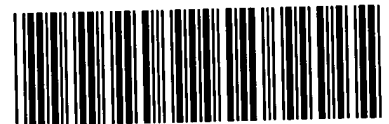


REGISTERED NUMBER: 04741721 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
RMB AUTOMOTIVE LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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RMB AUTOMOTIVE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS:

Mr. R. D. Bennett
Mrs. M. Bennett
Miss S. Waddington

SECRETARY:

Miss S. Waddington

REGISTERED OFFICE:

RMB Automotive Limited
Cygnet Drive
Bowesfield Farm
Stockton-on-Tees
TS18 3DZ

REGISTERED NUMBER:

04741721 (England and Wales)

SENIOR STATUTORY AUDITOR: Donald Adams F.C.A.

AUDITORS:

Baines Jewitt Limited
Statutory Auditor
Barrington House
41 - 45 Yarm Lane
Stockton-on-Tees
TS18 3EA

BANKERS:

National Westminster Bank plc
501 Silbury Boulevard
Saxon Gate East
Milton Keynes
MK9 3ER

**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

The company has now completed its seventeenth full year of trading and has been operating for fourteen years in the Toyota and Lexus Centres in Stockton. The newer Toyota, Renault and Dacia centres in Darlington are now performing well and are building a good customer base for the future. The benefits of the excellent capacity of the group is now reaping dividends with most of the workshops operating close to full capacity and still delivering top quartile performance for Customer Recommendation.

The Directors are pleased with the company results which are ahead of expectation despite the lockdowns caused by the Covid pandemic. The company acted swiftly to shut the dealerships in the group to comply with government guidelines and protect its staff and customers. Similarly the company opened the dealerships in a measured way, both to have the safest possible environment in which to serve customers but also be able to ensure mobility for existing and new customers alike. During the second lockdown where the showrooms were closed the company continued to operate its workshops at near full capacity whilst offering a click and deliver service to purchasers of new and used vehicles.

In addition to the measures taken by the company, the effect of the financial assistance provided by the government's Coronavirus Job Retention Scheme, the reduction in business rates and interest rates being at an all-time low has been very helpful.

Once the showrooms are fully open in the first half of 2021 it is anticipated that there will be pent up demand primarily for new cars but also used and the aftersales operations.

We consider that our key financial performance indicators are those that communicate the financial performance of the company as a whole, these being turnover, gross profit and net profit before taxation as detailed on page 12 of these accounts. The company's turnover for the year by division is shown in note 3 to the accounts.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

PRINCIPAL RISKS AND UNCERTAINTIES

The directors are of the opinion that a thorough risk management process is adopted. The directors have set out below what they consider to be the principal risks facing the business:

Economic climate

During 2020 the UK economy has seen the biggest financial shock in over a generation. The government moved quickly to support companies and save as many jobs as possible, however the full long term impact has yet to be seen. The short term prospect is that the economy will continue to be protected by the government, but there will inevitably be an increase in unemployment and the prospect of tax rises for businesses and workers alike in the months and years ahead. In recent weeks there has also been the prospect of rising inflation which will put pressure on available disposable income and pay settlements.

Whilst the fears over Brexit disruptions have largely been overdone it is still not clear what the real impact will be and pricing of products will only be fully understood once supply and demand return to near normal levels.

Competition

Against the fairly bleak prospect for the economy, the retail motor industry has performed remarkably well, due in part because of the various income streams into the business but also due to the swing away from public transport during the Pandemic and the ability of the industry to adapt to online selling. There is now more than ever a push to move to zero emission transport over the next twenty years and it is still unclear as to whether the purchase of vehicles online will continue to grow, reducing the need for dealer networks as we have today

There continues to be consolidation in the franchise dealer networks which creates larger groups which have economies of scale, however RMB has a clearly defined market area with the brands it represents which allows it to combat competition effectively. The company has brands which are market leaders in Hybrid and EV products which gives and added advantage over competitors who are less advanced in these powertrains. The consolidation in the car retail networks appears to be accelerating following the Coronavirus Pandemic with most of the larger PLC groups announcing site closures and headcount reductions. The stay at home directive from the Government has obviously assisted online retailers, however early signs are that customers are both keen and willing to return to showrooms now that lockdown is easing. The competition is clearly still the bigger groups with better buying power along with some online retailers if they can consolidate on their gains made during 2020.

Interest rate risk

Interest rate risk is the exposure to interest rate fluctuations on bank loans and overdrafts etc. The company has had severe pressure on cashflow during the recent pandemic and has taken advantage of the government Job Retention Scheme to alleviate the issue. Interest rates are now at historic lows and it is unlikely that they will rise much in the medium term.

Credit risk

The company sells cars, parts and services to the public and business users alike. Payment is usually made in full by way of each individuals own funds or in most cases through a funding arrangement with a finance company. Increasingly some businesses have a direct purchase arrangement with the manufacturer who offer funding lines.

There is little or no credit risk with the supply of vehicles. There is however some risk in the supply of parts to trade customers who have credit terms. These credit accounts are monitored on a case by case basis and are only offered following a full credit and payment history assessment.

Liquidity and cash flow

Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The directors' aim is for the company to retain sufficient levels of post-tax profits to maintain and grow its reserves and to build capacity into the cash flow so it can always meet its obligations as and when they fall due. Regular cash flow forecasts are produced and extra focus is given to them prior to any capital expenditure.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Skills availability (people)

The company has grown over the last two years and has been hampered by the shortage of skilled workers. In 2020 the rising unemployment has resulted in better availability of experienced staff and the company will continue to invest in Apprenticeships to cater for future demand.

Investments

No major investments are planned, however the company is investing in EV charging at each of its facilities to cater for the launch of new EV products from Lexus, Toyota and Renault during 2021.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

SECTION 172(1) STATEMENT

As the directors of RMB Automotive Limited, we have a legal responsibility under section 172 of the Companies Act to act responsibly and in a way we consider to be most likely to promote the success of the company for the benefit of its members. The directors must also have regard to the long-term effects their decisions have on the medium and long-term impact on the success of the company and its stakeholders. This statement outlines the way in which we, the board, fulfil these responsibilities.

Promoting the company's success for its members

RMB Automotive Limited was formed in 2003 by Robert and Morag Bennett, and the company is still controlled and run by the Bennetts. We are proud that we represent some of the world's best known and successful vehicle manufacturers. We aim to continue to be one of the North East's most successful car dealer groups and provide not only cost effective mobility to our valued customers but also deliver a level of customer service which exceeds expectation and delights.

We recognise that to continue the success of the company into the future we must adapt to the changing purchase habits of customers and deliver more varied and technologically different mobility solutions, working both with our existing business partners and with other product and service providers when required. In doing so our aim is to be the first choice for mobility needs and maximise the company's ability to generate profits and invest for the long term sustainability of the business, whilst delivering excellent returns for the shareholders.

Engaging with stakeholders

Customers

Our customers are numerous and varied, which creates challenges in engagement. As with most retailers our first contact with new customers comes through online channels, this usually leads to visiting our industry leading facilities where our face to face engagement is a clear advantage over others.

In conjunction with most business partners we measure the speed and quality of our engagement with special emphasis on the delivery experience so that we can ensure that customer's expectations are exceeded, but also to gain insight into purchase reasons and formulate new and improved methods of delivery.

Suppliers

Our primary suppliers are car manufacturers, who's vehicles, parts and services we acquire to supply the needs of the motoring public. The company also uses other suppliers for goods and services which are of benefit to the company but also enhance the offerings we make on behalf of the franchises we hold.

We actively engage with all suppliers to provide products and services in a way that reflects the brands, and we provide constructive feedback on customer experience to assist suppliers to develop and enhance their offerings.

Employees

Our business operates with a wide variety of staff with different skill sets. The large proportion have some direct contact with customers and suppliers so it is imperative that everyone works in a framework which is both efficient and productive but also delivers the relevant level of service quality in a timely way.

Recruitment, training and retention of quality staff is a critical part of the business activity and is the lifeblood of the company.

We engage with team members by:

- Setting competitive and attractive remuneration rates and rewarding good performance.
 - Providing training and career development across all branches.
 - Participating in Apprentice programmes and making available training and coaching across all parts of the business in conjunction with our business partners.
 - Providing regular staff engagement surveys, implementing any recommendations and addressing any issues.
 - Communication through the company intranet site and communicating team performance by regular notices and through social media.
-

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Our Community

We are a local company which employs local people and uses suppliers from the region whenever possible. Both the company and its team members get involved with several local charities and organisations to help improve the fortunes of others.

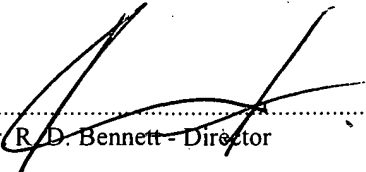
The Environment

The car industry has been viewed as one of the main contributors to global pollution, comprising increases in CO2 and other pollutants which are impacting on health in cities and other urban areas across the world.

The company is fortunate to represent manufacturers who are at the forefront of hybrid and EV technology which stands us in a good position as the drive to zero emission mobility gathers pace in the years ahead.

The company has modern facilities which are energy efficient and plans are in place to vastly reduce energy use and improve recycling. The long-term ambition is to become a zero-carbon business.

ON BEHALF OF THE BOARD:



.....
Mr R. D. Bennett - Director

Date: 24 / 5 / 21

**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 ACTIVITY

As a regional automotive group, the principal activity of the company continues to be the sale of new and used cars and light commercial vehicles, servicing, bodywork repairs, and distributing and selling vehicle parts. The group represents Toyota in three centres, Stockton, Northallerton and Darlington, Renault and Dacia in Northallerton and Darlington and Lexus in one branch in Stockton. The group also owns a bodyshop located near Yarm which is approved for Lexus, Toyota, VW and Audi, the same site houses the group used car centre, Autoparc.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

Mr. R. D. Bennett
Mrs. M. Bennett
Miss S. Waddington

DISCLOSURE IN THE STRATEGIC REPORT

The principal risks and uncertainties facing the company and the likely future developments have been outlined within the Strategic Report.

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), 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

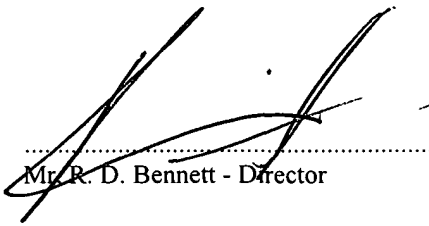
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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:



.....
Mr. R. D. Bennett - Director

Date: 24 / 5 / 21

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RMB AUTOMOTIVE LIMITED

Opinion

We have audited the financial statements of RMB Automotive Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of 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 RMB AUTOMOTIVE 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 seven, 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 RMB AUTOMOTIVE 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:

Based on our understanding of the company and industry, we identified that the principal risks of noncompliance with laws and regulations related to Health & Safety and Employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

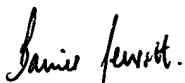
- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- challenging assumptions and judgements made by management in their significant accounting estimates; and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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. 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.



Donald Adams F.C.A. (Senior Statutory Auditor)
for and on behalf of Baines Jewitt Limited
Statutory Auditor
Barrington House
41 - 45 Yarm Lane
Stockton-on-Tees
TS18 3EA

Date: 24 MAY 2021

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020		2019	
	Notes	£	£	£	£
TURNOVER	3		55,099,109		60,845,239
Cost of sales			48,074,980		53,019,989
GROSS PROFIT			7,024,129		7,825,250
Distribution costs		3,854,318		4,075,102	
Administrative expenses		2,832,416		3,668,871	
			6,686,734		7,743,973
			337,395		81,277
Other operating income			1,006,001		59,500
OPERATING PROFIT	5		1,343,396		140,777
Income from fixed asset investments			155,000		155,000
			1,498,396		295,777
Interest payable and similar expenses	7		412,824		580,861
PROFIT/(LOSS) BEFORE TAXATION			1,085,572		(285,084)
Tax on profit/(loss)	8		206,484		(53,961)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR			879,088		(231,123)
OTHER COMPREHENSIVE INCOME					
Revaluation of property			(529,277)		648,209
Income tax relating to other comprehensive income			-		-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX			(529,277)		648,209
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			349,811		417,086

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		-		6,755
Tangible assets	10		15,766,568		16,668,792
Investment property	11		-		2,300,000
			<u>15,766,568</u>		<u>18,975,547</u>
CURRENT ASSETS					
Stocks	12	3,985,068		4,292,967	
Debtors	13	1,533,220		2,387,434	
Investments	14	2,300,000		-	
Cash in hand		3,912		7,204	
		<u>7,822,200</u>		<u>6,687,605</u>	
CREDITORS					
Amounts falling due within one year	15	9,704,370		11,720,944	
NET CURRENT LIABILITIES			<u>(1,882,170)</u>		<u>(5,033,339)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,884,398</u>		<u>13,942,208</u>
CREDITORS					
Amounts falling due after more than one year	16		(8,687,134)		(9,061,009)
PROVISIONS FOR LIABILITIES	18		<u>(308,293)</u>		<u>(342,039)</u>
NET ASSETS			<u><u>4,888,971</u></u>		<u><u>4,539,160</u></u>

The notes form part of these financial statements

BALANCE SHEET - continued
31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	19		250,001		250,001
Revaluation reserve	20		118,932		648,209
Fair value reserve	20		136,093		136,093
Retained earnings	20		4,383,945		3,504,857
SHAREHOLDERS' FUNDS			4,888,971		4,539,160

The financial statements were approved by the Board of Directors and authorised for issue on 24/5/21 and were signed on its behalf by:

Mr R. D. Bennett - Director

Mrs. M. Bennett - Director

Miss S. Waddington - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Fair value reserve £	Total equity £
Balance at 1 January 2019	250,001	3,735,980	-	136,093	4,122,074
Changes in equity					
Total comprehensive income	-	(231,123)	648,209	-	417,086
Balance at 31 December 2019	250,001	3,504,857	648,209	136,093	4,539,160
Changes in equity					
Total comprehensive income	-	879,088	(529,277)	-	349,811
Balance at 31 December 2020	250,001	4,383,945	118,932	136,093	4,888,971

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	1,356,835	1,287,679
Interest paid		(412,824)	(580,861)
Tax paid		-	(32,761)
Net cash from operating activities		<u>944,011</u>	<u>674,057</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,038,804)	(4,100,903)
Sale of tangible fixed assets		215,555	2,265
Transfer to stock		2,700,888	3,659,736
Rental income		155,000	155,000
Net cash from investing activities		<u>32,639</u>	<u>(283,902)</u>
Cash flows from financing activities			
Toyota Financial Services (UK) plc loans		21,182	250,000
Capital repayments - loans		(418,315)	(759,169)
Amount introduced by directors		23,699	-
Net cash from financing activities		<u>(373,434)</u>	<u>(509,169)</u>
Increase/(decrease) in cash and cash equivalents		<u>603,216</u>	<u>(119,014)</u>
Cash and cash equivalents at beginning of year	2	<u>(853,583)</u>	<u>(734,569)</u>
Cash and cash equivalents at end of year	2	<u><u>(250,367)</u></u>	<u><u>(853,583)</u></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/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Profit/(loss) before taxation	1,085,572	(285,084)
Depreciation charges	502,063	664,094
Profit on disposal of fixed assets	-	(2,146)
Finance costs	412,824	580,861
Finance income	(155,000)	(155,000)
	<u>1,845,459</u>	<u>802,725</u>
Decrease in stocks	307,899	774,549
Decrease/(increase) in trade and other debtors	821,453	(134,321)
Decrease in trade and other creditors	(1,617,976)	(155,274)
	<u>(1,617,976)</u>	<u>(155,274)</u>
Cash generated from operations	<u>1,356,835</u>	<u>1,287,679</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	3,912	7,204
Bank overdrafts	(254,279)	(860,787)
	<u>(250,367)</u>	<u>(853,583)</u>

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	7,204	4,226
Bank overdrafts	(860,787)	(738,795)
	<u>(853,583)</u>	<u>(734,569)</u>

The notes form part of these financial statements

**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 £
Net cash			
Cash at bank and in hand	7,204	(3,292)	3,912
Bank overdrafts	(860,787)	606,508	(254,279)
	<u>(853,583)</u>	<u>603,216</u>	<u>(250,367)</u>
Liquid resources			
Current asset investments	-	2,300,000	2,300,000
	<u>-</u>	<u>2,300,000</u>	<u>2,300,000</u>
Debt			
Debts falling due within 1 year	(1,011,837)	23,258	(988,579)
Debts falling due after 1 year	(9,061,009)	373,875	(8,687,134)
	<u>(10,072,846)</u>	<u>397,133</u>	<u>(9,675,713)</u>
Total	<u>(10,926,429)</u>	<u>3,300,349</u>	<u>(7,626,080)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. STATUTORY INFORMATION

RMB Automotive 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 on the going concern basis under the historical cost convention as modified by the revaluation of certain assets.

In order to prepare the financial statements on the going concern basis, the directors need to assess the financial stability of the company and its ability to meet its obligations and continue in business for the foreseeable future.

The company has reported a profit before tax for the year of £1,085,572.

During the year, in common with many other businesses across the UK, the company has had to steer its way through the restrictions imposed by the UK government, in relation to the coronavirus pandemic, which has inevitably also had a negative impact on profitability. However, due to the implementation of a number of measures, including the government's Coronavirus Job Retention Scheme, the reduction in business rates, interest rates being at an all-time low, and the speed in reducing the workforce, with a properly managed return to work, this impact has been kept to a minimum. The company has managed to maximise the opportunity presented by strong demand since the year end, and, the outlook for the future is very positive.

The company advanced its associated company, RMB Auto Limited, more than £600,000 as at the year end. RMB Auto Limited is a relatively new company and its first investment, in Bennett Renault of Leeds, is still only in its third year of trading. All of the funding required for the investment into this first venture was by way of a loan from RMB Automotive Limited. During the year RMB Auto Limited managed to arrange its own external funding lines and has repaid over half of the inter-company loan, which had been £1.4 million.

The company has a bank overdraft facility, a bank loan and mortgages, and term loans with Toyota Financial Services (UK) plc (TFS). Under normal circumstances, the capital repayments on the loans and mortgages due within the next twelve months would be circa £1million. However, the company has obtained capital repayment holidays with TFS and, with the other factors mentioned above, the directors consider that there is sufficient headroom in its used car stocking finance, and its bank overdraft facility, to see it through.

The company has the continued support of its manufacturer partners, Toyota Motor Corporation and Groupe Renault and the directors are satisfied that the going concern basis for preparing the financial statements is entirely appropriate.

Turnover

Sales of motor vehicles, parts and accessories are recognised on delivery to the customer. Servicing and bodyshop sales are recognised on completion of the agreed work. All turnover is stated after trade discounts, other sales taxes and net of VAT.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2003, is being amortised evenly over its estimated useful life of twenty years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Plant and Machinery	- 3 - 10 years straight line
Motor Vehicles	- 10% on cost

Freehold land and buildings are shown at current fair value. Any surplus on revaluation is taken to reserves.

Assets in the course of construction are not depreciated, and are transferred to freehold land and buildings on completion. Finance costs on capital employed in the construction of buildings are capitalised until the date of opening of the relevant building.

Demonstrator and courtesy vehicles are initially classified as motor vehicles within fixed assets until they are made available for resale, at which point they are then transferred to stock.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

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

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 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.

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.

Government grants

~~Government grants are recognised in income on a systematic basis over the periods in which the entity~~
recognises the related costs for which the grant is intended to compensate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

3. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

The company's turnover for the year by division was as follows:

	2020 £000's	2019 £000's
Sales of new vehicles	22,926	22,950
Sales of used vehicles	23,245	26,722
Sales of spare parts	2,638	3,539
Servicing and repairs	2,274	2,521
Bodyshop	650	1,015
Sales bonuses and rebates	2,436	2,882
Hire purchase and insurance commissions	835	1,072
Other	95	144
	<u>55,099</u>	<u>60,845</u>

4. EMPLOYEES AND DIRECTORS

	2020 £	2019 £
Wages and salaries	4,156,482	4,412,100
Social security costs	425,717	438,483
Other pension costs	161,062	73,818
	<u>4,743,261</u>	<u>4,924,401</u>

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

	2020	2019
Management	3	3
Sales and distribution	57	57
Aftersales	89	93
Administration	29	30
	<u>178</u>	<u>183</u>

	2020 £	2019 £
Directors' remuneration	83,800	154,761
Directors' pension contributions to money purchase schemes	83,267	4,900

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

4. EMPLOYEES AND DIRECTORS - continued

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

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

5. OPERATING PROFIT

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

	2020	2019
	£	£
Depreciation - owned assets	495,308	662,138
Profit on disposal of fixed assets	-	(2,146)
Goodwill amortisation	6,755	1,956
Government grants	<u>(964,001)</u>	<u>-</u>

6. AUDITORS' REMUNERATION

	2020	2019
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	23,250	17,500
Auditor's remuneration for non-audit work	<u>11,962</u>	<u>19,750</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank interest	22,850	27,204
Demonstrator and stocking finance	165,199	263,102
Interest on TFS mortgages and term loans	218,924	286,033
Other interest	5,851	4,522
	<u>412,824</u>	<u>580,861</u>

8. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	240,229	(32,761)
Deferred tax	<u>(33,745)</u>	<u>(21,200)</u>
Tax on profit/(loss)	<u>206,484</u>	<u>(53,961)</u>

UK corporation tax has been charged at 19% (2019 - 19%).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

8. TAXATION - continued**Reconciliation of total tax charge/(credit) 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:

	2020 £	2019 £
Profit/(loss) before tax	<u>1,085,572</u>	<u>(285,084)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	206,259	(54,166)
Effects of:		
Expenses not deductible for tax purposes	225	205
investment properties		
land and buildings		
on property revaluation		
Total tax charge/(credit)	<u>206,484</u>	<u>(53,961)</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2020 Tax £	Net £
Revaluation of property	<u>(529,277)</u>	<u>-</u>	<u>(529,277)</u>
	Gross £	2019 Tax £	Net £
Revaluation of property	<u>648,209</u>	<u>-</u>	<u>648,209</u>

9. INTANGIBLE FIXED ASSETS**COST**

At 1 January 2020
and 31 December 2020

Goodwill
£

39,000

AMORTISATION

At 1 January 2020
Amortisation for year

32,245
6,755

At 31 December 2020

39,000

NET BOOK VALUE

At 31 December 2020

-

At 31 December 2019

6,755

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

10. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant and Machinery £	Motor Vehicles £	Totals £
COST OR VALUATION				
At 1 January 2020	14,586,193	1,782,273	2,268,513	18,636,979
Additions	8,641	286,849	2,743,314	3,038,804
Disposals	(215,555)	-	(3,166,630)	(3,382,185)
Revaluations	(529,277)	-	-	(529,277)
At 31 December 2020	13,850,002	2,069,122	1,845,197	17,764,321
DEPRECIATION				
At 1 January 2020	-	1,586,831	381,356	1,968,187
Charge for year	-	127,005	368,303	495,308
Eliminated on disposal	-	-	(465,742)	(465,742)
At 31 December 2020	-	1,713,836	283,917	1,997,753
NET BOOK VALUE				
At 31 December 2020	13,850,002	355,286	1,561,280	15,766,568
At 31 December 2019	14,586,193	195,442	1,887,157	16,668,792

The cost of the company's freehold land and buildings includes cumulative capitalised interest of £312,157 (2019: £312,157).

Cost or valuation at 31 December 2020 is represented by:

	Freehold Property £	Plant and Machinery £	Motor Vehicles £	Totals £
Valuation in 2019	648,209	-	-	648,209
Valuation in 2020	(529,277)	-	-	(529,277)
Cost	13,731,070	2,069,122	1,845,197	17,645,389
	13,850,002	2,069,122	1,845,197	17,764,321

All of the company's sites are shown at fair value.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

11. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2020	2,300,000
Reclassification/transfer	(2,300,000)
At 31 December 2020	-
NET BOOK VALUE	
At 31 December 2020	-
At 31 December 2019	2,300,000

As at 31 December 2020 the Leeds site which was previously classed as investment property in fixed assets has been transferred to current asset investments as the property was for sale at that date and its sale has subsequently been agreed since the year end. See note 14.

12. STOCKS

	2020 £	2019 £
Vehicles	3,752,908	4,018,907
Parts, accessories and others	232,160	274,060
	<u>3,985,068</u>	<u>4,292,967</u>

The company also holds new vehicle consignment stocks which at the year end totalled £2,329,636 (2019: £3,141,942). These stocks, which are not, in substance, assets of the company, and their related liabilities, are not recognised on the balance sheet.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	501,031	387,430
Amounts owed from related company	643,663	1,407,250
Corporation tax	-	32,761
Prepayments and accrued income	388,526	559,993
	<u>1,533,220</u>	<u>2,387,434</u>

14. CURRENT ASSET INVESTMENTS

	2020 £	2019 £
Other	<u>2,300,000</u>	-

Current asset investments as at 31 December 2020 consisted of land and buildings which were held for resale purposes at that date, and subsequently agreed to be sold since the year end. See note 11.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 17)	299,147	902,974
Other loans (see note 17)	943,711	969,650
Trade creditors	6,544,640	8,561,298
Corporation tax	207,469	-
PAYE and National Insurance	89,390	96,809
VAT	890,958	280,097
Directors' loan accounts	23,699	-
Accruals and deferred income	705,356	910,116
	<u>9,704,370</u>	<u>11,720,944</u>

Trade creditors

Used vehicles are funded through stocking plan financing agreements with Toyota Financial Services (UK) plc, Lexus Financial Services (UK) plc and Ford Financial Services (UK) plc, which are secured by a fixed and floating charge over all of the assets of the company. The total outstanding balances were £3,900,000 as at 31 December 2020 (£4,350,000 as at 31 December 2019).

Under the Toyota, Lexus, Ford and Renault franchise agreements, any outstanding sums owed by the company are secured by the retention of the legal and beneficial title to all of the goods supplied until all of the sums owed are paid in full. At 31 December 2020 this amounted to £2,194,672 (£2,946,889 at 31 December 2019).

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 17)	135,978	181,446
Other loans (see note 17)	8,551,156	8,879,563
	<u>8,687,134</u>	<u>9,061,009</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	254,279	860,787
Bank loans	44,868	42,187
TFS (UK) plc mortgages	493,250	493,250
TFS (UK) plc term loans	450,461	476,400
	<u>1,242,858</u>	<u>1,872,624</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

17. LOANS - continued

	2020 £	2019 £
Amounts falling due between one and two years:		
Bank loans	46,640	44,064
TFS (UK) plc mortgages	493,250	493,250
TFS (UK) plc term loans	200,461	226,400
	<u>740,351</u>	<u>763,714</u>
Amounts falling due between two and five years:		
Bank loans	89,338	137,382
TFS (UK) plc mortgages	1,479,750	1,479,750
TFS (UK) plc term loans	211,153	324,205
	<u>1,780,241</u>	<u>1,941,337</u>
Amounts falling due in more than five years:		
Repayable by instalments		
TFS (UK) plc mortgages	6,151,542	6,315,958
TFS (UK) plc term loans	15,000	40,000
	<u>6,166,542</u>	<u>6,355,958</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. LOANS - continued

Bank overdraft

The combined bank overdraft at 31st December 2020 of £254,279 is secured by a first legal charge over Low Lane, High Leven, Yarm and its associated assets and guarantees for an aggregate amount of £100,000 given by Mr. R. D. Bennett.

Bank loans

A bank loan of £180,846 is secured by a first legal charge over Low Lane, High Leven, Yarm and its associated assets and guarantees for an aggregate amount of £100,000 given by Mr. R. D. Bennett.

The loan is repayable by monthly instalments of £4,250 over 15 years from October 2009. Interest is charged at 3.7% above base rate.

Toyota Financial Services (UK) plc term loans

The term loan of £315,000 is repayable by monthly instalments of £5,000 over 10 years from July 2015.

The term loan of £203,667 is repayable by monthly instalments of £7,833 over 5 years from June 2017.

The term loan of £91,933 is repayable by monthly instalments of £3,694 over 5 years from May 2018.

The term loan of £16,475 is repayable by monthly instalments of 588 over 3 years from May 2020.

These loans are secured by a debenture given by the company in favour of Toyota Financial Services (UK) plc, and first legal charges over the land and buildings at McMullen Road, Darlington including the land lying to the west side of McMullen Road; Darlington Road, Northallerton; and Bowesfield Farm, Stockton. An unlimited personal guarantee by Mr. R. D. Bennett has also been given. Interest is charged at 2% above finance house base rate on the second loans and at 2.5% above finance house base rate on the others.

Toyota Financial Services (UK) plc mortgages

The mortgage of £3,962,500 is repayable by monthly instalments of £19,812 over 20 years from January 2017.

The mortgage of £1,388,625 is repayable by monthly instalments of £6,708 over 20 years from July 2017.

The mortgage of £3,266,667 is repayable by monthly instalments of £14,583 over 20 years from January 2019.

These mortgages are secured by a debenture given by the company in favour of Toyota Financial Services (UK) plc, and first legal charges over the land and buildings at McMullen Road, Darlington including the land lying to the west side of McMullen Road; Darlington Road, Northallerton; and Bowesfield Farm, Stockton. An unlimited personal guarantee by Mr. R. D. Bennett has also been given. Interest is charged at 2% above finance house base rate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

18. PROVISIONS FOR LIABILITIES

	2020 £	2019 £
Deferred tax		
Accelerated capital allowances	285,914	319,660
Potential chargeable gain on investment property	22,379	22,379
	<u>308,293</u>	<u>342,039</u>
		Deferred tax £
Balance at 1 January 2020		342,039
Credit to Statement of Comprehensive Income during year		(33,746)
Balance at 31 December 2020		<u>308,293</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
250,001	Ordinary	£1	<u>250,001</u>	<u>250,001</u>

20. RESERVES

	Retained earnings £	Revaluation reserve £	Fair value reserve £	Totals £
At 1 January 2020	3,504,857	648,209	136,093	4,289,159
Profit for the year	879,088			879,088
Revaluation during the year	-	(529,277)	-	(529,277)
At 31 December 2020	<u>4,383,945</u>	<u>118,932</u>	<u>136,093</u>	<u>4,638,970</u>

21. ULTIMATE PARENT COMPANY

The ultimate parent company, Bennett Holdings Limited, draws up consolidated financial statements. Its registered office is Lime Trees, Walton Avenue, Pannal, Harrogate, HG3 1EX.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

22. RELATED PARTY DISCLOSURES

The company was under the control of the directors, Mr. and Mrs. Bennett, throughout the current and previous years.

During the year, no dividends were paid to the directors.

The directors have given personal guarantees as security against loans made to the company.

The directors have a loan account with the company. Interest is not charged on loans to or from the company and at 31 December 2020 the balance on this loan due from the company was £23,700 (at 31 December 2019 £nil).

On 10 March 2020, 100% of the share capital in both RMB Automotive Limited and RMB Auto Limited were purchased by Bennett Holdings Limited, as part of a company reorganisation involving a share for share exchange. Mr. and Mrs. Bennett are directors of Bennett Holdings Limited and together own 100% of its share capital.

The company was owed £643,663 from RMB Auto Limited as at 31 December 2020 (£1,407,250 at 31 December 2019). During the year to 31 December 2020, rental income of £155,000 (£155,000 for year ended 31 December 2019) and a management charge of £42,000 (£59,500 for year ended 31 December 2019) were received from RMB Auto Limited.