REGISTRAR

Registered number: 00125935

YORK WARD & ROWLATT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

YORK WARD & ROWLATT LIMITED

COMPANY INFORMATION

Directors	B Johnson (Chairman) G W Clarke FCA (resigned 24 July 2017) S W Barritt V E Johnson (deceased 26 May 2017) P S Johnson C N Hughes
Company secretary	J F Clark FCCA
Registered number	00125935
Registered office	Balmoral House Kettering Venture Park Kettering Northamptonshire NN15 6XU
Independent auditor	MHA MacIntyre Hudson Peterbridge House The Lakes Northampton Northamptonshire NN4 7HB
Bankers	Barclays Bank plc Ashton House 497 Silbury Boulevard Milton Keynes MK9 2LD

YORK WARD & ROWLATT LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

The Directors have pleasure in presenting their report and the financial statements for the Company for the year ended 31st December 2017.

Principal activities and business review

The principal activity of the Company during the year was that of motor vehicle distribution, parts distribution and vehicle repair.

Business review

General Overview

2017 was a volatile year for the UK motor industry which saw new car registrations fall 5.4% to 2.54 million. Diminishing consumer confidence caused by Brexit and uncertainty over diesel engines both contributed to the decline.

The year started buoyantly enough as consumers rushed to beat the increases in vehicle excise duty introduced in April 2017 but the first quarter was followed by a year-on-year decline in sales for every one of the following nine months. Notwithstanding the above, 2.54 million registrations is still the third best year in a decade and the sixth best year on record.

Diesel registrations slumped 17% over the year but intensified in November and December with a 30% decline, following the announcement of a first year surcharge from April 1st 2018.

Closer to home, 2017 will be remembered as the year General Motors finally decided to sell its loss making European businesses – Opel and Vauxhall. A deal was agreed in March with PSA Group – the French company that owns Peugeot and Citroen - and concluded on 1st August 2017.

Under a new strategy the Vauxhall brand slipped to third place in the registration charts as year-on-year sales *fell 22%, shedding 52,000 units. Although this signalled a withdrawal from unprofitable channels it also exposed* the previous owner's reluctance to introduce new models in the rapidly growing SUV segments.

York, Ward & Rowlatt

There was an 8% year-on-year reduction in turnover of £5.3m which is wholly attributable to an 18% fall in the sale of vehicles to the fleet sector. Net profit before tax is 1.0%, equating to £627,502, a fall of 0.1% on 2016 but exceeding our annual forecast by £100K. The net worth has increased by £500k to £4.9m.

Retail new vehicle sales fell 14.2% which, although better than the national decline of 22%, meant earnings under the manufacturer bonus programme were £100k down on the previous year. Vehicle chassis margins came under pressure too in the race to write volume and resulted in a negative swing of £12k in gross profit. Some of the shortfall was made up with a 1% rise in used car volumes and an overall rise of 5.3% in used car gross profit.

A strong performance in point-of-sale finance and insurance products, notably a 40% penetration in used car finance sales, resulted in a 7% year-on-year rise in revenues.

As referred to earlier, fleet sales declined, in the year, down 18% which is equivalent to over 500 vehicles. This is representative of the Manufacturers withdrawal from 'toxic' channels such as daily rental and bulk deals. However, in a change to the mix of sales, commercial vehicles accounted for 42% of all sales and, with the fitting of dealer accessories, helped to grow unit profitability. This was partially off-set by a unit increase in direct costs but fleet department profit still rose 38% to £197k.

Business review (continued)

Despite another challenging year in the aftersales arena we managed to grow revenues 4.6% to £5.5m. There was encouraging growth of £16,500 in external sales but this was off-set by the loss of pre-delivery inspections to the fleet sales department. Mechanical sales fell marginally by 0.3%.

Significant growth was achieved in accident repair and parts sales which grew 17.3% and 5.1% respectively, predominantly on the back of increased work for accident management companies.

Gross margin in aftersales remained consistent at 39%. Therefore with the increase in sales there was a year-on-year increase of £75K in gross profit.

Indirect expenses grew 3.8% in the year and exceeded forecast by just over £30K. Following the introduction of new banking inter-change rates we saw card charges rise 67%. The provision for the write-down of company cars saw an increase on 2016 and there was a reduction in quality margin payments in the year which relate to new vehicle sales.

The manufacturer customer satisfaction indices continue to be a good barometer of customer advocacy for the business and, as such, is a key management focus. The scores below reflect the percentage of customers willing to score a 9 or 10, top two box scoring, on their likelihood to recommend.

The results for the 12-month rolling period are:

Sales Index

York, Ward & Rowlatt	92.6
National Average	89.3

Service Index

York, Ward & Rowlatt	81.9
National Average	73.7

Principal risks and uncertainties

Financial risk management

The Company has a positive cash flow position and minimum financial risks, which are not offset to a third party. The policies for risks are detailed below:-

Price Risk

Risks associated with a decline in value are categorised in 3 key areas:

New Vehicle Stocks; New vehicles are purchased direct from the Manufacturer. Sold orders receive 40 days free stocking from point of leaving the factory. Full debit is made on day 41. Sold customer orders are price protected. Under a new initiative announced in December 2017, Vauxhall will place orders on behalf of retailers for stock. This will be completed on an allocation model based on retailer targets, existing stock and Vauxhall's forecast. Orders will remain in the vehicle storage compound for 120 days and then shipped to retailers. Orders will attract interest charges at 90 days with full debit occurring at 180 days.

Used Vehicle Stocks; A rigid Day Age Policy is in force. Vehicles are reappraised after 60 days in stock. At this point they are either disposed of or re-priced to CAP (Industry guide) clean values. Any write-off costs are taken straight to the Profit and Loss account. The level of stock held is appropriate to stock-turn.

Parts stocks; The parts management system operated by the business works on an average price model. This recalculates the average price each time a new purchase is made and therefore any price movements are passed on to the customer.

Provisions are made in the Profit and Loss account on a monthly basis to account for obsolete stock. The Manufacturer operates a Retail Inventory Management programme. This involves stocking part lines recommended but, if these parts are not sold within 12 months, they are returned for credit but now incurring a 4% handling charge. The level of stock held is appropriate to stock-turn.

Credit Risk

Credit risk arises if the Company is unable to recover sums due from clients. This is alleviated by close scrutiny of all credit levels and a detailed annual review of clients' financial performance. In respect of vehicle purchases, cleared funds are taken before vehicles are released. The exception is approved fleet sales customers where the risk is continually monitored and title is retained until receipt of full cleared funds. The Company makes a monthly accrual for bad debt provision.

Cash Flow Risk

The Company head office monitors group cash flow. At subsidiary level detailed forecasts and reporting are prepared to mitigate future risks. Effective use of the Manufacturer's stocking plans and delayed payment plans ensure adequate facilities are available. A contingency arrangement is now in place with our bankers if there is a withdrawal from these channels by our current funders.

Interest Rate Risk

The Company has no outstanding loan facilities. All wholesale funding facilities for vehicles are tied to Bank of England Base or LIBOR rates to protect against unjustified rate movements.

Principal risks and undertainties (continued)

Principal Risks
We have identified the key business risks that may affect the continued growth and success of the business. These are detailed below:

The impact of BREXIT on the UK Automotive Sector
The UK will leave the EU on 29th March 2019. Whilst negotiations continue around a 2 year transition period there remains significant market uncertainty. The drop in the value of the pound and subsequent rise in inflation continues to affect competitiveness. The UK needs unrestricted access to the single market of Europe, which is our largest trading partner. This is an essential prerequisite not just for the import and export of vehicles but also for the trade of components. Research carried out by the SMMT suggest that if import tariffs were applied it would push up the list price of imported cars by an average of £1,500.

PSA Group acquisition of GM European Operations including Vauxhall
As referenced in the general overview Vauxhall / Opel joined the PSA Group on 1st August 2017. 100 days after the acquisition a far reaching survival plan was launched in order to shore up the ailing business. The aptly named 'PACE' strategy will protect the Opel and Vauxhall brands and provide more electric vehicles, fewer platforms and forge closer links with PSA. But, at the core of the plan is the need to lower costs and, although it is unknown at this point, there will be an inevitable financial impact on the retailer network.

Financial key performance indicators

Turnover for the year fell to £62,984,266 (2016 - £68,269,092). Profit before tax fell to £627,502 (2016 - £725,992) a net margin of 1.00% (2016 - 1.06%).

This report was approved by the board and signed on its behalf.

S W Barritt
Director

Date: 30 July 2018

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £502,279 (2016 - £586,726).

No dividends have been paid during the current or prior year.

Directors

The directors who served during the year were:

B Johnson (Chairman)
G W Clarke FCA (resigned 24 July 2017)
S W Barritt
V E Johnson (deceased 26 May 2017)
P S Johnson
C N Hughes

Future developments

The directors intend for the Company to continue its strategy of organic growth.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

S W Barritt
Director

Date: 30 July 2018

Balmoral House
Kettering Venture Park
Kettering
Northamptonshire
NN15 6XU

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF YORK WARD & ROWLATT LIMITED

Opinion

We have audited the financial statements of York Ward & Rowlatt Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF YORK WARD & ROWLATT LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF YORK WARD & ROWLATT LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 5, 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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 an Auditor's Report 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.

Steven Moore BA ACA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Peterbridge House
The Lakes
Northampton
Northamptonshire
NN4 7HB

30 July 2018

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	4	**62,984,266**	68,269,092
Cost of sales		**(60,222,725)**	(65,380,355)
Gross profit		**2,761,541**	2,888,737
Administrative expenses		**(2,596,900)**	(2,649,428)
Other operating income	5	**698,552**	697,493
Operating profit	6	**863,193**	936,802
Interest receivable and similar income	10	**58**	184
Interest payable and expenses	11	**(235,749)**	(210,994)
Profit before tax		**627,502**	725,992
Tax on profit	12	**(125,223)**	(139,266)
Profit after tax		**502,279**	586,726

Retained earnings at the beginning of the year		**4,329,022**	3,742,296
Profit for the year		**502,279**	586,726
Retained earnings at the end of the year		**4,831,301**	4,329,022

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 12 to 26 form part of these financial statements.

YORK WARD & ROWLATT LIMITED
REGISTERED NUMBER:00125935

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	13		**909,993**		887,236
Investments	14		**50,000**		50,000
			959,993		937,236
Current assets					
Stocks	15	**5,809,203**		4,557,022	
Debtors: amounts falling due within one year	16	**6,405,714**		5,571,355	
Cash at bank and in hand	17	**279,146**		261,439	
		12,494,063		10,389,816	
Creditors: amounts falling due within one year	18	**(8,512,716)**		(6,883,741)	
Net current assets			**3,981,347**		3,506,075
Total assets less current liabilities			**4,941,340**		4,443,311
Provisions for liabilities					
Deferred taxation	19	**(50,218)**		(54,468)	
			(50,218)		(54,468)
Net assets			**4,891,122**		4,388,843
Capital and reserves					
Called up share capital	20		**59,821**		59,821
Profit and loss account	21		**4,831,301**		4,329,022
			4,891,122		4,388,843

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S W Barritt
Director

Date: 30 July 2018

The notes on pages 12 to 26 form part of these financial statements.

1. General information

York Ward & Rowlatt Limited is a private company limited by shares, domiciled in England and Wales, registered number 00125935. The registered office is Balmoral House, Kettering Venture Park, Kettering, NN15 6XU and the principal place of business is 10-16 St Johns Street, Wellingborough, NN8 4LG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Grosvenor Contracts Leasing Limited as at 31 December 2017 and these financial statements may be obtained from Companies House.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
L/Term leasehold property	- Over term of lease
Plant and machinery	- 5% to 10% straight line
Fixtures and fittings	- 5% to 10% straight line
Property refurbishments	- 1% to 33.33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Income and Retained Earnings.

Stock held on consigment are accounted for in the Balance Sheet when the terms of the consigment agreement and commercial practice indicate that the principal benefit of owning the stock and principal risks of ownership rest with the Company.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. *Judgments in applying accounting policies and key sources of estimation uncertainty*

In the application of the Company's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements is the valuation of stock. The risk exists that cost is in excess of the net realisable value, and provisions are not made, and vice versa. Management are involved in making these decisions on a line by line basis.

4. Turnover

	2017	2016
	£	£
Trade sales	**59,784,281**	65,071,465
Services	**1,974,388**	1,848,780
Other associated income	**1,225,597**	1,348,847
	62,984,266	68,269,092

All turnover arose within the United Kingdom.

5. Other operating income

	2017	2016
	£	£
Other operating income	**352,402**	376,614
Commissions receivable	**346,150**	320,879
	698,552	697,493

6. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	**62,584**	56,382
Defined contribution pension cost	**26,074**	23,628

7. Auditor's remuneration

	2017	2016
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	**12,000**	11,500

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	**2,398,449**	2,366,441
Social security costs	**226,449**	222,098
Cost of defined contribution scheme	**26,074**	23,628
	2,650,972	2,612,167

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Garage	**94**	98
Administration	**12**	13
	106	111

9. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	**99,950**	91,800
Company contributions to defined contribution pension schemes	**385**	363
	100,335	92,163

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

10. Interest receivable

	2017 £	2016 £
Bank interest receivable	**58**	184
	58	184

11. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	**27,434**	19,723
Other loan interest payable	**208,315**	190,729
Interest payable on loans from group undertakings	**-**	542
	235,749	210,994

12. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	**128,965**	155,805
Adjustments in respect of previous periods	**508**	(9)
	129,473	155,796
Deferred tax		
Origination and reversal of timing differences	**(4,250)**	(16,530)
Total deferred tax	**(4,250)**	(16,530)
Taxation on profit on ordinary activities	**125,223**	139,266

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	**627,502**	725,992
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	**120,794**	145,198
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**3,420**	2,308
Capital allowances for year in excess of depreciation	**-**	(8,810)
Adjustments to tax charge in respect of prior periods	**508**	(9)
Increase (decrease) due to changes in tax rates	**-**	(1,043)
Changes in provisions leading to an increase (decrease) in the tax charge	**-**	(15)
Other differences leading to an increase (decrease) in the tax charge	**501**	1,637
Total tax charge for the year	**125,223**	139,266

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Tangible fixed assets

	Freehold property £	L/Term leasehold Property £	Plant and machinery £	Fixtures and fittings £	Property refurbs £	Total £
Cost or valuation						
At 1 January 2017	**490,000**	**40,000**	**166,709**	**40,122**	**415,709**	**1,152,540**
Additions	-	-	55,813	22,113	7,415	85,341
Disposals	-	-	(1,230)	(548)	(13,589)	(15,367)
At 31 December 2017	**490,000**	**40,000**	**221,292**	**61,687**	**409,535**	**1,222,514**
Depreciation						
At 1 January 2017	**19,600**	**40,000**	**51,620**	**24,131**	**129,953**	**265,304**
Charge for the year on owned assets	9,800	-	25,831	7,519	19,434	62,584
Disposals	-	-	(1,230)	(548)	(13,589)	(15,367)
At 31 December 2017	**29,400**	**40,000**	**76,221**	**31,102**	**135,798**	**312,521**
Net book value						
At 31 December 2017	**460,600**	-	**145,071**	**30,585**	**273,737**	**909,993**
At 31 December 2016	470,400	-	115,089	15,991	285,756	887,236

The purchase cost of the freehold property to which the property refurbishments relate is recorded in the financial statements of Grosvenor Contracts Leasing Limited, the parent company. This freehold property was revalued on 29 April 2015 by Harwoods Chartered Surveyors, based upon existing use. The directors have adopted the revised valuation within the financial statements of Grosvenor Contracts Leasing Limited. Consequently there is no difference between the carrying value of the property improvements, as shown above, and their historical value.

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	**50,000**
At 31 December 2017	**50,000**
Net book value	
At 31 December 2017	**50,000**
At 31 December 2016	50,000

At 31 December 2017 the company was the beneficial owner of all classes of the allotted share capital of Hamblins of Rushden Limited, a dormant company incorporated in England.

Aggregate share capital and reserves at 31 December 2017 were £50,000.

15. Stocks

	2017 £	2016 £
Work in progress (goods to be sold)	**1,338**	1,518
Finished goods and goods for resale	**5,807,865**	4,555,504
	5,809,203	4,557,022

Stock recognised as an expense during the year totals £59,493,641 (2016 - £64,162,125).

16. Debtors

	2017 £	2016 £
Trade debtors	**1,799,379**	1,237,325
Amounts owed by group undertakings	**4,351,016**	4,014,379
Prepayments and accrued income	**255,319**	319,651
	6,405,714	5,571,355

17. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	**279,146**	261,439

18. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	**7,084,398**	5,965,590
Amounts owed to group undertakings	**106,955**	146,950
Corporation tax	**58,965**	90,805
Other taxation and social security	**334,789**	125,211
Other creditors	**432,423**	129,610
Accruals and deferred income	**495,186**	425,575
	8,512,716	6,883,741

Included in trade creditors is a stocking loan of £449,430 (2016 - £467,973). The loan is secured upon the vehicles to which it relates.

Barclays Bank plc hold a charge dated 15 June 1999 over the land known as "Masterfit garage" at Broad Green, Wellingborough. This charge is against any amounts owed by York Ward & Rowlatt Limited. At the year end, total debt owed to Barclays Bank plc included above is £nil (2016 - £nil).

19. Deferred taxation

	2017 £	2016 £
At beginning of year	**(54,468)**	(70,998)
Charged to the profit or loss	**4,250**	16,530
At end of year	**(50,218)**	(54,468)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	**(51,272)**	(55,488)
Short term timing differences	**1,054**	1,020
	(50,218)	(54,468)

20. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
59,821 Ordinary shares of £1 each	**59,821**	59,821

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

21. Reserves

Profit and loss account

This includes all current and prior period retained profits and losses.

22. Contingent liabilities

The Company has given an unconditional cross-guarantee to Barclays Bank plc in respect of group companies. There total group liability at 31 December 2017 was £Nil (2016 - £803,317).

23. Pension commitments

The Company operates a defined contributions pension 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 £26,074 (2016 - £23,628). Contributions totalling £800 (2016 - £158) were payable to the fund at the Balance Sheet date.

24. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	**50,250**	52,000
Later than 1 year and not later than 5 years	**41,250**	91,500
	91,500	143,500

The charge for the year in respect of operating leases, recognised in the profit and loss account is £52,000 (2016 - £52,000).

25. Related party transactions

The Company is a wholly owned subsidiary of Grosvenor Contracts Leasing Limited, and thus transactions with this entity, and its subsidiaries have not been reported.

During the year 1 (2016 - 3) vehicle was (2016 - vehicles were) sold to close family members of the Directors, for a total value of £10,488 (2016 - £31,683). In addition no (2016 - 2) vehicles were purchased from close family members totalling (2016 - £10,655).

26. Controlling party

The Company's ultimate parent undertaking at the Balance Sheet date was Grosvenor Contracts Leasing Limited, a company incorporated in England which heads both the smallest and largest group of which York Ward & Rowlatt Limited is a member.

Copies of the accounts of the group can be obtained from Balmoral House, Kettering Venture Park, Kettering, Northamptonshire, NN15 6XU.

In the opinion of the directors the ultimate controlling party of the parent company is B Johnson.