

**REGISTERED NUMBER: 00553972 (England and Wales)**

**R.T. RATE LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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**R.T. RATE LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**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 2018**

I am delighted to report another positive and strong performance for 2018.

2018 has come with mixed emotions with an uncertain EU departure and the effect it could have within the automotive sector, this coupled with the continuous change in scenery in respect of petrol vs diesel and electrification all of which seem very much in the air and the changing face of retail in general.

Despite the challenging conditions the company has increased its turnover from the previous year by approximately 10 million pounds and operating profit by almost 180 thousand pounds, which under the present climate I consider an outstanding performance.

New vehicles sales have increased with the replacement Fiesta still holding the number one best selling car in the UK followed by the ever increasing SUV range which keeps reinventing itself with different configurations and fierce competition for this popular range of vehicles with more to come in the later part of 2019.

Used vehicles are also growing with a full year at the new site in Hogg Lane along with growth at Galleywood, Chelmsford.

I would like to mention the success Galleywood is also enjoying and making a solid contribution to the overall profitability of the company, the long awaited service offer is now producing a steady income with more room for additional service work in a densely located part of Chelmsford. At the time of writing this report I am delighted to announce we have been granted an MOT licence and planning has been approved to expand the range of work already carried out at that facility.

Our aftermarket division never ceases to amaze me with growth in a declining service market and changes within the parts business. Quicklane continues to make a valuable contribution to the company's continued expansion.

I am pleased to announce we have again achieved the prestigious CHAIRMANS AWARD from Ford Motor Company for giving the highest level of customer satisfaction. This is only rewarded to a small group of dealers that achieve the highest level of service and customer satisfaction in the UK.

I think all businesses are waiting with baited breath and anticipation of the outcome of Brexit and whilst it is featuring very high in government it creates uncertainty which cascades down into everyday life and business.

I would like to thank the team that has made these results possible and for the hard work and dedication they have displayed.

C.J. Rate - Chairman

Dated: 06 June 2019

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their strategic report for the year ended 31 December 2018.

**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

6 June 2019

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

**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 2018 was £190,700 (2017 - 126,000).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2018 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 2018**

**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

6 June 2019

## **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 2018 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

### **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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

### **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 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.

### **Auditors' responsibilities for the audit of the financial statements**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

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

**Use of our report**

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

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

7 June 2019

**R.T. RATE LIMITED (REGISTERED NUMBER: 00553972)****STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	£	2017 £	£
<b>TURNOVER</b>	3		75,739,917		66,004,347
Cost of sales			<u>73,008,993</u>		<u>63,476,923</u>
<b>GROSS PROFIT</b>			2,730,924		2,527,424
Administrative expenses			<u>2,028,070</u>		<u>1,996,276</u>
			702,854		531,148
Other operating income	4		<u>21,340</u>		<u>15,375</u>
<b>OPERATING PROFIT</b>	6		724,194		546,523
Income from fixed asset investments		2,328		2,246	
Interest receivable and similar income		<u>1,333</u>		<u>68</u>	
			3,661		2,314
			727,855		548,837
Gain/loss on revaluation of investments			<u>(9,212)</u>		<u>12,860</u>
<b>PROFIT BEFORE TAXATION</b>			718,643		561,697
Tax on profit	7		<u>139,457</u>		<u>112,394</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			579,186		449,303
Retained earnings at beginning of year			4,673,721		4,350,418
Dividends on equity shares	8		<u>(190,700)</u>		<u>(126,000)</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>			<u>5,062,207</u>		<u>4,673,721</u>

The notes form part of these financial statements

**R.T. RATE LIMITED (REGISTERED NUMBER: 00553972)****STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2018**

	Notes	2018 £	£	2017 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		1,955,672		1,888,342
Investments	10		<u>1,348</u>		<u>16,348</u>
			1,957,020		1,904,690
<b>CURRENT ASSETS</b>					
Stocks	11	9,427,231		6,995,720	
Debtors	12	1,507,786		1,841,159	
Investments	13	64,980		74,240	
Cash in hand		<u>810,229</u>		<u>276,260</u>	
		11,810,226		9,187,379	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>8,438,139</u>		<u>6,148,048</u>	
<b>NET CURRENT ASSETS</b>			<u>3,372,087</u>		<u>3,039,331</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,329,107		4,944,021
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>41,100</u>		<u>44,500</u>
<b>NET ASSETS</b>			<u>5,288,007</u>		<u>4,899,521</u>
<b>CAPITAL AND RESERVES</b>					
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		<u>5,062,207</u>		<u>4,673,721</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>5,288,007</u>		<u>4,899,521</u>

The financial statements were approved by the Board of Directors on 6 June 2019 and were signed on its behalf by:

C.J. Rate - Director

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	564,124	398,496
Tax paid		<u>(90,857)</u>	<u>(153,694)</u>
Net cash from operating activities		<u>473,267</u>	<u>244,802</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(320,760)	(570,321)
Purchase of fixed asset investments		-	(15,000)
Sale of tangible fixed assets		107,162	198,967
Sale of fixed asset investments		5,000	-
Sale of current asset investments		-	49
Interest received		1,333	68
Dividends received		<u>2,328</u>	<u>2,246</u>
Net cash from investing activities		<u>(204,937)</u>	<u>(383,991)</u>
<b>Cash flows from financing activities</b>			
New loans in year		368,223	240,817
Amount introduced by directors		86,116	-
Amount withdrawn by directors		-	(37,216)
Equity dividends paid		<u>(188,700)</u>	<u>(126,000)</u>
Net cash from financing activities		<u>265,639</u>	<u>77,601</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>533,969</u>	<u>(61,588)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>276,260</u>	<u>337,848</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>810,229</u></u>	<u><u>276,260</u></u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	2018	2017
	£	£
Profit before taxation	718,643	561,697
Depreciation charges	170,787	173,632
Profit on disposal of fixed assets	(11,981)	(24,393)
Loss/(gain) on revaluation of fixed assets	9,212	(12,908)
Finance income	<u>(3,661)</u>	<u>(2,314)</u>
	883,000	695,714
Increase in stocks	(2,431,511)	(929,296)
Decrease in trade and other debtors	309,465	257,611
Increase in trade and other creditors	<u>1,803,170</u>	<u>374,467</u>
<b>Cash generated from operations</b>	<u><u>564,124</u></u>	<u><u>398,496</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 2018**

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	<u>810,229</u>	<u>276,260</u>

**Year ended 31 December 2017**

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>276,260</u>	<u>337,848</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**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 2018**

**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 £31,812 (2017 - £59,295).

**4. OTHER OPERATING INCOME**

	2018	2017
	£	£
Rents received	11,000	11,000
Management charge income	10,340	4,375
	<u>21,340</u>	<u>15,375</u>

**5. EMPLOYEES AND DIRECTORS**

	2018	2017
	£	£
Wages and salaries	2,893,608	2,532,928
Social security costs	339,483	297,676
Other pension costs	78,410	75,046
	<u>3,311,501</u>	<u>2,905,650</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**5. EMPLOYEES AND DIRECTORS - continued**

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

	2018	2017
Sales	28	23
Operatives	23	23
Administrative	25	25
Directors	5	5
	<u>81</u>	<u>76</u>

	2018 £	2017 £
Directors' remuneration	533,373	503,276
Directors' pension contributions to money purchase schemes	<u>22,025</u>	<u>22,025</u>

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

Money purchase schemes	<u>5</u>	<u>5</u>
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Information regarding the highest paid director is as follows:

	2018 £	2017 £
Emoluments etc	184,496	149,252
Pension contributions to money purchase schemes	<u>8,241</u>	<u>8,241</u>

**6. OPERATING PROFIT**

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

	2018 £	2017 £
Operating lease income	(31,812)	(59,295)
Depreciation - owned assets	170,788	173,633
Profit on disposal of fixed assets	(11,981)	(24,393)
Auditors' remuneration	21,000	24,000
Other non- audit services	14,500	14,000
Operating leases - land and buildings	<u>181,715</u>	<u>176,827</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**7. TAXATION**

**Analysis of the tax charge**

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

	2018 £	2017 £
Current tax:		
UK corporation tax	143,000	91,000
Adjustment to previous years corporation tax provision	(143)	6,194
Total current tax	<u>142,857</u>	<u>97,194</u>
Deferred tax	(3,400)	15,200
Tax on profit	<u>139,457</u>	<u>112,394</u>

**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:

	2018 £	2017 £
Profit before tax	<u>718,643</u>	<u>561,697</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	136,542	106,722
Effects of:		
Adjustments to tax charge in respect of previous periods	(143)	6,194
(Income)/Expenses not deductible for tax purposes	31,467	26,308
Capital allowances	(26,319)	(42,760)
Adjustment to actual rate of tax paid	1,310	730
Movement in deferred taxation	(3,400)	15,200
Total tax charge	<u>139,457</u>	<u>112,394</u>

**8. DIVIDENDS ON EQUITY SHARES**

	2018 £	2017 £
Dividends in cash	<u>190,700</u>	<u>126,000</u>
	<u>190,700</u>	<u>126,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1 January 2018	966,167	454,943	1,926,717	171,898	3,519,725
Additions	-	144,994	106,471	81,785	333,250
Disposals	-	-	(16,879)	(117,023)	(133,902)
At 31 December 2018	<u>966,167</u>	<u>599,937</u>	<u>2,016,309</u>	<u>136,660</u>	<u>3,719,073</u>
<b>DEPRECIATION</b>					
At 1 January 2018	139,442	40,741	1,434,234	16,966	1,631,383
Charge for year	17,324	10,259	109,558	33,647	170,788
Eliminated on disposal	-	-	(6,769)	(32,001)	(38,770)
At 31 December 2018	<u>156,766</u>	<u>51,000</u>	<u>1,537,023</u>	<u>18,612</u>	<u>1,763,401</u>
<b>NET BOOK VALUE</b>					
At 31 December 2018	<u>809,401</u>	<u>548,937</u>	<u>479,286</u>	<u>118,048</u>	<u>1,955,672</u>
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>

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 2018**

**9. TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 December 2018 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:

	2018 £	2017 £
Cost	<u>1,539,457</u>	<u>1,539,457</u>
Aggregate depreciation	<u>527,733</u>	<u>527,733</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**

	2018 £	2017 £
Other investments not loans	<u>1,348</u>	<u>16,348</u>

Additional information is as follows:

	Unlisted investments £
<b>COST</b>	
At 1 January 2018	
and 31 December 2018	<u>1,348</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>1,348</u>
At 31 December 2017	<u>1,348</u>

Investments (neither listed nor unlisted) were as follows:

2018	2017
------	------

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**10. FIXED ASSET INVESTMENTS - continued**

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

**11. STOCKS**

	2018 £	2017 £
Motor vehicles - new and used	9,243,581	6,893,717
Parts, accessories and consumables	<u>183,650</u>	<u>102,003</u>
	<u>9,427,231</u>	<u>6,995,720</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 £4,608,218 (2017 - £3,174,846). A corresponding liability is shown within trade creditors, see note 14.

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade debtors	1,255,271	1,440,564
Other debtors	164,026	293,339
Directors' current accounts	-	23,908
Prepayments	<u>88,489</u>	<u>83,348</u>
	<u>1,507,786</u>	<u>1,841,159</u>

**13. CURRENT ASSET INVESTMENTS**

Details of investments held:

	Carrying value £	Historical cost £
Listed on the London Stock Exchange	45,903	106,363
Listed on the ISDX Growth Market	<u>19,077</u>	<u>47,241</u>
Total of current asset investments	<u>64,980</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 2018**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Other loans (see note 15)	609,040	240,817
Trade creditors - consignment stock	5,529,861	3,809,815
Trade creditors - other	1,656,949	1,671,063
Amounts owed to group undertakings	2,000	-
Taxation	143,000	91,000
Social security and other taxes	71,662	67,897
Other creditors	19,694	7,642
Directors' current accounts	78,896	16,687
Accruals	327,037	243,127
	<u>8,438,139</u>	<u>6,148,048</u>

Trade creditors include £4,608,218 net of VAT (2017 - £3,174,846) in accordance with Financial Reporting Standard 102 as explained in note 11.

**15. LOANS**

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Stocking loan	<u>609,040</u>	<u>240,817</u>

**16. LEASING AGREEMENTS**

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

	2018	2017
	£	£
Within one year	165,000	175,000
Between one and five years	434,438	509,438
	<u>599,438</u>	<u>684,438</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	2018	2017
	£	£
Stocking loan	609,040	240,817
Consignment stock	<u>5,529,861</u>	<u>3,809,814</u>
	<u>6,138,901</u>	<u>4,050,631</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**

	2018	2017
	£	£
Deferred tax	<u>41,100</u>	<u>44,500</u>
		Deferred tax
		£
Balance at 1 January 2018		44,500
Utilised during year		<u>(3,400)</u>
Balance at 31 December 2018		<u>41,100</u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
6,666	Ordinary	£1	<u>6,666</u>	<u>6,666</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**20. RESERVES**

	Retained earnings £	Share premium £	Revaluation reserve - fixed assets £	Capital redemption reserve £	Totals £
At 1 January 2018	4,673,721	290	215,511	3,333	4,892,855
Profit for the year	579,186				579,186
Dividends on equity shares	(190,700)				(190,700)
At 31 December 2018	<u>5,062,207</u>	<u>290</u>	<u>215,511</u>	<u>3,333</u>	<u>5,281,341</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 £78,410 (2017 - £75,046). At the balance sheet date there were £2,306 unpaid contributions (2017 - £2,380).

**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**

	2018 £	2017 £
Rent paid to related party	90,000	90,000
Amount due to related party	<u>37,305</u>	<u>10,808</u>

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

	2018 £	2017 £
Amount due from related party	-	23,908
Amount due to related party	<u>41,591</u>	<u>5,880</u>

During the year, a total of key management personnel compensation of £ 794,320 (2017 - £ 754,579 ) was paid.

**24. ULTIMATE CONTROLLING PARTY**

The controlling party is C.J. Rate.

The ultimate controlling party is C.J. Rate.



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