REGISTERED NUMBER: 02048726 (England and Wales)

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

FOR

CHESTERFIELD MOTOR COMPANY LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

CHESTERFIELD MOTOR COMPANY LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:	Mrs R J Clough J T Wheeldon-Wright
REGISTERED OFFICE:	Eckington Way Sheffield S20 3FG
REGISTERED NUMBER:	02048726 (England and Wales)
AUDITORS:	Allen, West and Foster Limited Statutory Auditors Omega Court 364-366 Cemetery Road Sheffield South Yorkshire S11 8FT

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report of the company and the group for the year ended 31 December 2021.

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

The group traded from 2 locations during the year one of which is a car supermarket and the other a Ford franchise.

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

	Unit	2021	2020
Gross Profit	%	5.28	2.53
Operating Profit	%	2.19	0.35
Current Ratio		2.79	2.84

Despite the challenges posed by Covid-19, the company experienced strong sales when it opened to the public. Revenue for the year returned to pre pandemic levels at £26,081,535, this is an increase of £5,607,626 on the previous year.
Profit before taxation was £648,528, an increase of £575,959 on the previous year profit of £72,569.
Net Assets at the end of the financial year were £6,109,379.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 companies 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 companies. 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 a director and its bankers. It is considered that the facilities in place are adequate for the group's plans.

ON BEHALF OF THE BOARD:

....
J T Wheeldon-Wright - Director

Date: 7-AUG-22

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

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 2021.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Mrs R J Clough
J T Wheeldon-Wright

Other changes in directors holding office are as follows:

Mrs A Wheeldon-Wright - resigned 5 July 2021

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 directors have 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 DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 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 directors are 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 each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

....
J T Wheeldon-Wright - Director

Date: 7-AUG-22

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 2021 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 2021 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
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information
The directors are responsible for the other information. The other information comprises the information in the Group 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group 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 Group Strategic Report and the Report of the Directors 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 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 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 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 Statement of Directors' Responsibilities 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 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

Audit risks identified
- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management, about their own identification and assessment of the risks of irregularities;
- any matters we identified having made enquiries about the documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to stock, income recognition and cut-off. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.The key laws and regulations we considered in this context included the UK Companies Act, UK Corporate Governance Code and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified
As a result of performing the above, we identified stock, income recognition and cut-off as a key audit matter related to the potential risk of fraud. In order to mitigate the risk identified, enquiries were made of key management personnel as to the valuation of stock held and the processes surrounding the recording of stock received and sold at the financial year end whilst the stock vehicle administration software before and after the financial year end were reviewed in detail. Stock provision calculations and the method used for conducting these calculations were also considered in detail and critically evaluated. Cut-off tests for both vehicle purchases and sales were conducted whilst physical attendance at the stock take also provided some reassurance in the systems, controls and the resulting stock figures included in these financial statements.

In addressing the risk of fraud through management override of controls, our procedures included reviewing and testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

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.

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
Omega Court
364-366 Cemetery Road
Sheffield
South Yorkshire
S11 8FT

Date: 7/3/22

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
TURNOVER	3	26,081,535	20,473,909
Cost of sales		24,549,752	19,955,613
GROSS PROFIT		1,531,783	518,296
Administrative expenses		1,074,584	902,803
		457,199	(384,507)
Other operating income		191,329	457,076
OPERATING PROFIT and PROFIT BEFORE TAXATION		648,528	72,569
Tax on profit	6	125,940	30,882
PROFIT FOR THE FINANCIAL YEAR		522,588	41,687
Profit attributable to:			
Owners of the parent		520,118	39,611
Non-controlling interests		2,470	2,076
		522,588	41,687

The notes form part of these financial statements

CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		522,588	41,687
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		522,588	41,687
Total comprehensive income attributable to:			
Owners of the parent		520,118	39,611
Non-controlling interests		2,470	2,076
		522,588	41,687

The notes form part of these financial statements

CHESTERFIELD MOTOR COMPANY LIMITED (REGISTERED NUMBER: 02048726)

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible assets	8		1,451,092		1,491,964
Investments	9		-		-
			1,451,092		1,491,964
CURRENT ASSETS					
Stocks	10	7,105,764		5,327,602	
Debtors	11	138,846		251,588	
Cash at bank and in hand		7,667		737,816	
		7,252,277		6,317,006	
CREDITORS					
Amounts falling due within one year	12	2,593,990		2,221,170	
NET CURRENT ASSETS			4,658,287		4,095,836
TOTAL ASSETS LESS CURRENT LIABILITIES			6,109,379		5,587,800
PROVISIONS FOR LIABILITIES	14		-		1,011
NET ASSETS			6,109,379		5,586,789
CAPITAL AND RESERVES					
Called up share capital	15		5,001		5,001
Capital redemption reserve			5,001		5,001
Retained earnings			6,071,067		5,550,949
SHAREHOLDERS' FUNDS			6,081,069		5,560,951
NON-CONTROLLING INTERESTS	16		28,310		25,838
TOTAL EQUITY			6,109,379		5,586,789

The financial statements were approved by the Board of Directors and authorised for issue on ....7-AUG-22.......... and were signed on its behalf by:

....

J T Wheeldon-Wright - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible assets	8		-		-
Investments	9		310,300		310,300
			310,300		310,300
CREDITORS					
Amounts falling due within one year	12	62,431		62,431	
NET CURRENT LIABILITIES			(62,431)		(62,431)
TOTAL ASSETS LESS CURRENT LIABILITIES			247,869		247,869
CAPITAL AND RESERVES					
Called up share capital	15		5,001		5,001
Capital redemption reserve			5,001		5,001
Retained earnings			237,867		237,867
SHAREHOLDERS' FUNDS			247,869		247,869
Company's profit for the financial year			-		-

The financial statements were approved by the Board of Directors and authorised for issue on 7-AUG-22 and were signed on its behalf by:

J T Wheeldon-Wright - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Capital redemption reserve £
Balance at 1 January 2020	5,001	5,511,338	5,001
Changes in equity			
Total comprehensive income	-	39,611	-
Balance at 31 December 2020	5,001	5,550,949	5,001
Changes in equity			
Total comprehensive income	-	520,118	-
Balance at 31 December 2021	5,001	6,071,067	5,001

	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2020	5,521,340	23,762	5,545,102
Changes in equity			
Total comprehensive income	39,611	2,076	41,687
Balance at 31 December 2020	5,560,951	25,838	5,586,789
Changes in equity			
Total comprehensive income	520,118	2,470	522,588
Balance at 31 December 2021	6,081,069	28,308	6,109,377

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2020	5,001	237,867	5,001	247,869
Changes in equity				
Balance at 31 December 2020	5,001	237,867	5,001	247,869
Changes in equity				
Balance at 31 December 2021	5,001	237,867	5,001	247,869

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	955,979	1,383,060
Tax paid		(65,494)	(48,188)
Net cash from operating activities		890,485	1,334,872
Cash flows from investing activities			
Purchase of tangible fixed assets		(99,140)	(114,314)
Sale of tangible fixed assets		48,085	40,172
Net cash from investing activities		(51,055)	(74,142)
Cash flows from financing activities			
Amount withdrawn by directors		(1,837,386)	(27,829)
Net cash from financing activities		(1,837,386)	(27,829)
(Decrease)/increase in cash and cash equivalents		(997,956)	1,232,901
Cash and cash equivalents at beginning of year	2	737,816	(495,085)
Cash and cash equivalents at end of year	2	(260,140)	737,816

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021	2020
	£	£
Profit before taxation	648,528	72,569
Depreciation charges	91,929	95,851
	740,457	168,420
(Increase)/decrease in stocks	(1,778,162)	1,129,056
Decrease in trade and other debtors	117,742	38,399
Increase in trade and other creditors	1,875,942	47,185
Cash generated from operations	955,979	1,383,060

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 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	7,667	737,816
Bank overdrafts	(267,807)	-
	(260,140)	737,816

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	737,816	827
Bank overdrafts	-	(495,912)
	737,816	(495,085)

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank and in hand	737,816	(730,149)	7,667
Bank overdrafts	-	(267,807)	(267,807)
	737,816	(997,956)	(260,140)
Total	737,816	(997,956)	(260,140)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021.

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 2021 was £Nil (2020 - £Nil).

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.

continued...

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.

continued...

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.

continued...

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.

continued...

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 directors to the level of provision against vehicle stocks. In determining the provision required the directors have 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

	2021	2020
	£	£
Wages and salaries	1,372,252	1,466,082
Social security costs	133,116	134,729
Other pension costs	41,350	34,423
	1,546,718	1,635,234

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

	2021	2020
Administration and support	7	7
Sales	12	15
Workshop and vehicle preparation	36	38
	55	60

	2021	2020
	£	£
Directors' remuneration	14,470	10,695
Directors' pension contributions to money purchase schemes	283	-

continued...

5. OPERATING PROFIT

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

	2021	2020
	£	£
Depreciation - owned assets	91,927	95,850
The audit of the company's annual accounts	16,500	16,500
Foreign exchange differences	30	(27)

6. TAXATION

Analysis of the tax charge

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	131,951	36,944
Deferred tax:		
Arising from origination and reversal of timing differences	(6,011)	(6,062)
Tax on profit	125,940	30,882

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:

	2021	2020
	£	£
Profit before tax	648,528	72,569
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	123,220	13,788
Effects of:		
Expenses not deductible for tax purposes	2	14,768
Depreciation in excess of capital allowances	2,718	2,326
rates and laws		
dividends from UK companies		
Total tax charge	125,940	30,882

7. 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.

continued...

8. TANGIBLE FIXED ASSETS

Group

	Freehold land and buildings £	Improvements to property £	Plant and machinery £
COST			
At 1 January 2021	1,941,553	-	249,917
Additions	-	-	9,800
Disposals	-	-	(285)
At 31 December 2021	1,941,553	-	259,432
DEPRECIATION			
At 1 January 2021	581,756	6,860	229,014
Charge for year	24,118	-	14,287
Eliminated on disposal	-	-	(285)
Reclassification/transfer	6,860	(6,860)	-
At 31 December 2021	612,734	-	243,016
NET BOOK VALUE			
At 31 December 2021	1,328,819	-	16,416
At 31 December 2020	1,359,797	(6,860)	20,903

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 January 2021	373,003	159,506	2,723,979
Additions	16,399	72,941	99,140
Disposals	-	(76,247)	(76,532)
At 31 December 2021	389,402	156,200	2,746,587
DEPRECIATION			
At 1 January 2021	345,064	69,321	1,232,015
Charge for year	11,974	41,548	91,927
Eliminated on disposal	-	(28,162)	(28,447)
Reclassification/transfer	-	-	-
At 31 December 2021	357,038	82,707	1,295,495
NET BOOK VALUE			
At 31 December 2021	32,364	73,493	1,451,092
At 31 December 2020	27,939	90,185	1,491,964

Included in cost of land and buildings is freehold land of £768,332 (2020 - £768,332) which is not depreciated.

continued...

9. FIXED ASSET INVESTMENTS

	Company	
	2021	2020
	£	£
Shares in group undertakings	300	300
Loans to group undertakings	310,000	310,000
	310,300	310,300

Additional information is as follows:

Company

	Shares in group undertakings
	£
COST	
At 1 January 2021	
and 31 December 2021	300
NET BOOK VALUE	
At 31 December 2021	300
At 31 December 2020	300

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

continued...

9. FIXED ASSET INVESTMENTS - continued

Company

	Loans to group undertakings
	£
At 1 January 2021 and 31 December 2021	310,000

10. STOCKS

	Group	
	2021	2020
	£	£
Motor vehicles	7,058,028	5,283,605
Spare parts and fuel	46,080	40,615
Work-in-progress	1,656	3,382
	7,105,764	5,327,602

The impairment loss included in the group consolidated profit or loss for the year in respect of stock is £29,014 (2020 - £116,443).

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2021	2020
	£	£
Trade debtors	69,527	83,164
Other debtors	8,480	71,517
VAT	-	13,237
Deferred tax asset	5,000	-
Prepayments and accrued income	55,839	83,670
	138,846	251,588

Deferred tax asset

	Group	
	2021	2020
	£	£
Accelerated capital allowances	5,000	-

continued...

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts (see note 13)	267,807	-	-	-
Trade creditors	161,392	184,545	-	-
Amounts owed to group undertakings	-	-	60,631	60,631
Tax	92,043	25,586	-	-
Social security and other taxes	28,612	23,864	-	-
VAT	80,460	-	-	-
Other creditors	1,827,392	2,157	1,800	-
Outstanding defined contribution pension costs	6,785	6,099	-	-
Directors' current accounts	-	1,837,386	-	1,800
Accrued expenses	129,499	141,533	-	-
	2,593,990	2,221,170	62,431	62,431

13. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	267,807	-

14. PROVISIONS FOR LIABILITIES

	Group	
	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	-	1,011

Group

	Deferred tax
	£
Balance at 1 January 2021	1,011
Charge to income statement during the year	(6,011)
Balance at 31 December 2021	(5,000)

continued...

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
5,001	Ordinary shares	£1	5,001	5,001

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

16. NON-CONTROLLING INTERESTS

At 31 December 2021 Mr J Wheeldon-Wright and Mrs R Clough each held a 1% share in Warsop Motor Company Limited. At 31 December 2020 Mrs A 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.

17. RELATED PARTY DISCLOSURES

During the year the company made the following related party transactions:

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

At the balance sheet date the amount due from We Buy Good Cars Limited was £nil (2020 - £51,905).

Mrs A Wheeldon-Wright
(Family member of the directors)

During the year Mrs A Wheeldon-Wright resigned as a director of the company. The directors loan she had made to the company has not been withdrawn and is included in Other creditors. This loan is interest free and repayable on demand
At the balance sheet date the amount due to Mrs A Wheeldon-Wright was £1,822,194 (2020 - £1,839,186)

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

18. ULTIMATE CONTROLLING PARTY

The controlling party is the directors.

The ultimate controlling party is the directors.

19. 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 £41,350 (2020 - £34,423).

Contributions totalling £6,785 (2020 - £6,099) were payable to the scheme at the end of the year.