

## **I.M. Trade Assist Limited**

Report and Financial Statements

Year Ended

31 December 2019

Company Number: 03304404



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**I.M. TRADE ASSIST LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	A M Edmiston G E Hutton
<b>COMPANY SECRETARY</b>	A G Clarke
<b>REGISTERED NUMBER</b>	03304404
<b>REGISTERED OFFICE</b>	The Gate International Drive Solihull West Midlands B90 4WA
<b>INDEPENDENT AUDITOR</b>	BDO LLP Two Snowhill Birmingham United Kingdom B4 6GA

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**I.M. TRADE ASSIST LIMITED**

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## **I.M. TRADE ASSIST LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the financial statements for the year ended 31 December 2019.

#### **PRINCIPAL ACTIVITY**

The principal activities of the company have been, and continue to be, the provision of technical support and consultancy to vehicle manufacturers and distributors and business development activity for the benefit of the wider International Motors Limited group of companies.

#### **RESULTS AND DIVIDENDS**

The Statement of Comprehensive Income is set out on page 6 and shows the loss for the year.

The Directors do not recommend the payment of a dividend.

#### **DIRECTORS**

The directors who served during the year were:

A M Edmiston  
G E Hutton

#### **POST BALANCE SHEET EVENTS**

In December 2019 cases of a novel corona virus ("COVID-19") were reported to the World Health Organization ("WHO") and subsequently spread worldwide. The WHO announced COVID-19 as a global health emergency on January 30, 2020, which prompted national governments to begin putting actions in place to slow the spread of COVID-19 worldwide. On March 11, 2020, the WHO declared COVID-19 a global pandemic and recommended containment and mitigation measures. As the declaration of a global health emergency did not happen until January 2020 the impacts of COVID-19 are considered by the directors (as supported by relevant accounting authorities) as being non-adjusting events for the company.

As a result of the above, there have been some limitations on the ability of the entity to trade due to the inability of technical operatives to undertake their normal activity. The Company continues to monitor developments, including local and Chinese government requirements and recommendations and is making good progress in returning to normal levels of business operation.

The company is a small operational entity within the International Motors Limited Group of companies and will continue to share working capital resources with the Group through intercompany loan arrangements.

Management have taken several steps to further strengthen our Group financial position and balance sheet, and maintain financial liquidity and flexibility, including reviewing operating expenses, evaluating overhead spend, reducing capital expenditure and drawing down on the Group revolving credit facilities where necessary.

The Directors have set out their detailed Going Concern assessment in note 1 to these financial statements. The assessment has been made at an I.M. Group consolidated level due to the nature of the shared treasury functionality. After careful consideration the Directors consider that the I.M. Group forecast is achievable, that sufficient facilities will continue in place throughout the period and that should any funds be required by International Motors Limited and its subsidiaries to operate and meet its liabilities as they fall due for payment these funds will be made available by I.M. Group Limited or its subsidiary companies. On this basis the Directors are satisfied that I.M. Trade Assist Limited is able to operate and meet its liabilities as they fall due for payment throughout the period and therefore the Directors consider that it is appropriate to prepare the financial statements on a going concern basis.

There have been no other significant events affecting the company since the year end.

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## I.M. TRADE ASSIST LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITOR

The Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting, in accordance with section 485 of the Companies Act 2006.

In preparing the directors' report advantage has been taken of the small companies' exemption.

This report was approved by the board and signed on its behalf.



**G E Hutton**  
Director

Date: 10 July 2020

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## I.M. TRADE ASSIST LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF I.M. TRADE ASSIST LIMITED

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#### OPINION

We have audited the financial statements of I.M. Trade Assist Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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## **I.M. TRADE ASSIST LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF I.M. TRADE ASSIST LIMITED (CONTINUED)**

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#### **OTHER INFORMATION**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

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## I.M. TRADE ASSIST LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF I.M. TRADE ASSIST LIMITED (CONTINUED)

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#### RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

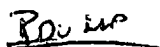
#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Samantha Lifford (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Birmingham, UK

Date: 10 July 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



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I.M. TRADE ASSIST LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019

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	Note	2019 £	2018 £
Turnover	3	316,268	479,208
Cost of sales		-	(30,257)
<b>Gross profit</b>		<b>316,268</b>	<b>448,951</b>
Administrative expenses		(517,687)	(1,094,181)
<b>Operating loss</b>	4	<b>(201,419)</b>	<b>(645,230)</b>
Interest receivable and similar income	6	24,659	11,363
Interest payable and similar expenses	7	(143,553)	(65,700)
<b>Loss before tax</b>		<b>(320,313)</b>	<b>(699,567)</b>
Tax on loss	8	60,897	120,541
<b>Loss for the financial year</b>		<b>(259,416)</b>	<b>(579,026)</b>

The notes on pages 9 to 21 form part of these financial statements.

**I.M. TRADE ASSIST LIMITED**  
**REGISTERED NUMBER: 03304404**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	9	8,218	-
Fixed asset investments	10	6,598,190	6,598,190
		<u>6,606,408</u>	<u>6,598,190</u>
<b>Current assets</b>			
Debtors: Amounts falling due within one year	11	647,300	675,856
Cash at bank and in hand	12	746	2,512
		<u>648,046</u>	<u>678,368</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	13	(178,451)	(441,139)
<b>Net current assets</b>		<u>469,595</u>	<u>237,229</u>
<b>Total assets less current liabilities</b>		<u>7,076,003</u>	<u>6,835,419</u>
Creditors: Amounts falling due after more than one year	14	(6,415,000)	(6,415,000)
<b>Net assets</b>		<u>661,003</u>	<u>420,419</u>
<b>Capital and reserves</b>			
Called up share capital	16	250,000	250,000
Capital contribution reserve		1,000,000	500,000
Profit and loss account		(588,997)	(329,581)
		<u>661,003</u>	<u>420,419</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**G E Hutton**  
Director

Date: 10 July 2020

The notes on pages 9 to 21 form part of these financial statements.

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I.M. TRADE ASSIST LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019

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	Share capital £	Capital contribution reserve £	Retained earnings £	Total equity £
At 1 January 2018	250,000	-	249,445	499,445
Loss for the year	-	-	(579,026)	(579,026)
Capital contribution reserve	-	500,000	-	500,000
At 1 January 2019	250,000	500,000	(329,581)	420,419
Loss for the year	-	-	(259,416)	(259,416)
Capital contribution reserve	-	500,000	-	500,000
At 31 December 2019	250,000	1,000,000	(588,997)	661,003

The notes on pages 9 to 21 form part of these financial statements.

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## I.M. TRADE ASSIST LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

I.M. Trade Assist Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors report.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard is applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

##### 1.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d), and;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of I.M. Group Limited as at 31 December 2019. The consolidated financial statements are available to the public from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

##### 1.3 GROUP FINANCIAL STATEMENTS

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirements to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of I.M. Group Limited, a company incorporated in England and Wales, and is included in the consolidated financial statements of that company.

##### 1.4 GOING CONCERN

The company shares cash resource with International Motors Limited, a fellow subsidiary undertaking of I.M. Group Limited. The International Motors Limited Group ("the IML Group") has historically operated as the central treasury function of the I.M. Group Limited Group of companies ('the IM Group') and holds the majority of group cash reserves as part of the IM Group's treasury operations. Whilst the IML Group has held centralised cash reserves, treasury decisions and strategy has been centralised by the IM Group Board of Directors and not localised to the IML Group management team.

At 31 December 2019 International Motors Limited had Bank and Cash balances of £26m (2018 - £40.2m) with positive net current assets of £124m (2018 - £117.5m).

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## I.M. TRADE ASSIST LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. ACCOUNTING POLICIES (CONTINUED)

##### 1.4 GOING CONCERN (CONTINUED)

The IML Group's Nordic companies have their own cash facilities and reserves and historically under normal trading conditions have not been reliant on intercompany facilities from Group entities outside of the IML Group. As at 31 December 2019 and 31 May 2020 the IML Group had amounts due from its immediate parent undertaking of £60.3m and £46.2m respectively. As at 31 December 2019 and 31 May 2020 the IML Group had amounts due to I.M. Group Limited of £15.6m and £5.1m respectively.

The Directors of I.M. Group Limited have prepared a detailed cash flow forecast ("the forecast") for the IM Group for the period to 31 July 2021 ("the period") which shows the group trading cash flows and expected available bank facilities for the period. The executive directors of International Motors Limited are also executive directors of I.M. Group Limited and were fully involved in the preparation and detail of the group forecast. The funding facilities available to the group are generally term loans or overdrafts and are primarily in place for at least the period. The bank funding facilities are subject to covenants. The IM Group funding facilities also includes funding of £185m provided to IM Properties PLC (fellow IM Group Limited subsidiary undertaking) by the ultimate controlling party and the pension scheme of the ultimate controlling party. The forecast shows that the IM Group and therefore the International Motors Limited group will be able to operate and meet its external liabilities as they fall due for payment during the period within available borrowings and other funding. The forecast also shows that the IM Group will continue to meet its covenant requirements during the period.

In the preparation of the forecast and these financial statements the directors have considered the impact of COVID 19 and consider that the risk and impact on the group is difficult to assess at this stage of the pandemic even though lock-downs have eased throughout Europe and other key market countries. It is noted that (1) the timing of the return to more normal trading and revenue generation is not clear at this stage; (2) there remains the risk of a return to lock-down (nationally or regionally) that could further impact revenues and (3) there is a difficulty in forecasting during a period of such significant change with key impacts not yet fully known.

The Directors have also considered the implications of a no-deal as the UK completes its exit from the European Union but this is not expected to have a significant impact. The base case assessment shown by the forecast is that the key risk to the group is expected to be relatively short term as a result of a reduction in revenue in key markets. The actual group results for April (the first full month of lock-down) showed a significant reduction in sales volume and revenue and further reductions for May, June and subsequent months (varying percentages) are also included in the forecast. In broad terms the forecast assumes significantly reduced revenues for the period but with the reductions decreasing over time.

The Directors consider that the forecasts prepared for the going concern assessment reflect a reasonable worst case trading position for the IM Group and that this still shows significant headroom available for all months during the period.

After careful consideration the Directors consider that the I.M. Group forecast is achievable, that sufficient facilities will continue in place throughout the period and that should any funds be required by International Motors Limited and its subsidiaries to operate and meet its liabilities as they fall due for payment these funds will be made available by I.M. Group Limited or its subsidiary companies. On this basis the Directors are satisfied that I.M. Trade Assist Limited is able to operate and meet its liabilities as they fall due for payment throughout the period and therefore the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

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**I.M. TRADE ASSIST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.5 TURNOVER**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**1.6 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 3 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income..

**1.7 VALUATION OF INVESTMENTS**

Fixed asset investments are stated at cost less accumulated impairment.

**1.8 FINANCIAL INSTRUMENTS**

Financial assets and liabilities that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

**1.9 PENSIONS**

The company is a member of the International Motors Limited defined benefit pension scheme and other post-retirement benefit scheme arrangements.

The amount charged to the Statement of Comprehensive Income in respect of the company's share of the group's defined contribution pension and other post-retirement benefit schemes is the contributions payable in the year.

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**I.M. TRADE ASSIST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.10 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

Items included within the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

**Translation and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transaction.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**1.11 INTEREST INCOME**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**1.12 INTEREST PAYABLE**

Interest payable and similar expenses include interest payable on group loans and intercompany balances recognised in the Statement of Comprehensive Income as they accrue using the effective interest method.

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## I.M. TRADE ASSIST LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. ACCOUNTING POLICIES (CONTINUED)

##### 1.13 TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as Other Comprehensive Income or to an item recognised directly in equity is also recognised in Other Comprehensive Income or directly in equity respectively.

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

##### 1.14 SHARE CAPITAL AND RESERVES

Share capital represents the nominal value of shares in issue.

Retained earnings is the cumulative comprehensive income less items recognised in other equity reserves.

Capital contribution reserve is a distributable reserve.

#### 2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, the Directors have made the following judgements:

- Determine whether there are any indications of impairment of the amounts due from group undertakings. Factors taken into consideration in reaching such a decision include the financial position and expected future financial performance of those entities.
- Determine whether there are any indications of impairment of the carrying value of the company's investment in subsidiaries. Factors taken into consideration in reaching such a decision include the financial position and expected future financial performance of those subsidiary entities.
- The impact of COVID-19 on going concern is shown in note 1 'Going Concern' to the financial statements. The impact of COVID-19 on results to date and consideration of the impairment of non-financial assets is shown in the 'post balance sheet events' note to the financial statements.



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**I.M. TRADE ASSIST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**3. TURNOVER**

Analysis of turnover by country of destination:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
United Kingdom	<b>316,268</b>	454,516
Rest of Europe	-	24,692
	<b>316,268</b>	<b>479,208</b>

Turnover is wholly attributable to the principal activity of the company.

**4. OPERATING LOSS**

The operating loss is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation charge	<b>2,703</b>	-
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<b>8,250</b>	8,000
Defined contribution pension cost	<b>17,984</b>	17,707
Impairment of fixed asset investment	-	46,471

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**I.M. TRADE ASSIST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**5. EMPLOYEES**

Staff costs were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>230,871</b>	230,094
Social security costs	<b>27,378</b>	27,310
Cost of defined contribution scheme	<b>17,984</b>	17,707
	<b><u>276,233</u></b>	<b><u>275,111</u></b>

The emoluments of the directors are borne by another group company and are shown in the financial statements of that company.

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Employees	<b><u>7</u></b>	<b><u>7</u></b>

**6. INTEREST RECEIVABLE**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interest from group undertakings	<b><u>24,659</u></b>	<b><u>11,363</u></b>

**7. INTEREST PAYABLE**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interest to group undertakings	<b><u>143,553</u></b>	<b><u>65,700</u></b>

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**I.M. TRADE ASSIST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**8. TAXATION**

	<b>2019 £</b>	<b>2018 £</b>
<b>CORPORATION TAX</b>		
Current tax on losses for the year	<b>(60,605)</b>	(120,406)
Adjustments in respect of previous periods	<b>(292)</b>	(135)
<b>TOTAL CURRENT TAX</b>	<b>(60,897)</b>	(120,541)
<b>TAXATION ON LOSS</b>	<b>(60,897)</b>	(120,541)

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	<b>2019 £</b>	<b>2018 £</b>
Loss before tax	<b>(320,313)</b>	(699,567)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>(60,859)</b>	(132,918)
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	<b>254</b>	12,512
Adjustments to tax charge in respect of prior periods	<b>(292)</b>	(135)
<b>TOTAL TAX CREDIT FOR THE YEAR</b>	<b>(60,897)</b>	(120,541)

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

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**I.M. TRADE ASSIST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**9. TANGIBLE FIXED ASSETS**

	<b>Computer equipment £</b>
<b>COST</b>	
Additions	<b>10,921</b>
At 31 December 2019	<b>10,921</b>
<b>DEPRECIATION</b>	
Charge for the year	<b>2,703</b>
At 31 December 2019	<b>2,703</b>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<b>8,218</b>
At 31 December 2018	<b>-</b>

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**I.M. TRADE ASSIST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>COST</b>	
At 1 January 2019	7,006,671
At 31 December 2019	7,006,671
<b>IMPAIRMENT</b>	
At 1 January 2019	408,481
At 31 December 2019	408,481
<b>NET BOOK VALUE</b>	
At 31 December 2019	6,598,190
At 31 December 2018	6,598,190

**SUBSIDIARY UNDERTAKINGS**

The company held more than 20% of the share capital of the following companies:

Name	Country of incorporation	Class of shares	Holding %	Principal activity
Beijing I.M. Trade Consultancy Co. Ltd (1)	China	Ordinary	100	Consultancy
Beijing VCA Technology Service Co. Ltd (1)	China	Ordinary	100	Consultancy
Beijing I.M. Trading Co. Ltd (1)	China	Ordinary	100	Vehicle parts sales
I.M. UK Trade Company Ltd (2)	England & Wales	Ordinary	100	Distribution of car cleaning products

(1) Companies with the registered office of Floors 1-3, Building 19, Unit 5, Kechuang East 2nd Street, Tongzhou District, Beijing, P.R. China.

(2) Registered office being The Gate, International Drive, Solihull, West Midlands, B90 4WA.

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**I.M. TRADE ASSIST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**11. DEBTORS**

	2019 £	2018 £
Trade debtors	-	17,101
Amounts owed by group undertakings	553,061	509,172
Prepayments and accrued income	33,634	29,177
Tax recoverable	60,605	120,406
	<u>647,300</u>	<u>675,856</u>

The impairment loss recognised in the Statement of Comprehensive Income for the period in respect of bad and doubtful trade debtors was £Nil (2018 - £Nil).

The amounts owed by group undertakings is not expected to be received within 12 months from date of approving the financial statements.

**12. CASH AT BANK**

	2019 £	2018 £
Cash at bank	<u>746</u>	<u>2,512</u>

**13. CREDITORS: Amounts due falling within one year**

	2019 £	2018 £
Trade creditors	3,483	-
Amounts owed to group undertakings	165,305	431,523
Corporation tax	-	7
Accruals and deferred income	9,663	9,609
	<u>178,451</u>	<u>441,139</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. The amounts owed to group undertakings accrue interest at a market rate.

The Directors have taken assurance that amounts owed to group undertakings will not be recalled unless there is sufficient liquid resource to settle debts without compromising other creditors of the company.

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**I.M. TRADE ASSIST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**14. CREDITORS: Amounts due falling after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<b>6,415,000</b>	6,415,000

Amounts owed to group undertakings includes an unsecured loan of £6,415,000 which is repayable on 31 December 2022. Interest is payable at a market rate.

**15. FINANCIAL INSTRUMENTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>FINANCIAL ASSETS</b>		
Financial assets that are debt instruments measured at amortised cost	<b>553,807</b>	528,785
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<b>6,593,451</b>	6,856,132

Financial assets measured at amortised cost comprise of bank and cash balances, trade debtors, accrued income and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings and accruals.

**16. SHARE CAPITAL**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
250,000 (2018 - 250,000) Ordinary shares of £1.00 each	<b>250,000</b>	250,000

The company shares have full voting, dividend and capital distribution (including on winding up) rights, they do not confer any rights of redemption.

**17. CONTINGENT LIABILITIES**

The company has entered into unlimited cross-guarantees with group undertakings guaranteeing for each undertaking bank overdrafts and other facilities available which have group limits of £6.2m (2018 - £11.3m).

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**I.M. TRADE ASSIST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. PENSION COSTS**

The company is a member of the International Motors Limited Retirement Benefits scheme and an independently administered defined contribution scheme.

The defined benefit scheme is a funded group scheme which was closed to future accrual of benefit as of 31 December 2012. Details of the particulars of the actuarial valuation of the group scheme on an FRS 102 basis are contained in the accounts of International Motors Limited.

The cost to the company of the defined contribution scheme is £17,984 (2018 - £17,707). There were no contributions outstanding at the balance sheet date (2018 - £Nil).

**19. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption conferred by FRS 102 paragraph 33.1A not to disclose transactions with members of the group headed by I.M. Group Limited on the grounds that it is a wholly owned subsidiary of I.M. Group Limited.

Key management of the company are considered to be the Directors. The total remuneration of the Directors is covered in note 5.

**20. POST BALANCE SHEET EVENTS**

The COVID-19 pandemic has been the only post balance sheet event noted and details of this have been disclosed in the Directors Report on page 1 of these financial statements.

There have been no other significant events affecting the company since the year end.

**21. CONTROLLING PARTY**

The company is controlled by International Motors Limited, a company incorporated in England and Wales which owns 100% of the issued share capital of the company.

The ultimate parent company and controlling party is IMG Jersey Holdings Limited, a company incorporated in Jersey. The largest and only group of publicly available financial statements in which the results of the company are consolidated is that prepared by I.M Group Limited. Copies of financial statements are available to the public from Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The ultimate controlling party is Lord Edmiston, who owns 100% of the issued share capital of IMG Jersey Holdings Limited, the ultimate parent company.