

REGISTERED NUMBER: 00553972 (England and Wales)

REGISTRAR OF COMPANIES

R.T. RATE LIMITED
STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

TUESDAY



A10 *A78GHMRL* #209
19/06/2018
COMPANIES HOUSE

Bland Baker
Chartered Accountants and
Registered Auditor
21 Lodge Lane
Grays
Essex
RM17 5RY

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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R.T. RATE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS:

C.J. Rate
M. Day
Mrs C.A.M. Rate
S J Rate
L. Padbury-Clark

REGISTERED OFFICE:

Rates Ford
Hogg Lane
Grays
Essex
RM17 5QL

REGISTERED NUMBER:

00553972 (England and Wales)

AUDITORS:

Bland Baker
Chartered Accountants and
Registered Auditor
21 Lodge Lane
Grays
Essex
RM17 5RY

**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Like almost every year this report reflects different swings within the automotive business that happens for various reasons.

I believe we are still trying to predict what will happen prior and after Brexit and any uncertainty that may bring. There is still enough capacity with manufacturers who are fighting for their share of the market, this in turn brings serious competition and heavy discounting.

I also believe there will be some adjustments within the production and retail outlets for non-performing dealers. We have managed to sail through another intensive year and produce a healthy profit albeit below 2016 for which there are very good reasons.

Some costs for the new start up used car dealership in Galleywood has been taken out of 2017 profits and employment costs have risen above the rate of inflation in order to ensure that we retain the quality members of the company.

Turnover has risen by 3 million in the year and Gross Profit has increased too. However Operating Profit has declined mainly due to the aforementioned costs that were incurred in part to accommodate additional business. We have branched out into a new Ford initiative with Mobile Servicing which I am delighted to report is gaining traction and reaching out to another audience we have not enjoyed previously.

Rates in Hogg Lane has also expanded its Used Vehicle department to capitalise on the additional vehicles generated by the New Vehicle department and the new addition in Galleywood partially takes care of used vehicle stock that was previously disposed of through trade channels.

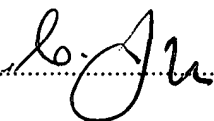
The business continues to grow organically which enables it to retain that personal touch our customers enjoy, we are still in the top performers in the country and have won the Ford Dealer Chairman's award for the 10th year in a row. This prestigious award is only given to a small number of Ford Dealers in the country and is only given to dealers that provide the best customer service.

The cash within the company is carefully monitored to ensure we are always funded to cope with the seasonal peaks and troughs.

Finally I am privileged to work with people that are passionate about cars, Ford and the company they work for and I thank them for their continued hard work and commitment to the company.

C.J. Rate - Chairman

Dated:

 15/6/18

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their strategic report for the year ended 31 December 2017.

REVIEW OF BUSINESS

A review of the business is contained within the Chairman's Report which forms part of this Strategic Report.

The company has strong cash reserves with minimal short term borrowings.

The directors consider that whilst the company has identified certain specific business risks below, they are of the opinion that suitable measures are in place to address them to ensure that ongoing operations do not affect the company's day to day obligations.

PRINCIPAL RISKS AND UNCERTAINTIES

The company faces the following principal risks:

Liquidity risk:

The company has strong cash reserves and primarily self funds its operations although periodically it utilises short term borrowing to fund any short term liquidity issues. The company's general expansion naturally creates increased pressure on its cash reserves but has substantial support from its bankers.

Economic risk:

The uncertainties surrounding the next phase of Brexit and the inherent implications on job security affects consumer confidence although the company's own experience is that expansion and increased turnover continues.

Environmental risk:

Concerns regarding CO2 emissions and the corresponding pressure on manufacturers to develop and improve alternate engine profiles and, in particular, the uncertainty surrounding the Government's official policy towards diesel vehicles.

Competition risk:

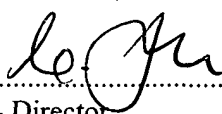
As always competition is strong in the new and used car sector with ever increasing pressure on margins and after market sales and servicing.

GOING CONCERN

Since the balance sheet date, the company has continued to generate significant profits and positive operating cashflows and has been able to meet its financial obligations as they become due.

The directors have reasonable grounds to assume that this will not change in the future and as such the directors continue to adopt the going concern basis of preparation of the financial statements.

ON BEHALF OF THE BOARD:


.....
C.J. Rate - Director

Date: 15/6/18.....

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a Ford main dealership, including new and used car sales, parts sales and servicing.

DIVIDENDS

Dividends voted in the year ended 31 December 2017 was £126,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

C.J. Rate
M. Day
Mrs C.A.M. Rate
S J Rate
L. Padbury-Clark

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS


So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

AUDITORS

The auditors, Bland Baker, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
C.J. Rate - Director

Date: 15.6.18.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF R.T. RATE LIMITED

Opinion

We have audited the financial statements of R.T. Rate Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF R.T. RATE LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have 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 Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept, 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.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

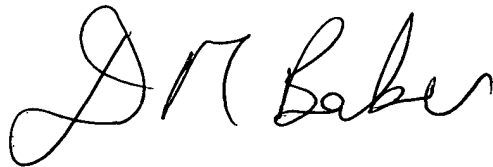
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
R.T. RATE LIMITED**

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

D. M. Baker (Senior Statutory Auditor)
for and on behalf of Bland Baker
Chartered Accountants and
Registered Auditor
21 Lodge Lane
Grays
Essex
RM17 5RY



Date: 18/6/18

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017	2016
		£	£
TURNOVER	3	66,004,347	63,048,434
Cost of sales		63,476,923	60,620,308
GROSS PROFIT		2,527,424	2,428,126
Administrative expenses		1,996,276	1,854,695
		531,148	573,431
Other operating income	4	15,375	92,051
OPERATING PROFIT	6	546,523	665,482
Income from fixed asset investments		2,246	1,912
Interest receivable and similar income		68	1,999
		2,314	3,911
		548,837	669,393
Gain/loss on revaluation of investments		12,860	23,003
PROFIT BEFORE TAXATION		561,697	692,396
Tax on profit	7	112,394	149,621
PROFIT FOR THE FINANCIAL YEAR		449,303	542,775
OTHER COMPREHENSIVE INCOME			
Investment property revaluation			
Share revaluation			
Painting revaluation			
Painting disposal			
Income tax relating to other comprehensive income		-	309,200
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	309,200
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		449,303	851,975

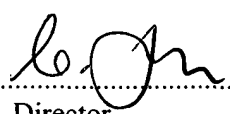
The notes form part of these financial statements

R.T. RATE LIMITED (REGISTERED NUMBER: 00553972)

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2017**

	Notes	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		1,888,342		1,666,277
Investments	10		16,348		1,348
			<hr/>		<hr/>
			1,904,690		1,667,625
CURRENT ASSETS					
Stocks	11	6,995,720		6,066,424	
Debtors	12	1,841,159		2,074,862	
Investments	13	74,240		61,331	
Cash in hand		276,260		337,849	
		<hr/>		<hr/>	
		9,187,379		8,540,466	
CREDITORS					
Amounts falling due within one year	14	6,148,048		5,602,572	
		<hr/>		<hr/>	
NET CURRENT ASSETS			3,039,331		2,937,894
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,944,021		4,605,519
PROVISIONS FOR LIABILITIES	18		44,500		29,300
			<hr/>		<hr/>
NET ASSETS			4,899,521		4,576,219
			<hr/> <hr/>		<hr/> <hr/>
CAPITAL AND RESERVES					
Called up share capital	19		6,666		6,666
Share premium	20		290		290
Revaluation reserve - fixed assets	20		215,511		215,511
Capital redemption reserve	20		3,333		3,333
Retained earnings	20		4,673,721		4,350,419
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS			4,899,521		4,576,219
			<hr/> <hr/>		<hr/> <hr/>

The financial statements were approved by the Board of Directors on 15/6/18 and were signed on its behalf by:


.....
C.J. Rate - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2016	6,666	5,264,444	290
Changes in equity			
Dividends on equity shares	-	(1,766,000)	-
Total comprehensive income	-	851,975	-
Balance at 31 December 2016	6,666	4,350,419	290
Changes in equity			
Dividends on equity shares	-	(126,000)	-
Total comprehensive income	-	449,303	-
Balance at 31 December 2017	6,666	4,673,722	290
	Revaluation reserve - fixed assets £	Capital redemption reserve £	Total equity £
Balance at 1 January 2016	215,511	3,333	5,490,244
Changes in equity			
Dividends on equity shares	-	-	(1,766,000)
Total comprehensive income	-	-	851,975
Balance at 31 December 2016	215,511	3,333	4,576,219
Changes in equity			
Dividends on equity shares	-	-	(126,000)
Total comprehensive income	-	-	449,303
Balance at 31 December 2017	215,511	3,333	4,899,522

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	398,495	41,037
Tax paid		(153,694)	(159,221)
Net cash from operating activities		<u>244,801</u>	<u>(118,184)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(570,321)	(222,055)
Purchase of fixed asset investments		(15,000)	7,700
Sale of tangible fixed assets		198,967	164,867
Sale of fixed asset investments		-	12,000
Sale of current asset investments		49	39
Interest received		68	1,999
Dividends received		2,246	1,912
Net cash from investing activities		<u>(383,991)</u>	<u>(33,538)</u>
Cash flows from financing activities			
New loans in year		240,817	-
Amount introduced by directors		-	23,793
Amount withdrawn by directors		(37,216)	-
Equity dividends paid		(126,000)	(166,000)
Net cash from financing activities		<u>77,601</u>	<u>(142,207)</u>
Decrease in cash and cash equivalents		<u>(61,589)</u>	<u>(293,929)</u>
Cash and cash equivalents at beginning of year	2	337,849	639,478
Cash and cash equivalents at end of year	2	<u><u>276,260</u></u>	<u><u>337,849</u></u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

	2017	2016
	£	£
Profit before taxation	561,697	692,396
Depreciation charges	173,632	167,035
(Profit)/loss on disposal of fixed assets	(24,393)	26,990
Gain on revaluation of fixed assets	(12,909)	(23,003)
Finance income	(2,314)	(3,911)
	<u>695,713</u>	<u>859,507</u>
(Increase)/decrease in stocks	(929,296)	1,099,627
Decrease in trade and other debtors	257,611	84,991
Increase/(decrease) in trade and other creditors	374,467	(2,003,088)
	<u>398,495</u>	<u>41,037</u>
Cash generated from operations	<u><u>398,495</u></u>	<u><u>41,037</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>276,260</u>	<u>337,849</u>

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u>337,849</u>	<u>639,478</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. STATUTORY INFORMATION

R.T. Rate Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents net invoiced sale of goods and work done, excluding value added tax together with commissions receivable and rental income receivable in respect of operating leases.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- at variable rates on reducing balance
Motor vehicles	- 25% on reducing balance

Motor vehicle depreciation is in respect of assets leased to customers.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

The directors consider that consignment stocks of new vehicles held by the company on behalf of the Ford Motor Company, meet the criteria of Financial Reporting Standard 102 to be recognised as assets. Accordingly, such new vehicles are shown as stock in the accounts with a corresponding liability being shown within creditors falling due within one year.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the profit and loss account.

Current asset investments

Current asset investments are stated at their mid-price at the statement of financial position date. Surpluses or deficits are recognised in the statement of comprehensive income.

Vehicles leased to customers

Vehicles leased to customers are included in fixed assets and depreciated in accordance with the policy stated above. Operating lease income is accounted for on a straight line basis and is included within the comprehensive income statement when receivable.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

Turnover includes operating lease income totalling £59,295 (2016 - £67,709).

4. OTHER OPERATING INCOME

	2017	2016
	£	£
Rents received	11,000	80,451
Management charge income	4,375	11,600
	<u>15,375</u>	<u>92,051</u>

5. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	2,532,928	2,283,871
Social security costs	297,676	280,861
Other pension costs	75,046	104,525
	<u>2,905,650</u>	<u>2,669,257</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. EMPLOYEES AND DIRECTORS - continued

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

	2017	2016
Sales	23	20
Operatives	23	25
Administrative	25	19
Directors	5	4
	<u>76</u>	<u>68</u>

	2017 £	2016 £
Directors' remuneration	503,276	420,273
Directors' pension contributions to money purchase schemes	<u>22,025</u>	<u>55,504</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>5</u>	<u>4</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2017 £	2016 £
Emoluments etc	149,252	109,514
Pension contributions to money purchase schemes	<u>8,241</u>	<u>7,592</u>

6. OPERATING PROFIT

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

	2017 £	2016 £
Operating lease income	(59,295)	(67,709)
Depreciation - owned assets	173,633	167,036
(Profit)/loss on disposal of fixed assets	(24,393)	26,990
Auditors' remuneration	24,000	24,000
Other non- audit services	14,000	12,000
Operating leases - land and buildings	<u>176,827</u>	<u>150,817</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. TAXATION

Analysis of the tax charge

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

	2017 £	2016 £
Current tax:		
UK corporation tax	91,000	147,500
Adjustment to previous years corporation tax provision	6,194	(1,379)
Total current tax	97,194	146,121
Deferred tax	15,200	3,500
Tax on profit	112,394	149,621

Reconciliation of total tax charge included in profit and loss

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

	2017 £	2016 £
Profit before tax	561,697	692,396
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	106,722	138,479
Effects of:		
Adjustments to tax charge in respect of previous periods	6,194	(1,379)
(Income)/Expenses not deductible for tax purposes	26,308	36,820
Capital allowances	(42,760)	(27,747)
Adjustment to actual rate of tax paid	730	(52)
Movement in deferred taxation	15,200	3,500
Total tax charge	112,394	149,621

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2017.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. TAXATION - continued

	Gross £	2016 Tax £	Net £
Investment property revaluation	-	308,000	308,000
Share revaluation	-	400	400
Painting revaluation	-	800	800
Painting disposal			
	<u>-</u>	<u>309,200</u>	<u>309,200</u>

8. DIVIDENDS ON EQUITY SHARES

	2017 £	2016 £
Dividends in specie	-	1,600,000
Dividends in cash	126,000	166,000
	<u>126,000</u>	<u>1,766,000</u>

In the previous year the company declared a dividend in specie to its former parent company of a freehold property valued at £1,600,000.

9. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2017	966,167	311,472	1,703,923	289,886	3,271,448
Additions	-	143,471	249,171	177,679	570,321
Disposals	-	-	(26,377)	(295,667)	(322,044)
At 31 December 2017	<u>966,167</u>	<u>454,943</u>	<u>1,926,717</u>	<u>171,898</u>	<u>3,519,725</u>
DEPRECIATION					
At 1 January 2017	122,119	32,712	1,360,841	89,499	1,605,171
Charge for year	17,323	8,029	98,464	49,817	173,633
Eliminated on disposal	-	-	(25,071)	(122,350)	(147,421)
At 31 December 2017	<u>139,442</u>	<u>40,741</u>	<u>1,434,234</u>	<u>16,966</u>	<u>1,631,383</u>
NET BOOK VALUE					
At 31 December 2017	<u>826,725</u>	<u>414,202</u>	<u>492,483</u>	<u>154,932</u>	<u>1,888,342</u>
At 31 December 2016	<u>844,048</u>	<u>278,760</u>	<u>343,082</u>	<u>200,387</u>	<u>1,666,277</u>

Motor vehicle cost and depreciation above relates solely to assets leased to customers under operating leases.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 December 2017 is represented by:

	Trading premises £	Plant and machinery etc £	Totals £
Stated at cost	1,071,110	2,098,615	3,169,725
Stated at valuation in 1999	350,000	-	350,000
	<u>1,421,110</u>	<u>2,098,615</u>	<u>3,519,725</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2017 £	2016 £
Cost	<u>1,539,457</u>	<u>1,395,986</u>
Aggregate depreciation	<u>527,733</u>	<u>506,316</u>
Approximate cost of land in freehold land and buildings	<u>120,000</u>	<u>120,000</u>

Freehold land and buildings were valued, on an open market basis, on 1 April 1999 by Messrs Lambert Smith Hampton.

10. FIXED ASSET INVESTMENTS

	2017 £	2016 £
Other investments not loans	<u>16,348</u>	<u>1,348</u>

Additional information is as follows:

	Unlisted investments £
COST	
At 1 January 2017 and 31 December 2017	<u>1,348</u>
NET BOOK VALUE	
At 31 December 2017	<u>1,348</u>
At 31 December 2016	<u>1,348</u>

Investments (neither listed nor unlisted) were as follows:

2017	2016
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. FIXED ASSET INVESTMENTS - continued

	£	£
brought forward	-	14,850
Art and antiques additions	15,000	-
Art and antiques disposals	-	(14,850)
	<u>15,000</u>	<u>-</u>

11. STOCKS

	2017 £	2016 £
Motor vehicles - new and used	6,893,717	6,005,104
Parts, accessories and consumables	102,003	61,320
	<u>6,995,720</u>	<u>6,066,424</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

Motor vehicles - new and used includes the stock of vehicles held on consignment from Ford Motor Company. These stocks have been included in the balance sheet in accordance with Financial Reporting Standard 102. The total value of consignment vehicles included within stocks is £3,174,845 (2016 - £2,931,785). A corresponding liability is shown within trade creditors, see note 14.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	1,440,564	1,674,675
Other debtors	293,339	291,458
Directors' current accounts	23,908	-
Prepayments	83,348	108,729
	<u>1,841,159</u>	<u>2,074,862</u>

13. CURRENT ASSET INVESTMENTS

Details of investments held:

	Carrying value £	Historical cost £
Listed on the London Stock Exchange	58,098	106,363
Listed on the ISDX Growth Market	16,142	47,241
Total of current asset investments	<u>74,240</u>	<u>153,604</u>

Current asset investments have been valued at their mid-price at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Other loans (see note 15)	240,817	-
Trade creditors - consignment stock	3,809,815	3,518,142
Trade creditors - other	1,671,063	1,549,150
Taxation	91,000	147,500
Social security and other taxes	67,897	63,508
Other creditors	7,642	16,058
Directors' current accounts	16,687	29,995
Accruals	243,127	278,219
	<u>6,148,048</u>	<u>5,602,572</u>

Trade creditors include £3,174,845 net of VAT (2016 - £2,931,785) in accordance with Financial Reporting Standard 102 as explained in note 11.

15. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Stocking loan	<u>240,817</u>	<u>-</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	175,000	121,250
Between one and five years	509,438	367,500
	<u>684,438</u>	<u>488,750</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Stocking loan	240,817	-
Consignment stock	3,809,814	3,518,142
	<u>4,050,631</u>	<u>3,518,142</u>

The stocking loan is secured against individual units of vehicle stock.

FCE Bank Plc has registered a debenture over all assets of the company, both fixed and floating charges, as security for any amounts owing from time to time thereon.

18. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax	<u>44,500</u>	<u>29,300</u>
		Deferred tax
		£
Balance at 1 January 2017		29,300
Provided during year		15,200
Balance at 31 December 2017		<u>44,500</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017	2016
		£1	£	£
6,666	Ordinary		<u>6,666</u>	<u>6,666</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

20. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve - fixed assets £	Capital redemption reserve £	Totals £
At 1 January 2017	4,350,418	290	215,511	3,333	4,569,552
Profit for the year	449,303				449,303
Dividends on equity shares	(126,000)				(126,000)
At 31 December 2017	<u>4,673,721</u>	<u>290</u>	<u>215,511</u>	<u>3,333</u>	<u>4,892,855</u>

21. PENSION COMMITMENTS

The company operates two separate defined contribution pension schemes for the directors and staff. The assets of each scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the schemes and amounted to £75,046 (2016 - £104,525). At the balance sheet date there were £2,380 unpaid contributions (2016 - £6,180).

22. ULTIMATE PARENT COMPANY

RatesFord Store Limited is regarded by the directors as being the company's ultimate parent company.

23. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

	2017 £	2016 £
Rent paid to related party	90,000	90,000
Amount due to related party	<u>10,808</u>	<u>8,446</u>

Key management personnel of the entity or its parent (in the aggregate)

	2017 £	2016 £
Amount due from related party	23,908	-
Amount due to related party	<u>5,880</u>	<u>21,549</u>

During the year, a total of key management personnel compensation of £754,579 (2016 - £754,449) was paid.

24. ULTIMATE CONTROLLING PARTY

The controlling party is C.J. Rate.