,572,169	3,001,910
		<u>2,572,169</u>	<u>3,001,910</u>
<b>NET CURRENT ASSETS</b>		<u>3,736,975</u>	<u>3,493,427</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,354,774</u>	<u>5,133,167</u>
<b>PROVISIONS FOR LIABILITIES</b>	18	(13,542)	(18,908)
<b>NET ASSETS</b>		<u><u>5,341,232</u></u>	<u><u>5,114,259</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	5,001	5,001
Capital redemption reserve		5,001	5,001
Retained earnings		5,309,235	5,082,297
<b>SHAREHOLDERS' FUNDS</b>		<u>5,319,237</u>	<u>5,092,299</u>
<b>NON-CONTROLLING INTERESTS</b>	20	21,995	21,960
<b>TOTAL EQUITY</b>		<u><u>5,341,232</u></u>	<u><u>5,114,259</u></u>

The financial statements were approved by the director on 16 May 2019 and were signed by:

  
S Wheeldon-Wright - Director

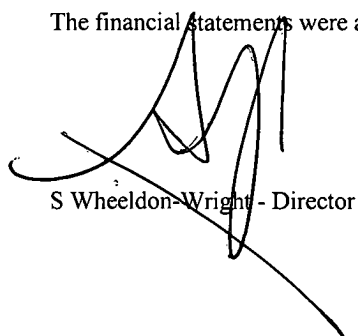
The notes form part of these financial statements

**CHESTERFIELD MOTOR COMPANY LIMITED (REGISTERED NUMBER: 02048726)**

**COMPANY BALANCE SHEET**  
**31 DECEMBER 2018**

	Notes	2018		2017
		£	£	£
<b>FIXED ASSETS</b>				
Tangible assets	11		-	-
Investments	12		310,300	310,300
			<u>310,300</u>	<u>310,300</u>
<b>CREDITORS</b>				
Amounts falling due within one year	15	<u>62,431</u>		<u>62,431</u>
<b>NET CURRENT LIABILITIES</b>			<u>(62,431)</u>	<u>(62,431)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>247,869</u>	<u>247,869</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	19		5,001	5,001
Capital redemption reserve			5,001	5,001
Retained earnings			<u>237,867</u>	<u>237,867</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>247,869</u>	<u>247,869</u>
Company's profit for the financial year			<u>-</u>	<u>7,463,755</u>

The financial statements were approved by the director on 16 May 2019 and were signed by:

  
S Wheeldon-Wright - Director

The notes form part of these financial statements

**CHESTERFIELD MOTOR COMPANY LIMITED (REGISTERED NUMBER: 02048726)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Capital redemption reserve £
<b>Balance at 1 January 2017</b>	10,002	12,469,314	-
<b>Changes in equity</b>			
Issue of share capital	(5,001)	-	-
Total comprehensive income	-	(7,387,017)	5,001
<b>Balance at 31 December 2017</b>	<u>5,001</u>	<u>5,082,297</u>	<u>5,001</u>
<b>Changes in equity</b>			
Total comprehensive income	-	226,938	-
<b>Balance at 31 December 2018</b>	<u>5,001</u>	<u>5,309,235</u>	<u>5,001</u>
	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 January 2017</b>	12,479,316	22,100	12,501,416
<b>Changes in equity</b>			
Issue of share capital	(5,001)	-	(5,001)
Total comprehensive income	(7,382,016)	(140)	(7,382,156)
<b>Balance at 31 December 2017</b>	<u>5,092,299</u>	<u>21,960</u>	<u>5,114,259</u>
<b>Changes in equity</b>			
Total comprehensive income	226,938	35	226,973
<b>Balance at 31 December 2018</b>	<u>5,319,237</u>	<u>21,995</u>	<u>5,341,232</u>

The notes form part of these financial statements

**CHESTERFIELD MOTOR COMPANY LIMITED (REGISTERED NUMBER: 02048726)**

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 1 January 2017</b>	10,002	323,112	-	333,114
<b>Changes in equity</b>				
Issue of share capital	(5,001)	-	-	(5,001)
Total comprehensive income	-	(85,245)	5,001	(80,244)
<b>Balance at 31 December 2017</b>	<u>5,001</u>	<u>237,867</u>	<u>5,001</u>	<u>247,869</u>
<b>Changes in equity</b>				
<b>Balance at 31 December 2018</b>	<u>5,001</u>	<u>237,867</u>	<u>5,001</u>	<u>247,869</u>

The notes form part of these financial statements

**CHESTERFIELD MOTOR COMPANY LIMITED (REGISTERED NUMBER: 02048726)**

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	618,723	(490,109)
Interest paid		-	(1,648)
Tax paid		(41,401)	(51,950)
Net cash from operating activities		<u>577,322</u>	<u>(543,707)</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(195,429)	(211,062)
Sale of tangible fixed assets		114,669	72,296
Sale of current asset investments		-	652,848
Dividends received		-	7,687
Net cash from investing activities		<u>(80,760)</u>	<u>521,769</u>
 <b>Cash flows from financing activities</b>			
Amount introduced by directors		-	1,853,054
Amount withdrawn by directors		(46,633)	(1,800)
Share buyback		-	(7,549,000)
Net cash from financing activities		<u>(46,633)</u>	<u>(5,697,746)</u>
 <b>Increase/(decrease) in cash and cash equivalents</b>		<u>449,929</u>	<u>(5,719,684)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(689,557)	5,030,127
 <b>Cash and cash equivalents at end of year</b>	2	<u><u>(239,628)</u></u>	<u><u>(689,557)</u></u>

The notes form part of these financial statements



**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	2018	2017
	£	£
Profit before taxation	280,321	187,370
Depreciation charges	98,741	96,772
Loss/(profit) on disposal of fixed assets	3,960	(3,500)
Current asset investments written back	-	(165,950)
Finance costs	-	1,700
Finance income	(176)	(8,153)
	<u>382,846</u>	<u>108,239</u>
Increase in stocks	(27,270)	(560,755)
Decrease in trade and other debtors	200,668	114,308
Increase/(decrease) in trade and other creditors	62,479	(151,901)
	<u>618,723</u>	<u>(490,109)</u>
<b>Cash generated from operations</b>	<u>618,723</u>	<u>(490,109)</u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2018**

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	2,857	2,616
Bank overdrafts	(242,485)	(692,173)
	<u>(239,628)</u>	<u>(689,557)</u>

**Year ended 31 December 2017**

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	2,616	5,030,127
Bank overdrafts	(692,173)	-
	<u>(689,557)</u>	<u>5,030,127</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**1. STATUTORY INFORMATION**

Chesterfield Motor Company 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 General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The nature of the group's activity and principal activity is as stated in the directors' report.

**2. 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 using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

**Going concern**

The financial statements have been prepared on a going concern basis.

In the opinion of the director the group has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the financial statements.

**Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2018.

No profit and loss account is presented for the company as permitted by section 408 of the Companies Act 2006. The profit for the year ended 31 December 2018 was £Nil (2017 - £7,463,755).

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES - continued**

**Turnover**

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

The group 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.

**Tangible fixed assets**

Tangible assets are stated 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 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:

Freehold land	Not depreciated
Freehold buildings	2% and 5% on cost
Plant and machinery	Varying rates between 12.5% to 33% on cost
Fixtures and fittings	Varying rates between 10% to 33% on cost
Motor vehicles	25% and 33% on cost

**Stocks**

Stock is valued at the lower of cost and net estimated selling price less selling costs.

Cost includes purchase price and associated costs in bringing stock to their present location and condition.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to the selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit or loss.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, 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 balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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 CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES - continued**

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme for its employees. Fixed contributions are paid into a separate entity. Once the contributions have been paid the group has no further payments obligations.

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in creditors due within one year as a liability in the Statement of Financial Position. The assets of the plan are held separately from the group in independently administered funds.

**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.

**Current asset investments**

Listed investments are measured at fair value. Movements in fair value are recognised in the Profit and Loss Account.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES - continued**

**Trade debtors**

Trade debtors are amounts due from customers for cars 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 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 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 rate method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES - continued**

**Significant judgements and estimates**

In preparing these financial statements, the director has had to make the following judgements:

**Tangible fixed assets**

Assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**Stocks**

Consideration has been given by the director to the level of provision against vehicle stocks. In determining the provision required the director has used guidance from independent valuation tools and their knowledge of the industry.

**3. TURNOVER**

The whole of the turnover is attributable to the principal activity of the group.

All turnover arose within the United Kingdom.

**4. EMPLOYEES AND DIRECTORS**

	2018	2017
	£	£
Wages and salaries	1,477,925	1,617,342
Social security costs	132,642	147,353
Other pension costs	20,221	17,915
	<u>1,630,788</u>	<u>1,782,610</u>

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

	2018	2017
Administration and support	9	12
Sales	15	19
Workshop and vehicle preparation	38	41
	<u>62</u>	<u>72</u>

	2018	2017
	£	£
Directors' remuneration	40,625	54,130
Compensation to director for loss of office	-	12,500
	<u>-</u>	<u>12,500</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation - owned assets	98,741	96,772
Loss/(profit) on disposal of fixed assets	3,960	(3,500)
The audit of the company's annual accounts	16,500	16,000
Other non- audit services	-	750
Foreign exchange differences	142	(24)
	<u>          </u>	<u>          </u>

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2018	2017
	£	£
Other interest receivable	176	466
UK dividend income	-	7,687
	<u>          </u>	<u>          </u>
	176	8,153
	<u>          </u>	<u>          </u>

**7. AMOUNTS WRITTEN OFF INVESTMENTS**

	2018	2017
	£	£
Amounts written (back to)/off investments	-	(165,950)
	<u>          </u>	<u>          </u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018	2017
	£	£
Bank interest	-	1,588
Other interest payable	-	112
	<u>          </u>	<u>          </u>
	-	1,700
	<u>          </u>	<u>          </u>

**9. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	58,714	18,930
	<u>          </u>	<u>          </u>
Deferred tax:		
Deferred tax	(2,623)	6,597
Arising from origination and reversal of timing differences	(2,743)	-
	<u>          </u>	<u>          </u>
Total deferred tax	(5,366)	6,597
	<u>          </u>	<u>          </u>
Tax on profit	53,348	25,527
	<u>          </u>	<u>          </u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>280,321</u>	<u>187,370</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	53,261	36,069
Effects of:		
Expenses not deductible for tax purposes	59	18,338
Income not taxable for tax purposes	-	(31,945)
Depreciation in excess of capital allowances rates and laws	28	4,545
Tax decrease from effect of dividends from UK companies	-	(1,480)
Total tax charge	<u>53,348</u>	<u>25,527</u>

**Tax effects relating to effects of other comprehensive income**

There were no tax effects for the year ended 31 December 2018.

	Gross £	2017 Tax £	Net £
Purchase of own shares	(7,549,000)	-	(7,549,000)
Share capital redeemed	<u>5,001</u>	<u>-</u>	<u>5,001</u>
	<u>(7,543,999)</u>	<u>-</u>	<u>(7,543,999)</u>

**10. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.



**CHESTERFIELD MOTOR COMPANY LIMITED (REGISTERED NUMBER: 02048726)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**11. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>					
At 1 January 2018	1,952,875	276,977	345,709	156,978	2,732,539
Additions	-	22,829	3,677	168,923	195,429
Disposals	(4,827)	(53,955)	-	(165,369)	(224,151)
At 31 December 2018	1,948,048	245,851	349,386	160,532	2,703,817
<b>DEPRECIATION</b>					
At 1 January 2018	517,228	213,724	321,375	40,472	1,092,799
Charge for year	24,142	25,878	5,858	42,863	98,741
Eliminated on disposal	(990)	(53,832)	-	(50,700)	(105,522)
At 31 December 2018	540,380	185,770	327,233	32,635	1,086,018
<b>NET BOOK VALUE</b>					
At 31 December 2018	1,407,668	60,081	22,153	127,897	1,617,799
At 31 December 2017	1,435,647	63,253	24,334	116,506	1,639,740

Included in cost of land and buildings is freehold land of £768,332 (2017 - £768,332) which is not depreciated.

**12. FIXED ASSET INVESTMENTS**

	<b>Company</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Shares in group undertakings	300	300
Loans to group undertakings	310,000	310,000
	<u>310,300</u>	<u>310,300</u>

Additional information is as follows:

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 1 January 2018 and 31 December 2018	<u>300</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>300</u>
At 31 December 2017	<u>300</u>

**CHESTERFIELD MOTOR COMPANY LIMITED (REGISTERED NUMBER: 02048726)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**12. FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Direct Cars Limited**

Registered office: United Kingdom

Nature of business: Motor dealers

	%
Class of shares:	holding
Ordinary	100.00

**Eckington Motor Company Limited**

Registered office: United Kingdom

Nature of business: Motor dealers

	%
Class of shares:	holding
Ordinary	100.00

**Warsop Motor Company Limited**

Registered office: United Kingdom

Nature of business: Motor dealers

	%
Class of shares:	holding
Ordinary	98.00

**Company**

	Loans to group undertakings £
At 1 January 2018	
and 31 December 2018	310,000

**13. STOCKS**

	Group	
	2018	2017
	£	£
Motor vehicles	6,009,274	5,989,930
Spare parts and fuel	35,105	26,991
Work-in-progress	1,579	1,767
	<u>6,045,958</u>	<u>6,018,688</u>

The impairment loss included in the group consolidated profit or loss for the year in respect of stock is £188,870 (2017 - £191,781).

**CHESTERFIELD MOTOR COMPANY LIMITED (REGISTERED NUMBER: 02048726)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	
	2018	2017
	£	£
Trade debtors	93,582	156,585
Other debtors	96,063	235,596
Tax	-	13,036
Prepayments and accrued income	70,684	68,816
	<u>260,329</u>	<u>474,033</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts (see note 16)	242,485	692,173	-	-
Trade creditors	295,094	216,954	-	-
Amounts owed to group undertakings	-	-	60,631	60,631
Tax	4,101	-	-	-
Social security and other taxes	37,032	36,300	-	-
VAT	5,880	15,706	-	-
Other creditors	15,378	16,424	-	-
Outstanding defined contribution pension costs	7,332	6,269	-	-
Directors' current accounts	1,914,118	1,960,751	1,800	1,800
Accrued expenses	50,749	57,333	-	-
	<u>2,572,169</u>	<u>3,001,910</u>	<u>62,431</u>	<u>62,431</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>	
	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>242,485</u>	<u>692,173</u>

**17. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

<b>Group</b>		<b>Non-cancellable operating leases</b>	
		2018	2017
		£	£
Within one year		<u>-</u>	<u>481</u>

**CHESTERFIELD MOTOR COMPANY LIMITED (REGISTERED NUMBER: 02048726)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**18. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	2018	2017
	£	£
Deferred tax		
Accelerated capital allowances	13,542	18,908
	<u>13,542</u>	<u>18,908</u>
<b>Group</b>		
		Deferred tax
		£
Balance at 1 January 2018		18,908
Credit to Income Statement during year		(5,366)
Charge to income statement during the year		
		<u>13,542</u>
Balance at 31 December 2018		<u>13,542</u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2018	2017
			£	£
5,001	Ordinary shares	£1	5,001	5,001
			<u>5,001</u>	<u>5,001</u>

The company has one class of ordinary shares which carry all voting rights and each share is entitled pari passu to dividend payments

**20. NON-CONTROLLING INTERESTS**

At 31 December 2017 S Wheeldon-Wright held a 2% share in Warsop Motor Company Limited. This is represented by the amount shown as Non-controlling interests on the consolidated balance sheet.

**21. RELATED PARTY DISCLOSURES**

**S Wheeldon-Wright**  
(Director)

During the year S Wheeldon-Wright provided the group with an unsecured, interest free loan. This loan is repayable on demand.

At the balance sheet date the amount due to S Wheeldon-Wright was £1,914,118 (2017 - £1,960,751).

**We Buy Good Cars Limited**  
(A company under the control of the director)

During the year group company's sold goods and services to We Buy Good Cars Limited of £1,291,391 (2017 - £2,693,306) and purchased goods amounting to £78,417 (2017 - £1,725). All transactions were made on normal commercial terms.

During the year the group made a loan to We Buy Good Cars Ltd, this loan is interest free and repayable on demand.

At the balance sheet date the amount due from We Buy Good Cars Limited was 52,993 (2017 - £192,056).

The total remuneration of the directors is shown in note 4.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**22. ULTIMATE CONTROLLING PARTY**

The controlling party is S Wheeldon-Wright.

The ultimate controlling party is S Wheeldon-Wright.

**23. DEFINED CONTRIBUTION PENSION SCHEME**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £20,221 (2017 - £17,915).

Contributions totalling £7,332 (2017 - £6,716) were payable to the scheme at the end of the year.