

**Strategic Report, Report of the Directors and**  
**Financial Statements for the Year Ended 31 December 2020**  
**for**  
**06 Ormskirk Limited**

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for the Year Ended 31 December 2020**

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**06 Ormskirk Limited**  
**Company Information**  
**for the Year Ended 31 December 2020**

**DIRECTORS:** H M Nicol  
A J Turner  
S Turner  
A J Turner  
P Turner

**SECRETARY:** H M Nicol

**REGISTERED OFFICE:** Ackhurst Road  
Chorley  
Lancashire  
PR7 1NN

**REGISTERED NUMBER:** 05540164 (England and Wales)

**AUDITORS:** Myersons  
Statutory Auditors  
Chartered Accountants  
32 Derby Street  
Ormskirk  
Lancashire  
L39 2BY

**Strategic Report**  
**for the Year Ended 31 December 2020**

The directors present their strategic report for the year ended 31 December 2020.

**REVIEW OF BUSINESS**

Turnover for the year ended 31 December 2020 was £13,234,170 (2019: £17,326,448).

Profit before tax was £318,683 (2019: £413,680).

After what proved to be a tough year for the industry due to both economic and pandemic headwinds, the directors are satisfied with the trading performance and believe that the company is well placed for 2021 to deliver the company's business priorities, especially now O6 has been taken over by Chorley Group.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

a) Manufacturers supply of new and improved products

The company is reliant on new vehicle products from Vauxhall and with Mitsubishi exiting Europe, this will cause the group to look at alternative franchises for the Skelmersdale site. Discussions to this event are well advanced. This exposes the company to risks in a number of areas as the company is dependent on its manufacturer/supplier in respect of:

- availability of new vehicle products
- quality of new vehicle products
- pricing of new vehicle products

The directors are confident that future new products from its manufacturer/supplier will continue to be competitively priced and high quality and therefore consider that this "manufacturer risk" is minimal. The directors believe that the merger of PSA and FCA groups into the 4th largest motor manufacturer, named Stellantis has had a positive impact on the future direction of the franchise, strengthening the car lines and the additional electric and hybrid vehicles in 2021/22. Strong core business areas of the company, including used vehicle sales, parts sales and service work has performed well over the financial year.

b) Pandemic

The success of the business is reliant on consumer spending. An economic downturn due to the pandemic, resulting in a reduction of consumer spending will have a direct impact on the income achieved by the company; this however is mitigated by the pent-up demand that has manifest itself during lockdown.

In response to this risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies are modified to reflect the new market conditions as well as capitalising on a powerful online digital presence that Chorley Group now bring to O6. Concern is however felt over the continuing Brexit aftermath but the directors feel that the strong business processes and planning have well equipped the business for all eventualities.

c) Development and performance

The strategy remains as previous years to build on the market position established by the company, together with a strong manufacturer brand nationally. This strategy is based largely on well-established models (including Corsa and Crossland) and the development of new models including the All New Astra and New Mokka as well as further electrification of the fleet. Last year the board announced the change from Vauxhall to Mitsubishi franchise at the Skelmersdale branch with the added benefit of remaining as an official Vauxhall Service Centre; this is now starting to gain momentum particularly for used car sales and aftersales. This year we aim to capitalise further on the Vauxhall light and heavy van market which should add another profit stream to the business as well as introducing a new franchise into the Skelmersdale branch.

**Strategic Report**  
**for the Year Ended 31 December 2020**

**FINANCIAL KEY PERFORMANCE INDICATORS**

The directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to gross margin and operating profit.

**OTHER KEY PERFORMANCE INDICATORS**

A key non-financial key performance indicator is new and used vehicle units, and retail service hours sold which were:

New retail units	207 (2019: 279)	-25.8%
Used units	623 (2019: 884)	-29.52%
Retail service hours	11,189 (2019: 11,190)	-0.01%
Warranty service hours	1,156 (2019: 2,676)	-56.8%

Despite the overall reduction in vehicles sold in a highly volatile pandemic induced market, the profitability achieved per unit within vehicles sales department was broadly similar compared to the prior year as the company focused on margin retention.

**ON BEHALF OF THE BOARD:**

H M Nicol - Director

21 June 2021

**Report of the Directors**  
**for the Year Ended 31 December 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of the sale of new and used vehicles, parts and vehicle servicing and repair. The company operates from two sites in Ormskirk and Skelmersdale representing the Vauxhall and Mitsubishi franchises.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2020 will be £ 154,440 .

**DIRECTORS**

H M Nicol , A J Turner , S Turner , A J Turner and P Turner were appointed as directors after 31 December 2020 but prior to the date of this report.

P Byron and J Dickson ceased to be directors after 31 December 2020 but prior to the date of this report.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company uses various financial instruments which include bank, financial institution and stocking loans, cash and various items, such as consignment stock, trade debtors and trade creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for the company's operations. Their existence exposes the company to a number of financial risks.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The directors review and agree policies for managing each of these risks which are summarised below. These policies have remained unchanged from previous years.

**INTEREST RATE RISK**

The company finances its operations through a mixture of bank and other external borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities. The balance sheet includes trade debtors and creditors which do not attract interest and are therefore subject to fair value interest rate risk.

The company policy throughout the year has been to achieve its objective of managing interest rate risk through day to day involvement of management in business decisions rather than through setting maximum or minimum levels for the level of fixed interest rate borrowings.

**LIQUIDITY RISK**

The company seeks to manage risk by ensuring sufficient liquidity is available to meet foreseeable needs to invest cash assets safely and profitably.

The company's policy throughout the year has been to achieve this objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum liquidity ratios.

**CREDIT RISK**

The company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparts have high credit ratings assigned by international credit-rating agencies. The principle credit risk therefore arises from its trade debtors.

In order to manage credit risk, the directors set credit limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the directors on a regular basis in conjunction with debt ageing and collection history.

**Report of the Directors**  
**for the Year Ended 31 December 2020**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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.

**ON BEHALF OF THE BOARD:**

H M Nicol - Director

21 June 2021

**Report of the Independent Auditors to the Members of**  
**06 Ormskirk Limited**

**Opinion**

We have audited the financial statements of 06 Ormskirk Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 2020 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**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.

**Report of the Independent Auditors to the Members of**  
**06 Ormskirk Limited**

**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 five, 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**  
**06 Ormskirk Limited**

**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the client and their industry sector;

we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and employment legislation.

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and

identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and

considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

performed analytical procedures to identify any unusual or unexpected relationships;

tested journal entries to identify unusual transactions;

assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

agreeing financial statement disclosures to underlying supporting documentation;

reading the minutes of meetings of those charged with governance;

enquiring of management as to actual and potential litigation and claims; and

reviewing Health and Safety Inspection Reports and Site Compliance Reports.

**Report of the Independent Auditors to the Members of**  
**06 Ormskirk Limited**

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

**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.

Paul Rothwell FCCA ATII (Senior Statutory Auditor)  
for and on behalf of Myersons  
Statutory Auditors  
Chartered Accountants  
32 Derby Street  
Ormskirk  
Lancashire  
L39 2BY

21 June 2021

**06 Ormskirk Limited (Registered number: 05540164)**

**Income Statement**  
**for the Year Ended 31 December 2020**

	Notes	31.12.20 £	31.12.19 £
<b>TURNOVER</b>	3	13,234,170	17,326,448
Cost of sales		<u>11,775,645</u>	<u>15,305,230</u>
<b>GROSS PROFIT</b>		1,458,525	2,021,218
Administrative expenses		<u>1,293,343</u>	<u>1,547,674</u>
		165,182	473,544
Other operating income		<u>246,498</u>	<u>-</u>
<b>OPERATING PROFIT</b>	5	411,680	473,544
Interest receivable and similar income		<u>179</u>	<u>347</u>
		411,859	473,891
Gain/loss on revaluation of assets		<u>(50,248)</u>	<u>-</u>
		361,611	473,891
Interest payable and similar expenses	6	<u>42,928</u>	<u>60,211</u>
<b>PROFIT BEFORE TAXATION</b>		318,683	413,680
Tax on profit	7	<u>71,270</u>	<u>81,797</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>247,413</u>	<u>331,883</u>

The notes form part of these financial statements

**06 Ormskirk Limited (Registered number: 05540164)**

**Balance Sheet**  
**31 December 2020**

	Notes	31.12.20 £	£	31.12.19 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		1,897,565		1,967,113
<b>CURRENT ASSETS</b>					
Stocks	10	2,135,351		1,880,253	
Debtors	11	289,896		284,176	
Cash at bank and in hand		<u>533,875</u>		<u>190,750</u>	
		2,959,122		2,355,179	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>2,581,344</u>		<u>2,788,484</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>377,778</u>		<u>(433,305)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,275,343		1,533,808
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(678,629)		(30,953)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(14,783)</u>		<u>(13,897)</u>
<b>NET ASSETS</b>			<u>1,581,931</u>		<u>1,488,958</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		202,020		202,020
Capital redemption reserve	19		597,980		597,980
Retained earnings	19		<u>781,931</u>		<u>688,958</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,581,931</u>		<u>1,488,958</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 June 2021 and were signed on its behalf by:

A J Turner - Director

H M Nicol - Director

**Statement of Changes in Equity**  
**for the Year Ended 31 December 2020**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 1 January 2019</b>	202,020	511,515	597,980	1,311,515
<b>Changes in equity</b>				
Dividends	-	(154,440)	-	(154,440)
Total comprehensive income	-	331,883	-	331,883
<b>Balance at 31 December 2019</b>	<u>202,020</u>	<u>688,958</u>	<u>597,980</u>	<u>1,488,958</u>
<b>Changes in equity</b>				
Dividends	-	(154,440)	-	(154,440)
Total comprehensive income	-	247,413	-	247,413
<b>Balance at 31 December 2020</b>	<u>202,020</u>	<u>781,931</u>	<u>597,980</u>	<u>1,581,931</u>

**Cash Flow Statement**  
**for the Year Ended 31 December 2020**

	Notes	31.12.20 £	31.12.19 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	225,951	676,761
Interest paid		(13,388)	(16,555)
Interest element of hire purchase or finance lease rental payments paid		-	(88)
Finance costs paid		(29,540)	(43,568)
Tax paid		<u>(57,407)</u>	<u>(83,475)</u>
Net cash from operating activities		<u>125,616</u>	<u>533,075</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(23,324)	(63,096)
Sale of tangible fixed assets		-	17,742
Interest received		<u>179</u>	<u>347</u>
Net cash from investing activities		<u>(23,145)</u>	<u>(45,007)</u>
<b>Cash flows from financing activities</b>			
New loans in year		900,000	-
Loan repayments in year		(123,810)	(92,857)
Capital repayments in year		-	(4,415)
Amount introduced by directors		893	77,221
Amount withdrawn by directors		-	(73,230)
Equity dividends paid		<u>(154,440)</u>	<u>(154,440)</u>
Net cash from financing activities		<u>622,643</u>	<u>(247,721)</u>
<b>Increase in cash and cash equivalents</b>		<u>725,114</u>	<u>240,347</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(191,239)	(431,586)
<b>Cash and cash equivalents at end of year</b>	2	<u>533,875</u>	<u>(191,239)</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 December 2020**

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

	31.12.20	31.12.19
	£	£
Profit before taxation	318,683	413,680
Depreciation charges	42,626	(15,631)
Profit on disposal of fixed assets	-	(103)
Loss on revaluation of fixed assets	50,248	-
Rounding	(4)	2
Finance costs	42,928	60,211
Finance income	(179)	(347)
	<u>454,302</u>	<u>457,812</u>
Increase in stocks	(255,098)	(100,337)
Increase in trade and other debtors	(5,720)	(90,722)
Increase in trade and other creditors	32,467	410,008
<b>Cash generated from operations</b>	<u><u>225,951</u></u>	<u><u>676,761</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2020**

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	533,875	190,750
Bank overdrafts	-	(381,989)
	<u><u>533,875</u></u>	<u><u>(191,239)</u></u>

**Year ended 31 December 2019**

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	190,750	154,760
Bank overdrafts	(381,989)	(586,346)
	<u><u>(191,239)</u></u>	<u><u>(431,586)</u></u>

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 December 2020**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.20 £	Cash flow £	At 31.12.20 £
<b>Net cash</b>			
Cash at bank and in hand	190,750	343,125	533,875
Bank overdrafts	<u>(381,989)</u>	<u>381,989</u>	<u>-</u>
	<u>(191,239)</u>	<u>725,114</u>	<u>533,875</u>
<b>Debt</b>			
Debts falling due within 1 year	(92,858)	(128,512)	(221,370)
Debts falling due after 1 year	<u>(30,953)</u>	<u>(647,676)</u>	<u>(678,629)</u>
	<u>(123,811)</u>	<u>(776,188)</u>	<u>(899,999)</u>
<b>Total</b>	<u>(315,050)</u>	<u>(51,074)</u>	<u>(366,124)</u>

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

1. **STATUTORY INFORMATION**

06 Ormskirk 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.

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 is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax. Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, the amount of revenue can be measured reliably and receipt of payment is probable.

Revenue from commissions receivable is recognised when the amount can be reliably measured and it is probable that the company will receive the consideration.

**Tangible fixed assets**

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

Freehold property	- 2% on cost
Plant and machinery	- 33% on cost, 20% on cost and 10% on cost
Fixtures and fittings	- 33% on cost, 20% on cost and 10% on cost
Computer equipment	- at varying rates on cost

Freehold land is not depreciated.

**Government grants**

In accordance with FRS102, the Performance Model is applied to government grants and therefore they are recognised in other income when the grant proceeds are received.

**Stocks and consignment stock**

Stocks are valued on a first in, first out basis at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, the company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

Under supply agreements with General Motors and Shogun Finance Limited, the company has access to 'consignment stock' during a consignment period. Where the nature of these supply agreements transfers risks and rewards to the company, which in substance give the company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with the equivalent liability.

Where supply agreements do not provide risks and rewards to the company until such time as legal title actually passes at the end of the consignment period, these stocks are not included in the balance sheet.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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 balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**3. TURNOVER**

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

An analysis of turnover by class of business is given below:

	31.12.20	31.12.19
	£	£
Sale of goods	11,309,676	14,772,434
Rendering of services	1,858,536	2,405,772
Commissions receivable	65,958	148,242
	<u>13,234,170</u>	<u>17,326,448</u>

**4. EMPLOYEES AND DIRECTORS**

	31.12.20	31.12.19
	£	£
Wages and salaries	1,139,218	1,316,570
Social security costs	103,879	122,642
Other pension costs	19,018	22,722
	<u>1,262,115</u>	<u>1,461,934</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**4. EMPLOYEES AND DIRECTORS - continued**

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

	31.12.20	31.12.19
Management and administration	25	25
Production	<u>32</u>	<u>37</u>
	<u>57</u>	<u>62</u>

	31.12.20	31.12.19
	£	£
Directors' remuneration	<u>42,136</u>	<u>38,346</u>

**5. OPERATING PROFIT**

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

	31.12.20	31.12.19
	£	£
Hire of plant and machinery	1,433	1,402
Depreciation - owned assets	42,624	37,653
Profit on disposal of fixed assets	-	(103)
Auditors' remuneration	<u>8,650</u>	<u>8,420</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.20	31.12.19
	£	£
Bank interest	13,388	16,555
Finance leases and hire purchase contracts	-	88
Vehicle funding charges	<u>29,540</u>	<u>43,568</u>
	<u>42,928</u>	<u>60,211</u>

**7. TAXATION**

**Analysis of the tax charge**

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

	31.12.20	31.12.19
	£	£
Current tax:		
UK corporation tax	70,384	57,407
Deferred tax	<u>886</u>	<u>24,390</u>
Tax on profit	<u>71,270</u>	<u>81,797</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

7. **TAXATION - continued**

**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:

	31.12.20	31.12.19
	£	£
Profit before tax	<u>318,683</u>	<u>413,680</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	60,550	78,599
Effects of:		
Expenses not deductible for tax purposes	(33)	140
Capital allowances in excess of depreciation	-	(21,332)
Depreciation in excess of capital allowances	320	-
Deferred tax movements	886	24,390
Loss on revaluation	<u>9,547</u>	<u>-</u>
Total tax charge	<u>71,270</u>	<u>81,797</u>

8. **DIVIDENDS**

	31.12.20	31.12.19
	£	£
Ordinary shares of £1 each		
Interim	77,220	77,220
B Ordinary shares of £1 each		
Interim	<u>77,220</u>	<u>77,220</u>
	<u>154,440</u>	<u>154,440</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

9. **TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST OR VALUATION</b>					
At 1 January 2020	2,009,044	176,998	162,220	78,419	2,426,681
Additions	-	13,492	5,765	4,067	23,324
Disposals	-	-	-	(1,538)	(1,538)
Revaluations	(50,248)	-	-	-	(50,248)
At 31 December 2020	<u>1,958,796</u>	<u>190,490</u>	<u>167,985</u>	<u>80,948</u>	<u>2,398,219</u>
<b>DEPRECIATION</b>					
At 1 January 2020	181,836	118,984	84,334	74,414	459,568
Charge for year	11,961	10,023	18,124	2,516	42,624
Eliminated on disposal	-	-	-	(1,538)	(1,538)
At 31 December 2020	<u>193,797</u>	<u>129,007</u>	<u>102,458</u>	<u>75,392</u>	<u>500,654</u>
<b>NET BOOK VALUE</b>					
At 31 December 2020	<u>1,764,999</u>	<u>61,483</u>	<u>65,527</u>	<u>5,556</u>	<u>1,897,565</u>
At 31 December 2019	<u>1,827,208</u>	<u>58,014</u>	<u>77,886</u>	<u>4,005</u>	<u>1,967,113</u>

Included in cost or valuation of land and buildings is freehold land of £ 1,344,112 (2019 - £ 1,338,160 ) which is not depreciated.

Cost or valuation at 31 December 2020 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2020	(50,248)	-	-	-	(50,248)
Cost	<u>2,009,044</u>	<u>190,490</u>	<u>167,985</u>	<u>80,948</u>	<u>2,448,467</u>
	<u>1,958,796</u>	<u>190,490</u>	<u>167,985</u>	<u>80,948</u>	<u>2,398,219</u>

If freehold property had not been revalued it would have been included at the following historical cost:

	31.12.20	31.12.19
	£	£
Cost	<u>2,009,044</u>	<u>2,009,044</u>
Aggregate depreciation	<u>193,796</u>	<u>181,833</u>
Value of land in freehold land and buildings	<u>1,815,248</u>	<u>1,827,211</u>

Freehold property was valued on a market value basis on 26 September 2019 by Knight Frank .

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**10. STOCKS**

	31.12.20	31.12.19
	£	£
Vehicle stock	2,072,830	1,802,031
Parts stock	<u>62,521</u>	<u>78,222</u>
	<u>2,135,351</u>	<u>1,880,253</u>

Within vehicle stock is consignment stock of £884,619 (2019: £514,940).

Of this figure, £98,135 relates to Funded Stock from Shogun Finance Limited. The risks and rewards lie with the company, though the legal title remains with Shogun Finance Limited.

During the year, any impairment loss was recognised in cost of sales due to slow-moving and obsolete stock.

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

	31.12.20	31.12.19
	£	£
Trade debtors	85,929	170,537
VAT	78,939	-
Prepayments and accrued income	<u>125,028</u>	<u>113,639</u>
	<u>289,896</u>	<u>284,176</u>

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

	31.12.20	31.12.19
	£	£
Bank loans and overdrafts (see note 14)	221,370	474,847
Trade creditors	2,012,937	1,698,119
Tax	70,384	57,407
Social security and other taxes	22,568	27,894
VAT	-	155,493
Other creditors	132,026	153,567
Directors' current accounts	893	-
Accruals and deferred income	<u>121,166</u>	<u>221,157</u>
	<u>2,581,344</u>	<u>2,788,484</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.20	31.12.19
	£	£
Bank loans (see note 14)	<u>678,629</u>	<u>30,953</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**14. LOANS**

An analysis of the maturity of loans is given below:

	31.12.20 £	31.12.19 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	381,989
Bank loans	<u>221,370</u>	<u>92,858</u>
	<u>221,370</u>	<u>474,847</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>42,740</u>	<u>30,953</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>128,221</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>507,668</u>	<u>-</u>

**15. LEASING AGREEMENTS**

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

	31.12.20 £	31.12.19 £
Within one year	60,322	28,969
Between one and five years	43,699	60,718
In more than five years	<u>-</u>	<u>6,000</u>
	<u>104,021</u>	<u>95,687</u>

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.20 £	31.12.19 £
Bank overdraft	-	381,989
Bank loans	<u>899,999</u>	<u>123,811</u>
	<u>899,999</u>	<u>505,800</u>

The bank overdraft and loans with National Westminster Bank PLC and stock funding by General Motors Acceptance Corporation (UK) PLC are secured by way of fixed charges over the property of the company together with a fixed and floating charge over all the assets of the company. The bank loans are also secured by a third party guarantee. The charge relating to General Motors has been satisfied after 31 December 2020.

Funded stock by Shogun Finance Limited is secured by way of a Second Legal charge over the property of the company at its Skelmersdale site.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**17. PROVISIONS FOR LIABILITIES**

	31.12.20	31.12.19
	£	£
Deferred tax	<u>14,783</u>	<u>13,897</u>
		Deferred tax
		£
Balance at 1 January 2020		13,897
Provided during year		<u>886</u>
Balance at 31 December 2020		<u>14,783</u>

The deferred tax above is in relation to accelerated capital allowances and is expected to reverse over the remaining useful lives of the assets to which it relates.

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.20	31.12.19
			£	£
100,000	Ordinary	£1	100,000	100,000
100,000	B Ordinary	£1	100,000	100,000
2,020	A Ordinary	£1	<u>2,020</u>	<u>2,020</u>
			<u>202,020</u>	<u>202,020</u>

The Ordinary, Ordinary A and Ordinary B shares rank pari passu in all respects.

**19. RESERVES**

	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 January 2020	688,958	597,980	1,286,938
Profit for the year	247,413		247,413
Dividends	<u>(154,440)</u>		<u>(154,440)</u>
At 31 December 2020	<u>781,931</u>	<u>597,980</u>	<u>1,379,911</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 December 2020 and 31 December 2019:

	31.12.20	31.12.19
	£	£
<b>J Dickson</b>		
Balance outstanding at start of year	-	1,983
Amounts advanced	38,127	36,627
Amounts repaid	(38,127)	(38,610)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>
<b>P Byron</b>		
Balance outstanding at start of year	-	2,007
Amounts advanced	38,200	36,603
Amounts repaid	(38,200)	(38,610)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>

**21. ULTIMATE CONTROLLING PARTY**

As at the balance sheet date there was no ultimate controlling party. On 1 March 2021 Bugle Inn Motor Company (Holdings) Limited acquired all of the shares of 06 Ormskirk Limited. As at this date Andrew Turner became the ultimate controlling party due to the fact that he owns more than 75% of the shares in Bugle Inn Motor Company (Holdings) Limited.

**22. PENSION**

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £19,018 (2019: £22,722). At the balance sheet date an amount of £5,184 (2019: £5,376) was owed to the pension scheme, which is included in creditors due within one year.

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.