Company Registration No. 02762671 (England and Wales)

CICELEY CONTINENTAL LIMITED

T/A CICELEY MOTORSPORT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

PAGES FOR FILING WITH REGISTRAR

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T/A CICELEY MOTORSPORT
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CICELEY CONTINENTAL LIMITED
T/A CICELEY MOTORSPORT
BALANCE SHEET
AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	5		**567,108**		638,021
Current assets					
Debtors	6	**929,427**		312,114	
Cash at bank and in hand		**175,767**		69,400	
		1,105,194		381,514	
Creditors: amounts falling due within one year	7	**(162,283)**		(1,408,813)	
Net current assets/(liabilities)			**942,911**		(1,027,299)
Total assets less current liabilities			**1,510,019**		(389,278)
Provisions for liabilities			**(33,888)**		(25,675)
Net assets/(liabilities)			**1,476,131**		(414,953)
Capital and reserves					
Called up share capital	8		**2,000,100**		100
Profit and loss reserves			**(523,969)**		(415,053)
Total equity			**1,476,131**		(414,953)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 24 September 2020 and are signed on its behalf by:

R Morgan
Director

Company Registration No. 02762671

1 Accounting policies

Company information
Ciceley Continental Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cicely Lane, Blackburn, Lancashire, BB1 1HQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Based on the strong relationship between the company and its parent, the directors have sought and have received an expression of intention to provide such support as may be necessary for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	10% - 100% straight line
Motor vehicles	5% - 21% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 **Accounting policies** **(Continued)**

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 **Accounting policies** **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 **Accounting policies** **(Continued)**

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Motor vehicles

Management provide for depreciation on the cost of motor vehicles over the assets' lives after taking their residual value into account.

Management estimate the residual values as the amount currently obtainable from disposal of the asset, after deducting the estimated disposal costs, if the asset were already of the age and in the condition expected at the end of its useful life.

Management estimate the useful lives of assets based on past experience with similar assets.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2018 - 4).

4 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	**(190,109)**	(175,180)
Adjustments in respect of prior periods	**-**	(309,299)
Total current tax	**(190,109)**	(484,479)
Deferred tax		
Origination and reversal of timing differences	**8,213**	45,377
Total tax credit	**(181,896)**	(439,102)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
Loss before taxation	**(290,812)**	(183,871)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	**(55,254)**	(34,935)
Expenses not deductible for tax purposes	**113**	142
Group relief surrendered	**190,109**	175,180
Receipt for group relief	**(190,109)**	(175,180)
Research and development tax credit	**(125,789)**	(89,671)
Group relief in respect of prior periods	**-**	(309,299)
Adjust closing deferred tax to average rate	**(3,987)**	(3,021)
Adjust opening deferred tax to average rate	**3,021**	(2,318)
Taxation credit for the year	**(181,896)**	(439,102)

5 Tangible fixed assets

	Plant and equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2019	**48,036**	**1,195,090**	**1,243,126**
Additions	**2,400**	**67,667**	**70,067**
Disposals	**-**	**(51,602)**	**(51,602)**
At 31 December 2019	**50,436**	**1,211,155**	**1,261,591**
Depreciation and impairment			
At 1 January 2019	**31,078**	**574,027**	**605,105**
Depreciation charged in the year	**6,690**	**97,678**	**104,368**
Eliminated in respect of disposals	**-**	**(14,990)**	**(14,990)**
At 31 December 2019	**37,768**	**656,715**	**694,483**
Carrying amount			
At 31 December 2019	**12,668**	**554,440**	**567,108**
At 31 December 2018	16,958	621,063	638,021

6 Debtors

Amounts falling due within one year:	2019 £	2018 £
Trade debtors	**24,742**	40,802
Amounts owed by group undertakings	**790,109**	86,242
Other debtors	**114,576**	185,070
	929,427	312,114

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	**36,142**	44,779
Amounts owed to group undertakings	**4,758**	1,186,226
Taxation and social security	**-**	12,025
Other creditors	**910**	1,260
Accruals and deferred income	**120,473**	164,523
	162,283	1,408,813

8 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
2,000,100 (2018: 100) Ordinary shares of £1 each	**2,000,100**	100

During the year the company allotted at par 2,000,000 ordinary shares of £1 each to the parent company Ciceley Limited.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Nigel Wright BSc FCA.
The auditor was PM+M Solutions for Business LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.