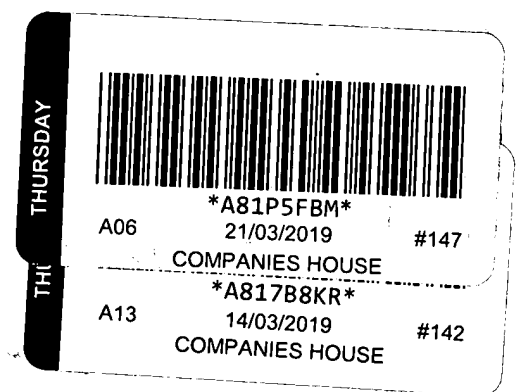


Motorsure Limited
Financial Statements
31 July 2017



GOSTLING LIMITED
Chartered accountant & statutory auditor
The Innovation Centre
Airedale Business Centre
Millennium Road
Skipton
North Yorkshire
BD23 2TZ

Motorsure Limited
Financial Statements
Year ended 31 July 2017

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Motorsure Limited
Strategic Report
Year ended 31 July 2017

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

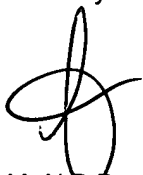
The company is exposed to a small amount of risk arising from fluctuations in exchange rates. The directors deem the risk to be relatively low due to the level of overseas purchases. The directors are managing the risk on an ongoing basis.

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 22 February 2019 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 2017

The directors present their report and the financial statements of the company for the year ended 31 July 2017.

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 2017

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 22 February 2019 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 the Members of Motorsure Limited *(continued)*

Year ended 31 July 2017

Disclaimer of opinion

We were engaged to audit the financial statements of Motorsure Limited (the 'company') for the year ended 31 July 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Motorsure Limited

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

Year ended 31 July 2017

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, In light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the strategic report of the directors' report

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of the audit: and
- we were unable to determine whether adequate accounting records have been kept

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:

- 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
- the directors were not entitled to prepare 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

Responsibilities of directors

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, 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.

Motorsure Limited

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

Year ended 31 July 2017

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditors report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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 ethical responsibilities in accordance with these requirements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Mr P J Gostling (Senior Statutory Auditor)

For and on behalf of
Gostling Limited
Chartered accountant & statutory auditor
The Innovation Centre
Airedale Business Centre
Millennium Road
Skipton
North Yorkshire
BD23 2TZ

22 February 2019

Motorsure Limited
Statement of Income and Retained Earnings
Year ended 31 July 2017

	Note	2017 £	2016 £
Turnover	4	11,982,009	13,767,671
Cost of sales		<u>10,930,839</u>	<u>13,057,302</u>
Gross profit		1,051,170	710,369
Distribution costs		1,250	5,250
Administrative expenses		<u>1,161,983</u>	<u>992,757</u>
Operating loss	5	(112,063)	(287,638)
Loss before taxation		<u>(112,063)</u>	<u>(287,638)</u>
Tax on loss	9	<u>151,309</u>	—
Loss for the financial year and total comprehensive income		(263,372)	<u>(287,638)</u>
Retained earnings at the start of the year		<u>2,062,598</u>	2,350,236
Retained earnings at the end of the year		<u>1,799,226</u>	<u>2,062,598</u>

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 2017

	Note	2017 £	£	2016 £
Fixed assets				
Tangible assets	11		201,052	240,058
Current assets				
Stocks	12	5,991,678		5,849,317
Debtors	13	8,500		210,924
Cash at bank and in hand		168,940		73,473
		<u>6,169,118</u>		<u>6,133,714</u>
Creditors: amounts falling due within one year	15	<u>4,570,844</u>		<u>4,311,074</u>
Net current assets			<u>1,598,274</u>	<u>1,822,640</u>
Total assets less current liabilities			<u>1,799,326</u>	<u>2,062,698</u>
Net assets			<u>1,799,326</u>	<u>2,062,698</u>
Capital and reserves				
Called up share capital	16		100	100
Profit and loss account			<u>1,799,226</u>	<u>2,062,598</u>
Shareholders funds			<u>1,799,326</u>	<u>2,062,698</u>

These financial statements were approved by the board of directors and authorised for issue on 22 February 2019, 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 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Loss for the financial year		(263,372)	(287,638)
<i>Adjustments for:</i>			
Depreciation of tangible assets		61,424	77,268
Tax on loss		151,309	–
Accrued (income)/expenses		(23,704)	98,188
<i>Changes in:</i>			
Stocks		(142,361)	(405,133)
Trade and other debtors		202,424	(201,260)
Trade and other creditors		353,379	863,026
Cash generated from operations		339,099	144,451
Tax paid		(126,684)	(121,277)
Net cash from operating activities		<u>212,415</u>	<u>23,174</u>
Cash flows from investing activities			
Purchase of tangible assets		(22,418)	(300,695)
Net cash used in investing activities		<u>(22,418)</u>	<u>(300,695)</u>
Cash flows from financing activities			
Proceeds from borrowings		(94,530)	277,392
Net cash (used in)/from financing activities		<u>(94,530)</u>	<u>277,392</u>
Net increase/(decrease) in cash and cash equivalents		95,467	(129)
Cash and cash equivalents at beginning of year		2,164	2,293
Cash and cash equivalents at end of year	14	<u>97,631</u>	<u>2,164</u>

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

Motorsure Limited
Notes to the Financial Statements
Year ended 31 July 2017

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. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. 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.

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.

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.

Motorsure Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

3. Accounting policies *(continued)*

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.

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

Motorsure Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

3. Accounting policies *(continued)*

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.

4. Turnover

Turnover arises from:

	2017 £	2016 £
Sale of goods	<u>11,982,009</u>	<u>13,767,671</u>

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

5. Operating profit

Operating profit or loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible assets	61,424	77,268
Impairment of trade debtors	(848)	2,488
Foreign exchange differences	<u>-</u>	<u>81</u>

Motorsure Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>9,750</u>	<u>9,750</u>

7. Staff costs

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

	2017	2016
	No.	No.
Production staff	<u>15</u>	<u>15</u>

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

	2017	2016
	£	£
Wages and salaries	228,454	223,087
Social security costs	<u>10,909</u>	<u>11,104</u>
	<u>239,363</u>	<u>234,191</u>

8. Directors' remuneration

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

	2017	2016
	£	£
Remuneration	<u>29,976</u>	<u>30,092</u>

9. Tax on loss

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	<u>151,309</u>	<u>—</u>
Tax on loss	<u>151,309</u>	<u>—</u>

Motorsure Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

9. Tax on loss *(continued)*

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.66% (2016: 20%).

	2017 £	2016 £
Loss on ordinary activities before taxation	(112,063)	(287,638)
Loss on ordinary activities by rate of tax	138,231	(57,528)
Effect of expenses not deductible for tax purposes	1,698	245
Effect of capital allowances and depreciation	11,380	15,284
Utilisation of tax losses	–	41,999
Tax on loss	151,309	–

10. Intangible assets

	Goodwill £
Cost	
At 1 August 2016 and 31 July 2017	581,857
Amortisation	
At 1 August 2016 and 31 July 2017	581,857
Carrying amount	
At 31 July 2017	–
At 31 July 2016	–

11. Tangible assets

	Plant and machinery £	Motor vehicles £	Equipment £	Registration Plate £	Total £
Cost					
At 1 August 2016	11,271	300,000	19,427	6,525	337,223
Additions	21,935	–	483	–	22,418
At 31 July 2017	33,206	300,000	19,910	6,525	359,641
Depreciation					
At 1 August 2016	7,572	75,000	14,593	–	97,165
Charge for the year	3,845	56,250	1,329	–	61,424
At 31 July 2017	11,417	131,250	15,922	–	158,589
Carrying amount					
At 31 July 2017	21,789	168,750	3,988	6,525	201,052
At 31 July 2016	3,699	225,000	4,834	6,525	240,058

Motorsure Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

12. Stocks

	2017 £	2016 £
Raw materials and consumables	<u>5,991,678</u>	<u>5,849,317</u>

13. Debtors

	2017 £	2016 £
Trade debtors	8,500	187,235
Prepayments and accrued income	–	23,689
	<u>8,500</u>	<u>210,924</u>

14. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2017 £	2016 £
Cash at bank and in hand	168,940	73,473
Bank overdrafts	<u>(71,309)</u>	<u>(71,309)</u>
	<u>97,631</u>	<u>2,164</u>

15. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	71,309	71,309
Payments received on account	23,800	40,700
Trade creditors	2,304,385	1,817,644
Accruals and deferred income	96,257	119,961
Corporation tax	305,880	281,255
Social security and other taxes	156,106	286,376
Director loan accounts	1,586,204	1,680,734
Other creditors - desc in a/cs	1,014	–
Other creditors	25,889	13,095
	<u>4,570,844</u>	<u>4,311,074</u>

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

16. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

17. Directors' advances, credits and guarantees

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

Motorsure Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

18. Related party transactions

The company was under the control of Mr M Shabir, Mr M Shakeel & Mr NB Bashir throughout the current year. Mr M Shabir Mr M Shakeel & Mr NB Bashir are the managing directors and majority shareholders.

No further transactions with related parties were undertaken such as are required to be disclosed under FRS102.