

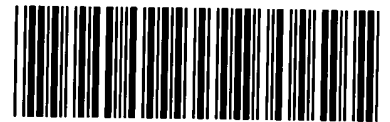
**COMPANY REGISTRATION NUMBER: 01371098**

**Allspares (Auto) Limited**

**Financial Statements**

**30 September 2016**

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30/06/2017

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COMPANIES HOUSE

**JAMES & UZZELL LTD**  
Chartered Certified Accountants & Statutory Auditor  
Axis 15, Axis Court  
Mallard Way  
Riverside Business Park  
Swansea  
SA7 0AJ

**Allspares (Auto) Limited**

**Financial Statements**

**Year ended 30 September 2016**

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**Allspares (Auto) Limited**

**Officers and Professional Advisers**

**The board of directors**

Mr Steven Richards  
Mrs Kim Phillips  
Miss Gaynor Richards  
Mr Martyn Hughes - appointed 01.10.15

**Registered office**

1A Heol Mostyn  
Village Farm Industrial Estate  
Pyle  
Bridgend  
Mid Glamorgan  
United Kingdom  
CF33 6BJ

**Auditor**

James & Uzzell Ltd  
Chartered Certified Accountants & statutory auditor  
Axis 15, Axis Court  
Mallard Way  
Riverside Business Park  
Swansea  
SA7 0AJ

**Allspares (Auto) Limited**

**Strategic Report**

**Year ended 30 September 2016**

**REVIEW OF BUSINESS**

The directors undertake a detailed analysis of the company's position during the year and at the year end using turnover and profitability as the key performance indicators as detailed below.

## **Allspares (Auto) Limited**

### **Strategic Report *(continued)***

**Year ended 30 September 2016**

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company operates in a very competitive market and has secured its position and good reputation by providing a quality service. The principal risk to the company is from its competitors, however the company monitors their competitors closely and is constantly reacting to market conditions to mitigate the risk where possible.

##### **Foreign Currency Risk**

Less than 1% of the goods purchased for resale are purchased in foreign currency and the company is therefore limited to foreign currency fluctuations. Slumps in the euro and dollar over the last quarter have currently had minimal disruption, however we anticipate this will have an adverse effect on our buying powers with the eventuality of an increase being passed onto the end user- the customer.

##### **Interest Rate Risk**

The company does not undertake active investments and therefore this risk is deemed to be low.

##### **Business Performance Risk**

The risk that the company may not perform as expected either due to internal factors or due to competitive pressures in the markets in which it operates is managed by a number of measures: ensuring the appropriate management team is in place, budget and business planning, monthly reporting and variance analysis, financial controls, key performance measures, regular forecasting, constant price monitoring, having fast response times and by maintaining strong relationships with its customers and suppliers. There is still an element of uncertainty since the Brexit vote, however we are still focused on growth and maintaining our reputation of being Wales and the South West's No.1 supplier of commercial vehicle parts.

##### **Inflation Risk**

We remain mindful of the inflation risks. Factors that affect us will also affect our competitors.

##### **Customer Risk**

Loss of contracts or insolvency of a major customer, could affect the short term performance of the company. These risks are considered low for the coming year. We are fortunate enough to have a variety of customers, small, medium and large which in turn limits the impact of having overdue reliance on a limited customer base.

##### **Technology Risks**

We are aware of changes in legislation and advances in technology within our industry. We are kept informed by the OE manufacturers of product development and timescales for introduction into the market place. The identification of products / part numbers is becoming increasingly difficult with OEM's holding the information on Truck & Bus parts with EPC becoming harder to obtain with the amount of new parts being fitted on vehicles each year. Blue chip suppliers all work off EBS. They are now on on generation 4 system and constantly updating modules and ECU. Business intelligence software provides us and equips our sales representatives with detailed information on our customers, an excellent sales management tool.

## **Allspares (Auto) Limited**

### **Strategic Report *(continued)***

**Year ended 30 September 2016**

#### **ENVIRONMENTAL MATTERS**

We experience environmental and seasonal effects. Adverse weather conditions cause increased sales. Products such as antifreeze and batteries, cleaning products, vehicle air brakes, chambers and brake pipes all see an increased turnover in comparison with the spring /summer season. Our state of the art stock management system allows us to keep control of seasonal as well as daily changes.

#### **EMPLOYEE MATTERS**

##### **Disabled employees**

It is company policy to appoint staff on the basis of their abilities. Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue.

##### **Employee involvement**

The company has continued its practice of keeping employees informed of all matters affecting them as employees and the financial and economic factors affecting the performance of the company. The board has always encouraged and championed all employees to suggest ideas that could benefit the company's activities. Being a people company with strong values we believe in everyone having a part to play in our continued success.

#### **HEALTH AND SAFETY**

Health and safety measures are given particular attention by the Directors and a written policy exists and is known throughout the company. We maintain all legal requirements such as manual handling, fire marshal, forklift and first aid training.

## **Allspares (Auto) Limited**

### **Strategic Report (continued)**

**Year ended 30 September 2016**

#### **DEVELOPMENT AND PERFORMANCE**

Turnover has increased by £159k with margin following respectively. Predominantly growth emerged in the truck and trailer sector with OE quality products.

The Directors are confident that the current level of business will at least maintain. Whilst always assessing market changes we have no plans to expand our branch network but remain alert for any opportunities that may present themselves. Allspares (Auto) Limited, like other companies, has experienced a turbulent year with "brexit" causing some hesitancy. Choosing the option to settle and maintain our business levels through our existing outlets has been the right option to date.

All our branches are targeted on sales and margin relative to operating costs, region, historic and potential sales. Location, density of customers and branch staffing are assessed and adjusted with sales movements. Having real time state of the art software applications provides and warrants sales figures being acceptable or not- given market trends, i.e. holiday, seasonal times, and competition. Our branches have direct contact with the management team on day to day issues and are fully supported to to assist them achieve their agreed targets.

With a never stand still approach we always look to give our customers what they expect with quality, value for money and an unrivalled service. Operating rebate schemes based on targeted spend and margin, we have been forced through aggressive competition to offer loyalty / incentive schemes to maintain and increase business with this being a cost to Allspares (Auto) Limited. However the return outweighs the initial expenditure.

Our established central distribution depot aids to support our branch network by taking advantage of bulk buying, meaning reduced stocking at branch. This has been key in our evolution. Early stages of negotiating with exclusive manufacturers and distributors could develop into a specialist bus division being formed within the group. Our current locations, some long standing, have the benefit of familiarity with flexible opening times to cater for the industry in their particular area. Strategically located and supported by various transport networks, we have been able to maximise our supply and service to our varied customer base which has contributed to our continued success.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

The Company's key performance indicators are revenue, margin, costs and cash flow. These allow the board to monitor the growth as well as the profitability of the company against internal and external factors that affect the business.

	2016	2015
	£	£
Turnover	9,809,388	9,650,080
Gross Profit %	36	35
Gross profit	3,535,150	3,400,976

This report was approved by the board of directors on 26.06.17 and signed on behalf of the board by:



**Mr Steven Richards**  
Director

## **Allspares (Auto) Limited**

### **Directors' Report**

**Year ended 30 September 2016**

The directors present their report and the financial statements of the company for the year ended 30 September 2016.

#### **DIRECTORS**

The directors who served the company during the year were as follows:

Mr Steven Richards  
Mrs Kim Phillips  
Miss Gaynor Richards  
Mr Martyn Hughes - appointed  
01.10.15

#### **DIVIDENDS**

The directors do not recommend the payment of a dividend.

#### **FUTURE DEVELOPMENTS**

The directors are confident in the continued expansion of the business based on our expectation of further success in the trading activities, together with new planned initiatives. Growth aspirations and expansions programmes are in place thereby ensuring that we remain Wales and South West's No.1 Supplier of commercial vehicle parts. Furthermore Allspares (Auto) Limited can draw on the wealth of experience from employees who have been with the company for over 30 years, since its establishment.

#### **FINANCIAL INSTRUMENTS**

The company's principal financial instruments comprise borrowings, cash and trade equivalents. Other financial assets and liabilities such as trade debtors and trade creditors arise directly from operating activities. The company operates a number of risk management policies designed to minimise its exposure to financial risk.

#### **DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT**

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 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.



**Allspares (Auto) Limited**

**Directors' Report *(continued)***

**Year ended 30 September 2016**

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.

**DISCLOSURE OF INFORMATION TO THE AUDITORS**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on ...~~26:06:17~~..... and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'MR STEVEN RICHARDS', with a long horizontal line extending to the right.

**Mr Steven Richards**  
Director

## **Allspares (Auto) Limited**

### **Independent Auditor's Report to the Members of Allspares (Auto) Limited**

**Year ended 30 September 2016**

We have audited the financial statements of Allspares (Auto) Limited for the year ended 30 September 2016 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 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.

#### **OPINION ON OTHER MATTER 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of our 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 and the Directors' Report.

**Allspares (Auto) Limited**

**Independent Auditor's Report to the Members of Allspares (Auto) Limited (continued)**

**Year ended 30 September 2016**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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.

  
**EMMA LOUISE HUGHES FCCA** (Senior Statutory Auditor)

For and on behalf of  
James & Uzzell Ltd  
Chartered Certified Accountants & Statutory Auditor  
Axis 15, Axis Court  
Mallard Way  
Riverside Business Park  
Swansea  
SA7 0AJ

Dated..... 28.6.17 .....

**Allspares (Auto) Limited****Statement of Comprehensive Income****Year ended 30 September 2016**

		<b>2016</b>	<b>2015</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>TURNOVER</b>	<b>4</b>	<b>9,809,388</b>	<b>9,650,080</b>
Cost of sales		<u>6,274,238</u>	<u>6,249,104</u>
<b>GROSS PROFIT</b>		<b>3,535,150</b>	<b>3,400,976</b>
Administrative expenses		<u>3,150,584</u>	<u>3,101,390</u>
<b>OPERATING PROFIT</b>	<b>5</b>	<b>384,566</b>	<b>299,586</b>
Interest payable and similar charges	<b>9</b>	<u>14,405</u>	<u>11,823</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>370,161</b>	<b>287,763</b>
Tax on profit on ordinary activities	<b>10</b>	<u>82,482</u>	<u>66,049</u>
<b>PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<b><u>287,679</u></b>	<b><u>221,714</u></b>

All the activities of the company are from continuing operations.

The notes on pages 13 to 23 form part of these financial statements.

**Allspares (Auto) Limited****Statement of Financial Position****30 September 2016**

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	11	669,159	619,357
<b>CURRENT ASSETS</b>			
Stocks	12	1,218,281	1,073,520
Debtors	13	2,151,585	1,976,745
Cash at bank and in hand		977,789	886,205
		<u>4,347,655</u>	<u>3,936,470</u>
<b>CREDITORS: amounts falling due within one year</b>	14	2,881,486	2,829,102
<b>NET CURRENT ASSETS</b>		<u>1,466,169</u>	<u>1,107,368</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,135,328</u>	<u>1,726,725</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15	213,259	109,664
<b>PROVISIONS</b>			
Taxation including deferred tax	17	95,244	77,915
<b>NET ASSETS</b>		<u>1,826,825</u>	<u>1,539,146</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	1,000	1,000
Capital redemption reserve	21	111	111
Profit and loss account	21	1,825,714	1,538,035
<b>MEMBERS FUNDS</b>		<u>1,826,825</u>	<u>1,539,146</u>

These financial statements were approved by the board of directors and authorised for issue on 26.06.17..., and are signed on behalf of the board by:



**Mr Steven Richards**  
Director

Company registration number: 01371098

The notes on pages 13 to 23 form part of these financial statements.

**Allspares (Auto) Limited**  
**Statement of Changes in Equity**  
**Year ended 30 September 2016**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
<b>AT 1 OCTOBER 2014</b>	1,000	111	1,316,321	1,317,432
Profit for the year	—	—	221,714	221,714
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	—	—	221,714	221,714
<b>AT 30 SEPTEMBER 2015</b>	1,000	111	1,538,035	1,539,146
Profit for the year	—	—	287,679	287,679
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	—	—	287,679	287,679
<b>AT 30 SEPTEMBER 2016</b>	<u>1,000</u>	<u>111</u>	<u>1,825,714</u>	<u>1,826,825</u>

The notes on pages 13 to 23 form part of these financial statements.

## **Allspares (Auto) Limited**

### **Notes to the Financial Statements**

**Year ended 30 September 2016**

#### **1. GENERAL INFORMATION**

Allspares (Auto) Limited is a private company limited by shares incorporated in England & Wales, United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements. The nature of the company's operations and principal activities are those of supply of spare parts for agricultural and commercial vehicles.

#### **2. STATEMENT OF COMPLIANCE**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

#### **3. ACCOUNTING POLICIES**

##### **Basis of preparation**

The reporting period of these financial statements and its comparative period is twelve months.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### **Going concern**

The company meets its day-to-day working capital requirements through its cash balances. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company's forecasts and projections, taking account reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash balances. Therefore the company continues to adopt the going concern basis in preparing its financial statements.

##### **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

##### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 October 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 25.

##### **Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

## **Allspares (Auto) Limited**

### **Notes to the Financial Statements *(continued)***

**Year ended 30 September 2016**

#### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Allspares Auto (Holdings) Limited which can be obtained from the registered office. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Key management personnel compensation has not been presented for the company.

#### **Judgements and key sources of estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are addressed below.

##### **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets.

##### **Stock provisioning**

The company sells parts and is subject to consumer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability.

##### **Impairment of debtors**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.



## **Allspares (Auto) Limited**

### **Notes to the Financial Statements *(continued)***

**Year ended 30 September 2016**

#### **3. ACCOUNTING POLICIES *(continued)***

##### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and rebates allowed by the company and value added taxes.

The company recognises revenue when a) the significant risks and rewards of ownership have been transferred to the buyer; b) the company retains no continuing involvement or control over the goods; c) the amount of revenue can be measured reliably; d) it is probable that future economic benefits will flow to the entity and e) when the specific criteria relating to each of the company's sales channels have been met, as described below.

##### **i) sale of goods - wholesale**

The company sells a range of spare parts for agricultural and commercial vehicles in the wholesale market. Sales of goods are recognised on delivery to the wholesaler, when the wholesaler has full discretion over the channel and price to sell the product and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the product. Delivery occurs when the goods have been shipped to the location specified by the wholesaler, the risks of obsolescence or loss have been transferred to the wholesaler, the wholesaler has accepted the products in accordance with the sales contract, the acceptance provision have lapsed or the company has objective evidence that all criteria for acceptance have been satisfied.

##### **ii) sale of goods - retail**

Sale of goods are recognised on sale to the customer, which is considered the point of delivery. Retail sales are usually by cash, credit or payment card.

##### **Taxation**

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

## **Allspares (Auto) Limited**

### **Notes to the Financial Statements (continued)**

**Year ended 30 September 2016**

#### **3. ACCOUNTING POLICIES (continued)**

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	over terms of leases
Plant & Machinery	-	20% per annum of cost
Tools & Equipment	-	25% reducing balance
Motor Vehicles	-	25% per annum of cost
Computer Equipment	-	33% per annum of cost

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

##### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

## Allspares (Auto) Limited

### Notes to the Financial Statements (continued)

Year ended 30 September 2016

#### 3. ACCOUNTING POLICIES (continued)

##### Provisions (continued)

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

##### Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 4. TURNOVER

Turnover arises from:

	2016 £	2015 £
Parts sales	<u>9,809,388</u>	<u>9,650,080</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2016 £	2015 £
United Kingdom	9,629,633	9,615,453
Overseas	<u>179,755</u>	<u>34,627</u>
	<u>9,809,388</u>	<u>9,650,080</u>

#### 5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets	156,771	135,201
Gains on disposal of tangible assets	(20,495)	(24,753)
Impairment of trade debtors	7,267	28,216
Operating lease rentals	201,838	220,454
Foreign exchange differences	<u>640</u>	<u>(1,225)</u>

**Allspares (Auto) Limited****Notes to the Financial Statements (continued)****Year ended 30 September 2016****6. AUDITOR'S REMUNERATION**

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>10,475</u>	<u>9,500</u>

**7. STAFF COSTS**

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016	2015
	No.	No.
Production staff	34	29
Distribution staff	24	26
Administrative staff	8	7
Management staff	7	7
	<u>73</u>	<u>69</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016	2015
	£	£
Wages and salaries	1,748,857	1,634,966
Social security costs	167,099	155,544
Other pension costs	84,440	107,107
	<u>2,000,396</u>	<u>1,897,617</u>

**8. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	173,154	20,961
Company contributions to defined contribution pension plans	25,000	60,000
	<u>198,154</u>	<u>80,961</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2016	2015
	No.	No.
Defined contribution plans	<u>4</u>	<u>2</u>

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

	2016	2015
	£	£
Interest on obligations under finance leases and hire purchase contracts	<u>14,405</u>	<u>11,823</u>

**Allspares (Auto) Limited**

**Notes to the Financial Statements (continued)**

**Year ended 30 September 2016**

**10. TAX ON PROFIT ON ORDINARY ACTIVITIES**

**Major components of tax expense**

	2016 £	2015 £
<b>Current tax:</b>		
UK current tax expense	65,153	40,618
<b>Deferred tax:</b>		
Origination and reversal of timing differences	17,329	25,431
<b>Tax on profit on ordinary activities</b>	<b>82,482</b>	<b>66,049</b>

**Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016 £	2015 £
Profit on ordinary activities before taxation	370,161	287,763
Profit on ordinary activities by rate of tax	74,032	57,553
Effect of expenses not deductible for tax purposes	7,106	7,872
Effect of capital allowances and depreciation	(15,985)	(24,807)
Deferred tax	17,329	25,431
<b>Tax on profit on ordinary activities</b>	<b>82,482</b>	<b>66,049</b>

**11. TANGIBLE ASSETS**

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 October 2015	240,348	210,204	273,094	511,918	1,235,564
Additions	—	—	6,018	248,559	254,577
Disposals	—	—	—	(167,367)	(167,367)
<b>At 30 September 2016</b>	<b>240,348</b>	<b>210,204</b>	<b>279,112</b>	<b>593,110</b>	<b>1,322,774</b>
<b>Depreciation</b>					
At 1 October 2015	38,469	190,194	246,256	141,288	616,207
Charge for the year	3,471	4,192	9,100	140,008	156,771
Disposals	—	—	—	(119,363)	(119,363)
<b>At 30 September 2016</b>	<b>41,940</b>	<b>194,386</b>	<b>255,356</b>	<b>161,933</b>	<b>653,615</b>
<b>Carrying amount</b>					
<b>At 30 September 2016</b>	<b>198,408</b>	<b>15,818</b>	<b>23,756</b>	<b>431,177</b>	<b>669,159</b>
<b>At 30 September 2015</b>	<b>201,879</b>	<b>20,010</b>	<b>26,838</b>	<b>370,630</b>	<b>619,357</b>

**Allspares (Auto) Limited****Notes to the Financial Statements (continued)****Year ended 30 September 2016****11. TANGIBLE ASSETS (continued)**

The net book value of land and buildings comprised:

	2016 £	2015 £
Leasehold property	<u>198,408</u>	<u>201,879</u>

Included in the total net book value of motor vehicles was £418,930 (2015:£249,081) in respect of assets held under hire purchase agreements.

**12. STOCKS**

	2016 £	2015 £
Finished goods and goods for resale	<u>1,218,281</u>	<u>1,073,520</u>

**13. DEBTORS**

	2016 £	2015 £
Trade debtors	2,125,666	1,954,189
Prepayments and accrued income	25,919	22,556
	<u>2,151,585</u>	<u>1,976,745</u>

**14. CREDITORS: amounts falling due within one year**

	2016 £	2015 £
Trade creditors	1,699,608	1,634,884
Amounts owed to group undertakings	266,200	266,200
Accruals and deferred income	435,559	550,979
Corporation tax	65,153	40,619
Social security and other taxes	114,023	101,749
Obligations under finance leases and hire purchase contracts	160,649	117,376
Other creditors	140,294	117,295
	<u>2,881,486</u>	<u>2,829,102</u>

The bank loan and overdraft is secured by an unlimited debenture dated 9th May 1984 incorporating a fixed and floating charge over the assets of the company and by a first legal charge over the commercial leasehold office known as 19 Sturmi Way, Village Farm Industrial Estate, Pyle, Bridgend, CF33 6BZ dated 23rd August 2004.

Obligations under finance leases and hire purchase contracts are secured by related assets.

The aggregate of secured liabilities falling due within one year is £160,649 (2015: £117,377)

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**Allspares (Auto) Limited****Notes to the Financial Statements (continued)****Year ended 30 September 2016****15. CREDITORS: amounts falling due after more than one year**

	2016	2015
	£	£
Obligations under finance leases and hire purchase contracts	<u>213,259</u>	<u>109,664</u>

The aggregate of secured liabilities falling due after one year is £213,259 (2015: £109,664)

**16. FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2016	2015
	£	£
Not later than 1 year	160,649	117,376
Later than 1 year and not later than 5 years	<u>213,259</u>	<u>109,664</u>
	<u>373,908</u>	<u>227,040</u>

**17. PROVISIONS**

	Deferred tax (note 18) £
At 1 October 2015	77,915
Additions	<u>17,329</u>
At 30 September 2016	<u>95,244</u>

**18. DEFERRED TAX**

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions (note 17)	<u>95,244</u>	<u>77,915</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Accelerated capital allowances	<u>95,244</u>	<u>77,915</u>

The expected net reversal of deferred tax assets and liabilities in 2017 is £19,049. This primarily relates to the reversal of timing differences on capital allowances.

**19. EMPLOYEE BENEFITS****Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £84,440 (2015: £107,107).

**Allspares (Auto) Limited****Notes to the Financial Statements (continued)****Year ended 30 September 2016****20. CALLED UP SHARE CAPITAL****Issued, called up and fully paid**

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

**21. RESERVES**

Profit and loss account - This reserve records retained earnings and accumulated losses.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

**22. OPERATING LEASES**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Not later than 1 year	69,161	73,026
Later than 1 year and not later than 5 years	147,799	179,861
Later than 5 years	129,150	154,700
	<u>346,110</u>	<u>407,587</u>

**23. RELATED PARTY TRANSACTIONS**

During the year the company entered in to transactions with related parties as follows:

**Other related parties**

	2016	2015
	£	£
Sales to	<u>15,806</u>	<u>42,902</u>
Purchases from	<u>112,915</u>	<u>344,181</u>
Balance owing (to)/from	<u>(129,841)</u>	<u>(110,628)</u>
Rent paid	<u>48,657</u>	<u>27,862</u>
Management charge	<u>100,000</u>	<u>74,000</u>
Pension contributions	<u>20,000</u>	<u>60,000</u>

No interest was charged on any of the outstanding amounts.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

Key management personnel compensation is disclosed at note 8.

**24. CONTROLLING PARTY**

The company is controlled by Mrs M Richards, by virtue of her shareholding in the ultimate parent company, Allspares Auto (Holdings) Limited.



**Allspares (Auto) Limited**

**Notes to the Financial Statements *(continued)***

**Year ended 30 September 2016**

**25. TRANSITION TO FRS 102**

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 October 2014.

No transitional adjustments were required in equity or profit or loss for the year.

**Holiday pay accrual**

FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the year to 30th September 2016 a charge of £34,204 was recognised in the profit and loss account.

**Deferred taxation**

Deferred taxation of £6,841 has been recognised at 20% on the liability at 30th September 2016

No transitional adjustments were made regarding the above as they were deemed to be not material.

**26. PARENT UNDERTAKINGS**

The ultimate parent company is Allspares Auto (Holdings) Limited, a company registered in Great Britain.