

COMPANY REGISTRATION NUMBER: 06145321

Motorsure Limited
Abbreviated Financial Statements
31 July 2016

AMENDED

SATURDAY



A22 *A7A60UA2*
14/07/2018 #250
COMPANIES HOUSE

GOSTLING LIMITED
Chartered accountant & statutory auditor
Unit 1, Union Business Park
Snaygill Industrial Estate
Skipton
North Yorkshire
BD23 2QR

Motorsure Limited
Abbreviated Financial Statements
Year ended 31 July 2016

Contents	Page
Strategic report	1
Directors' report	2
Independent auditor's report to the company	4
Independent auditor's report to the members	5
Abbreviated statement of comprehensive income	7
Statement of financial position	8
Statement of cash flows	9
Notes to the abbreviated financial statements	10

Motorsure Limited
Strategic Report
Year ended 31 July 2016

BUSINESS REVIEW

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

As a buyer and seller of used cars, the company continues to operate in both a high end and lower end value market of used cars to maximise its appeal to potential customers. The company has also started to import cars from Japan after identifying a gap in the market.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and gross margin.

Turnover of the company has increased by 7% compared to the previous period of trade.

Overall operating loss before tax has decreased percentage wise to £710,369 (5.16%) from £908,122 (7.05%).

FINANCIAL INSTRUMENTS

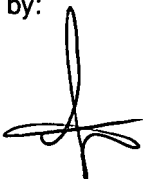
The company is exposed to a small amount of risk arising from fluctuations in exchange rates. The directors deem the risk to be relatively low due to the level of overseas purchases. The directors are managing the risk on an ongoing basis.

PRINCIPAL RISKS AND UNCERTAINTIES

As for many businesses of our size, the business environment in which we operate continues to be challenging. The company has traded satisfactorily during the year under review, despite these challenging conditions.

With these risks and uncertainties in mind, we are aware that any plans for future development of the business may be subject to unforeseen future events outside of our control.

This report was approved by the board of directors on 7 July 2017 and signed on behalf of the board by:



Mr N B Bashir
Director

Registered office:
Damside
Oakworth Road
Keighley
West Yorkshire
BD21 1QD

Motorsure Limited

Directors' Report

Year ended 31 July 2016

The directors present their report and the abbreviated financial statements of the company for the year ended 31 July 2016.

Directors

The directors who served the company during the year were as follows:

Mr M Shabir
Mr M Shakeel
Mr N B Bashir

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of Information in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' Report. This includes information that would have been included in the business review and the principal risks and uncertainties.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Motorsure Limited

Directors' Report *(continued)*

Year ended 31 July 2016

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 7 July 2017 and signed on behalf of the board by:



Mr N B Bashir
Director

Registered office:
Damside
Oakworth Road
Keighley
West Yorkshire
BD21 1QD

Motorsure Limited

Independent Auditor's Report to Motorsure Limited under section 449 of the Companies Act 2006

Year ended 31 July 2016

We have examined the abbreviated financial statements which comprise the abbreviated statement of comprehensive income, statement of financial position, statement of cash flows and the related notes, together with the financial statements of Motorsure Limited for the year ended 31 July 2016 prepared under section 396 of the Companies Act 2006.

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 auditors 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.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated financial statements in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section.

Other information

On 7 July 2017 we reported as auditor to the members of the company on the financial statements prepared under Section 396 of the Companies Act 2006 and our report is reproduced on pages 5 to 6 of these financial statements.



Mr P J Gostling (Senior Statutory Auditor)

For and on behalf of
Gostling Limited
Chartered accountant & statutory auditor
Unit 1, Union Business Park
Snaygill Industrial Estate
Skipton
North Yorkshire
BD23 2QR

7 July 2017

Motorsure Limited

Independent Auditor's Report to the Members of Motorsure Limited

Year ended 31 July 2016

We have audited the financial statements of Motorsure Limited for the year ended 31 July 2016 which comprise the abbreviated statement of comprehensive income, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

Although the book keeping recording has improved dramatically, in some cases accounting for cash received still remains unsatisfactory. We are confident that our extra accounting and audit procedures have covered all cash sales however the lapse in book keeping we would consider to be material.

Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 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.

Motorsure Limited

Independent Auditor's Report to the Members of Motorsure Limited (continued)

Year ended 31 July 2016

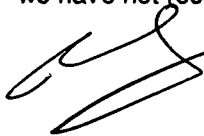
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing additional to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and the 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; and



Mr P J Gostling (Senior Statutory Auditor)

For and on behalf of
Gostling Limited
Chartered accountant & statutory auditor
Unit 1, Union Business Park
Snaygill Industrial Estate
Skipton
North Yorkshire
BD23 2QR

7 July 2017

Motorsure Limited

Abbreviated Statement of Comprehensive Income

Year ended 31 July 2016

	Note	2016 £	2015 £
Turnover	3	13,767,671	12,868,970
Cost of sales and other operating income		13,057,302	11,960,848
Distribution costs		5,250	–
Administrative expenses		992,757	400,420
Operating (loss)/profit	4	(287,638)	507,702
(Loss)/profit on ordinary activities before taxation		(287,638)	507,702
Tax on (loss)/profit on ordinary activities	8	–	105,347
(Loss)/profit for the financial year and total comprehensive income		(287,638)	402,355

All the activities of the company are from continuing operations.

The notes on pages 10 to 16 form part of these financial statements.

Motorsure Limited
Statement of Financial Position
31 July 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	240,058	16,631
Current assets			
Stocks	11	5,849,317	5,444,184
Debtors	12	210,924	9,664
Cash at bank and in hand		73,473	77,602
		<u>6,133,714</u>	<u>5,531,450</u>
Creditors: amounts falling due within one year	14	<u>4,311,074</u>	<u>3,197,745</u>
Net current assets		1,822,640	2,333,705
Total assets less current liabilities		2,062,698	2,350,336
Net assets		2,062,698	2,350,336
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account		<u>2,062,598</u>	<u>2,350,236</u>
Shareholders funds		2,062,698	2,350,336

These financial statements have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 in regard to medium-sized companies.

These abbreviated financial statements were approved by the board of directors and authorised for issue on 7 July 2017, and are signed on behalf of the board by:



Mr N B Bashir
Director

Company registration number: 06145321

The notes on pages 10 to 16 form part of these financial statements.

Motorsure Limited
Statement of Cash Flows
Year ended 31 July 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
(Loss)/profit for the financial year		(287,638)	402,355
<i>Adjustments for:</i>			
Depreciation of tangible assets		77,268	2,688
Tax on (loss)/profit on ordinary activities		–	105,347
Accrued expenses		98,188	7,000
<i>Changes in:</i>			
Stocks		(405,133)	(1,733,324)
Trade and other debtors		(201,260)	70,227
Trade and other creditors		863,026	811,609
Cash generated from operations		144,451	(334,098)
Tax paid		(121,277)	–
Net cash from/(used in) operating activities		<u>23,174</u>	<u>(334,098)</u>
Cash flows from investing activities			
Purchase of tangible assets		(300,695)	(359)
Net cash used in investing activities		<u>(300,695)</u>	<u>(359)</u>
Cash flows from financing activities			
Proceeds from borrowings		277,392	112,913
Net cash from financing activities		<u>277,392</u>	<u>112,913</u>
Net decrease in cash and cash equivalents		(129)	(221,544)
Cash and cash equivalents at beginning of year		2,293	223,837
Cash and cash equivalents at end of year	13	<u>2,164</u>	<u>2,293</u>

The notes on pages 10 to 16 form part of these financial statements.

Motorsure Limited

Notes to the Abbreviated Financial Statements

Year ended 31 July 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Damside, Oakworth Road, Keighley, West Yorkshire, BD21 1QD.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 August 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 17.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Motorsure Limited

Notes to the Abbreviated Financial Statements (continued)

Year ended 31 July 2016

2. Accounting policies (continued)

Income tax (continued)

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Goodwill

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Goodwill has now been fully amortised.

Amortisation

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

Goodwill - Goodwill has now been fully amortised

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

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Motorsure Limited

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 July 2016

2. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and Machinery	-	15% reducing balance
Motor Vehicles	-	25% reducing balance
Equipment	-	25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition after making due allowance for obsolete and slow moving items.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

3. Turnover

Turnover arises from:

	2016 £	2015 £
Sale of goods	<u>13,767,671</u>	<u>12,868,970</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

Motorsure Limited

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 July 2016

4. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	77,268	2,688
Impairment of trade debtors	2,488	10,944
Foreign exchange differences	81	-

5. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	9,750	9,500

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016 No.	2015 No.
Production staff	15	15

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016 £	2015 £
Wages and salaries	223,087	177,440
Social security costs	11,104	9,560
	<u>234,191</u>	<u>187,000</u>

7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2016 £	2015 £
Remuneration	<u>30,092</u>	<u>30,519</u>

8. Tax on (loss)/profit on ordinary activities

Major components of tax expense

	2016 £	2015 £
Current tax:		
UK current tax expense	-	105,347
Tax on (loss)/profit on ordinary activities	<u>-</u>	<u>105,347</u>

Motorsure Limited

Notes to the Abbreviated Financial Statements (continued)

Year ended 31 July 2016

8. Tax on (loss)/profit on ordinary activities (continued)

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.35%).

	2016 £	2015 £
(Loss)/profit on ordinary activities before taxation	(287,638)	507,702
(Loss)/profit on ordinary activities by rate of tax	(57,528)	103,317
Effect of expenses not deductible for tax purposes	245	385
Effect of capital allowances and depreciation	15,284	105
Utilisation of tax losses	41,999	—
Sundry tax adjusting items	—	1,540
Tax on (loss)/profit on ordinary activities	—	105,347

9. Intangible assets

	Goodwill £
Cost	
At 1 August 2015 and 31 July 2016	581,857
Amortisation	
At 1 August 2015 and 31 July 2016	581,857
Carrying amount	
At 31 July 2016	—
At 31 July 2015	—

10. Tangible assets

	Plant and machinery £	Motor vehicles £	Equipment £	Registration Plate £	Total £
Cost					
At 1 August 2015	11,271	—	18,732	6,525	36,528
Additions	—	300,000	695	—	300,695
At 31 July 2016	11,271	300,000	19,427	6,525	337,223
Depreciation					
At 1 August 2015	6,918	—	12,979	—	19,897
Charge for the year	654	75,000	1,614	—	77,268
At 31 July 2016	7,572	75,000	14,593	—	97,165
Carrying amount					
At 31 July 2016	3,699	225,000	4,834	6,525	240,058
At 31 July 2015	4,353	—	5,753	6,525	16,631

Motorsure Limited

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 July 2016

11. Stocks

	2016 £	2015 £
Raw materials and consumables	<u>5,849,317</u>	<u>5,444,184</u>

12. Debtors

	2016 £	2015 £
Trade debtors	187,235	–
Prepayments and accrued income	<u>23,689</u>	<u>9,664</u>
	<u>210,924</u>	<u>9,664</u>

13. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016 £	2015 £
Cash at bank and in hand	73,473	77,602
Bank overdrafts	<u>(71,309)</u>	<u>(75,309)</u>
	<u>2,164</u>	<u>2,293</u>

14. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	71,309	75,309
Payments received on account	40,700	–
Trade creditors	1,817,644	1,194,763
Accruals and deferred income	119,961	21,773
Corporation tax	281,255	402,532
Social security and other taxes	286,376	100,026
Director loan accounts	1,680,734	1,403,342
Other creditors	<u>13,095</u>	<u>–</u>
	<u>4,311,074</u>	<u>3,197,745</u>

The bank overdraft is secured by a debenture over the assets of the company.

15. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Motorsure Limited

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 July 2016

16. Directors' advances, credits and guarantees

No dividends were paid to the company directors during the year.

17. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 August 2014.

No transitional adjustments were required in equity or profit or loss for the year.