Company Registration No. 08137580 (England and Wales)

PA TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

PA TOPCO LIMITED

COMPANY INFORMATION

Directors	Mr N M Croxson	
	Mr P C Sephton	
	Mr A B Windom	(Appointed 1 May 2019)
	Mrs S A Dowling	(Appointed 5 November 2019)
Secretary	Mr L Juneau	
Company number	08137580	
Registered office	15th Floor 6 Bevis Marks Bury Court London UK EC3A 7BA	
Auditor	Ernst & Young LLP No.1 Colmore square Birmingham B4 6HQ UK	

PA TOPCO LIMITED

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PA TOPCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business

The principle activity of the Group during the year was that of warehousing, distribution and sale of replacement car parts, accessories, garage equipment and training. The Group acquires these parts for resale primarily from local UK sources as well as European and Far Eastern Suppliers.

The principle activity of the Company is that of Holding Company.

The Trading result for the year was impacted mainly due to the uncertainty surrounding Brexit whose impact was felt throughout the broader UK Economy with consumer spending tightened in second half of the year. Overall the long term fundamentals of the UK Automotive aftermarket are favorable, however we anticipate the market conditions in the short term will remain volatile.

The above factors coupled with a highly competitive market has led to downward pressures on gross margins as well as full year benefits of investing in a National Distribution Centre in 2019, not being fully realized. In second half 2019, we fully implemented a Performance Improvement Plan reshaping the regional management team, progressing further branch integrations and improving the productivity of our supply chain logistics to support sales and improve our network productivity.

In parallel we have continued to invest in our business for the longer term, expanding our geographical coverage with five company-stores opened during the year, expanding Eighteen regional distribution hubs and opening a new national distribution centre in West Midlands.

Key Performance Indicators;

	31 December 2019	31 December 2018
Revenue	£307,696,173	£312,681,297
Gross profit	£132,174,486	£136,147,977
Gross profit %	43.0%	43.5%
Adjusted EBITDA	£10,357,044	£21,640,754
Adjusted EBITDA %	3.4%	6.9%
Adjusted EBT	(£430,471)	£11,499,329
Adjusted EBT %	0.1%	3.7%

Principal Risks and uncertainties

The principle risk facing the Group is the demand for new and used cars and the uncertainty of the UK economy as a result of the impact of Covid-19 and the UK's decision to leave the EU. The industry has seen new car registrations decline in 2019 and the Society of Motor Manufacturers and Traders considers this decline will be greater in 2020. As a result of decline in new car registrations, the industry is forecasting used car sales to remain strong leading to an increase of the average age of the UK Car Parc. The Company will look to continue to capitalize on current consumer demands for used vehicles as well as aftermarket services which we expect to see growth across the industry.

Financial risk management objectives and policies

The Group operates a number of risk management policies designed to minimize its exposure to financial risks.

Liquidity and Cashflow risk

The Group produces detailed monthly management accounts and forecasts, which enable the directors to monitor the cash position and to ensure that there is sufficient liquidity and cash flow to minimise the risk of the Group being unable to pay its debts as they fall due. In addition the ultimate parent undertaking Uni-select Inc monitor the forecasts to ensure funding availability for the Group.

Interest rate risk

The Group is exposed to interest rate fluctuations on its borrowings as the majority of its bank facilities are at floating interest rates. The Group's syndicated financial borrowings, are managed centrally by the Treasury department of the ultimate parent undertaking Uni-select Inc including interest rate risk management.

Currency risk

The Group is exposed to foreign exchange risk on its financial instruments mainly relating to product purchases in currencies other than the functional currency of the Group. Transactional foreign currency risk is mitigated by the use of forward foreign exchange contracts which are matched as far as possible to supplier purchase payments with the aim to achieve a minimum exposure to currency fluctuations.

Credit risk

The Groups principle credit risk arises from the ability of its customers to meet their contractual obligation to pay their debts as and when they fall due. The Groups approach to managing this risk is to continually monitor debt collection, performing appropriate credit checks on new and existing customers using third party credit reference agencies to assess creditworthiness and set appropriate credit limits and payment terms. In addition the Group has credit insurance for large national account customers.

Brexit

The Group recognizes the outcome of the forthcoming trade negotiations could adversely affect the cost of European sourced goods and temporarily disrupt the supply chain in the short term. The Directors regularly review the latest developments, particularly in respect of free trade agreements, potential import duties and customs requirements to assess how this could affect the supply chain in the future in order to develop plans to manage these changes.

Implementing ESG Initiatives

The Group recognizes that its success depends on good environmental, social and governance practices. It is committed to implementing initiatives that will reduce its impact on the environment, provide a safe working environment for its employees and promote sound corporate governance.

Environmental Matters

The Group cares about the impact its operations have on the environment and it complies with all applicable environmental laws. The Group is committed to continuously improve its environmental practices.

Social Matters

The Group strives to create a working environment that bring out the best in its employees and fosters community engagement. The Group is committed to support local communities where it operates through volunteering employee time, raising funds as well as making corporate donations to non-profit charitable organizations.

S172 (1) Statement
The directors consider that, as set out under section 172(1) of the Companies Act 2006, they have in good faith. acted in a way that they consider would promote the success of the Company. In doing so, the directors have given due regard to the interests of key stakeholder groups and have assessed the likely consequences of decisions on the Group's long-term performance and its reputation.

The following elements inform of all the board's decision-making processes:

Strategy – During board and shareholder review meetings, the directors review strategic progress and key performance indicators. The Group shares the performance and annual objectives with all employees in a forum to allow all voices to be heard in a collaborative way.

Performance - The directors regularly review the performance of the Group, taking into account how significant future events (for example Brexit, Covid-19, regulation changes) could impact the Group's projected forecast performance, and deciding the best course of action.

Governance - The directors are committed to ensuring good governance, beginning with the foundation of strong internal controls, a company culture where employees have open access to management at all levels. All employees are encouraged to be curious, to speak up if they witness anything requiring further investigation, and to offer new ideas or initiatives that will strengthen existing processes and procedures.

All employees receive a company handbook with code of conduct, ethics and compliance information, which the company regularly reviews and updates to meet changing business needs and legislation.

As part of good governance, the directors ensure that the balance sheet of the Company is robust. This is the cornerstone of our ability to weather differing economic cycles, enabling us to raise additional borrowing as required, make necessary investments from which to grow, and provide assurance to our key suppliers and trading partners.

Below are our key stakeholders and how we have engaged with them in the decision-making process:

Customers

The Group is committed to help our customers thrive in the markets in which they operate. The directors and management play a key role to ensure this is done in a safe, efficient and ethical manner throughout the supply chain from origination to delivery destination. The Groups approach is to create long term partnerships, prioritizing the customer, listening to feedback and continuously improving our service levels to meet customer demand. As a result of this approach, the Group has built a growing business.

Employees

The Group has a strong commitment to its workforce. We recognize that our people are out most valuable asset, fundamental to the success of the Company and striving to exceed our stakeholder's expectations. We make a conscious effort to attract and retain high calibre staff, offering equal opportunities and without discrimination. The success of individuals and teams enables the Group to achieve its objectives, which enables growth and further opportunities for individuals to prosper in their careers.

Funders and Financial Institutions

The Group has strong and well established links with each of our funding partners and we maintain these relationships through regular meetings and other communications. The provision of reliable, timely management information enables these trusted partners to monitor our financial position, and provides comfort of the financial headroom within the Group at any time.

Suppliers and Other Business Partners
The reputation and strength of the Group is built upon the trust the Group has developed with its supply chain partners. Together we form a critical function to meet the needs of our customers. The Group operates closely with suppliers to create reliable and robust relationships, through which we can be assured that orders are delivered on time in full.

Shareholders

Our shareholders are vital for the future success of the Group. Our ultimate shareholders, through our ultimate parent undertaking Uni-select Inc, provide their strategic vision and support for the future growth and direction of the Group. In return we provide market intelligence, regular performance updates, offer growth opportunities and add value in support of the overall ultimate parent undertaking Uni-select Inc's business plan.

On behalf of the board

....
Mr N M Croxson
Director

PA TOPCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities
The principal activities of the Group are the distribution and sale of automotive parts.

The principal activity of the company is that of a holding company.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N M Croxson	
Mr P C Sephton	
Mr A Courville	(Resigned 1 May 2019)
Mr A B Windom	(Appointed 1 May 2019)
Mrs S A Dowling	(Appointed 5 November 2019)

Results and dividends
The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £7,560,000 (2018: £1,900,000). The directors do not recommend payment of a further dividend.

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee Involvement
The Group recognises the importance of maintaining a high quality and motivated workforce, to this end the group is committed to employee involvement through regular meeting and briefings.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the factors affecting the group's performance.

Is it the groups policy to encourage career development for all employees to help achieve job satisfaction while increasing personal motivation.

Auditor
The auditor Ernst & Young LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

PA TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Going concern
The Groups business activities together with the factors likely to impact its future development, performance and position are set out in the Directors and Strategic Reports respectively.

The Group is reliant on the continued operational support of its parent group and has the financial support of the groups ultimate parent company, Uni-Select Inc., which has sufficient cash and liquidity to fund the operations if necessary and a letter of support has been provided indicating that it will continue to support the business for at least 12 months from the date of approval of these financial statements.

The group has prepared a cash flow forecast for the period through 31 December 2021 and has considered both severe but plausible downside scenarios, noting any controllable cost mitigations such as deferral of capital expenditure to protect liquidity and adjusting network operations to meet variable customer demand. In the most severe but plausible scenario forecasted, the Group would remain a going concern.

Having considered all the above, including Uni-Selects current financial position and its willingness to provide financial support to the Group as needed, the directors remain confident in the long-term future prospects of the Group. The directors therefore consider that COVID 19 has no impact on the Groups ability to continue as a going concern for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

The directors have concluded that COVID-19 has not caused significant adverse changes to assets or liabilities of the Group, including the recoverability of financial instruments measured at amortized cost (such as 'Trade and other receivables") and at fair value, these net realizable value of inventories, and potential impairment charges on property and equipment, intangible assets and goodwill.

On behalf of the board

Mr N M Croxson
Director

Date: 2 December 2020

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group 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 UK 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PA TOPCO LIMITED

Opinion
We have audited the financial statements of PA Topco Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the group Profit and Loss Account, the group Statement of Other Comprehensive Income, the group and parent company Balance Sheet, the group and parent Statement of Changes in Equity and the group Statement of Cash Flows, and the related notes 1 to 33, 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 FRS 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 group's and of the parent company's affairs as at 31 December 2019 and of the group's loss 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 below. We are independent of the group and parent 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.

Emphasis of matter – effects of COVID-19
We draw attention to notes 1.3 and 31 of the financial statements, which describe the economic and social consequences the company is facing as a result of COVID-19, which is impacting supply chains, customer demand and personnel available for work. Our opinion is not modified in respect of this matter.

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 group's or the parent 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 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 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 parent company 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 directors' responsibilities statement set out on page 7, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 https://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.

Ernst & Young LLP

Steven Bagworth (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditors
Birmingham, UK

Date: 3 December 2020

PA TOPCO LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	307,696,173	312,681,297
Cost of sales		(175,521,687)	(176,533,320)
Gross profit		132,174,486	136,147,977
Administrative expenses		(131,991,806)	(124,145,582)
Administrative expenses - non-recurring	4	(2,536,647)	(1,620,723)
Operating (loss)/profit	5	(2,353,967)	10,381,672
Interest payable and similar expenses	9	(613,151)	(503,066)
(Loss)/profit before taxation		(2,967,118)	9,878,606
Tax on (loss)/profit	10	(234,647)	(2,212,550)
(Loss)/profit for the financial year		(3,201,765)	7,666,056
(Loss)/profit for the financial year is attributable to:			
- Owners of the parent company		(3,199,054)	7,670,977
- Non-controlling interests		(2,711)	(4,921)
		(3,201,765)	7,666,056

PA TOPCO LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
(Loss)/profit for the year	(3,201,765)	7,666,056
Other comprehensive income		
Unrealised losses on translation of financial statements to group presentation currency	(7,862)	-
Total comprehensive (loss)/income for the year	(3,209,627)	7,666,056
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	(3,206,916)	7,670,977
- Non-controlling interests	(2,711)	(4,921)
	(3,209,627)	7,666,056

PA TOPCO LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Goodwill	13		29,045,000		32,326,000
Other intangible assets	13		13,555,008		13,719,539
Total intangible assets			42,600,008		46,045,539
Tangible assets	14		23,903,586		22,781,122
Investments	15		59,527		59,527
			66,563,121		68,886,188
Current assets					
Stocks	17	84,300,206		80,556,681	
Debtors	18	61,811,607		60,490,400	
Cash at bank and in hand		4,661,417		2,797,461	
		150,773,230		143,844,542	
Creditors: amounts falling due within one year	19	(78,240,464)		(81,633,705)	
Net current assets			72,532,766		62,210,837
Total assets less current liabilities			139,095,887		131,097,025
Creditors: amounts falling due after more than one year	20		(22,343,607)		(6,700,000)
Provisions for liabilities	23		(5,049,509)		(4,335,184)
Net assets			111,702,771		120,061,841
Capital and reserves					
Called up share capital	26		143,493,973		141,193,973
Share premium account	27		1,053,627		1,053,627
Contributed surplus	27		379,654		269,097
Profit and loss reserves	27		(33,201,772)		(22,434,856)
Equity attributable to owners of the parent company			111,725,482		120,081,841
Non-controlling interests			(22,711)		(20,000)
			111,702,771		120,061,841

The financial statements were approved by the board of directors and authorised for issue on 2/12/2020 and are signed on its behalf by:

....
Mrs S A Dowling
Director

PA TOPCO LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments	15		156,055,018		153,755,018
Current assets					
Debtors	18	763,124		763,124	
Creditors: amounts falling due within one year	19	(46,136)		(30,800)	
Net current assets			716,988		732,324
Total assets less current liabilities			156,772,006		154,487,342
Capital and reserves					
Called up share capital	26		143,493,973		141,193,973
Share premium account	27		1,053,627		1,053,627
Profit and loss reserves	27		12,224,406		12,239,742
Total equity			156,772,006		154,487,342

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £7,544,664 (2018 - £1,886,711 profit).

The financial statements were approved by the board of directors and authorised for issue on 2/12/2020 and are signed on its behalf by:

Mrs S A Dowling
Director

Company Registration No. 08137580

PA TOPCO LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital	Share premium account	Contributed surplus	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
		£	£	£	£	£	£	£
Balance at 1 January 2018		152,787,837	1,053,627	192,544	(40,498,697)	113,535,311	(15,079)	113,520,232
Year ended 31 December 2018:								
Profit and total comprehensive income for the year		-	-	-	7,670,977	7,670,977	(4,921)	7,666,056
Issue of share capital	26	699,000	-	-	-	699,000	-	699,000
Dividends	11	-	-	-	(1,900,000)	(1,900,000)	-	(1,900,000)
Reduction of shares	26	(12,292,864)	-	-	12,292,864	-	-	-
Stock - based compensation	8	-	-	76,553	-	76,553	-	76,553
Balance at 31 December 2018		141,193,973	1,053,627	269,097	(22,434,856)	120,081,841	(20,000)	120,061,841
Year ended 31 December 2019:								
Loss for the year		-	-	-	(3,199,054)	(3,199,054)	(2,711)	(3,201,765)
Other comprehensive income:								
Unrealised gains/(losses) on translation of financial statements to group presentation currency		-	-	-	(7,862)	(7,862)	-	(7,862)
Total comprehensive income for the year		-	-	-	(3,206,916)	(3,206,916)	(2,711)	(3,209,627)
Issue of share capital	26	2,300,000	-	-	-	2,300,000	-	2,300,000
Dividends	11	-	-	-	(7,560,000)	(7,560,000)	-	(7,560,000)
Stock - based compensation	8	-	-	110,557	-	110,557	-	110,557
Balance at 31 December 2019		143,493,973	1,053,627	379,654	(33,201,772)	111,725,482	(22,711)	111,702,771

PA TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2018		152,787,837	1,053,627	(39,833)	153,801,631
Year ended 31 December 2018:					
Profit and total comprehensive income for the year		-	-	1,886,711	1,886,711
Issue of share capital	26	699,000	-	-	699,000
Dividends	11	-	-	(1,900,000)	(1,900,000)
Reduction of shares	26	(12,292,864)	-	12,292,864	-
Balance at 31 December 2018		141,193,973	1,053,627	12,239,742	154,487,342
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	7,544,664	7,544,664
Issue of share capital	26	2,300,000	-	-	2,300,000
Dividends	11	-	-	(7,560,000)	(7,560,000)
Balance at 31 December 2019		143,493,973	1,053,627	12,224,406	156,772,006

PA TOPCO LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	32		(330,061)		14,779,353
Interest paid			(613,151)		(503,066)
Income taxes paid			-		(2,201,518)
Net cash (outflow)/inflow from operating activities			(943,212)		12,074,769
Investing activities					
Purchase of intangible assets		(818,328)		(598,758)	
Purchase of tangible fixed assets		(8,717,514)		(9,087,478)	
Proceeds on disposal of tangible fixed assets		2,117,739		520,572	
Net cash used in investing activities			(7,418,103)		(9,165,664)
Financing activities					
Proceeds from issue of shares		2,300,000		699,000	
Repayment of parent company loan		-		(2,500,000)	
(Reduction) / Increase of secured bank facilty		15,500,000		2,500,000	
Payment of finance leases obligations		(14,729)		(5,794,314)	
Dividends paid to equity shareholders		(7,560,000)		(1,900,000)	
Net cash generated from/(used in) financing activities			10,225,271		(6,995,314)
Net increase/(decrease) in cash and cash equivalents			1,863,956		(4,086,209)
Cash and cash equivalents at beginning of year			2,797,461		6,883,670
Cash and cash equivalents at end of year			4,661,417		2,797,461

1 Accounting policies

Company information
PA Topco Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 15th Floor, 6 Bevis Marks, Bury Court, London, UK, EC3A 7BA.

The group consists of PA Topco Limited and all of its subsidiaries.

The company is limited by shares (S. 404 of the Companies Act 2006).

1.1 Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The Company's ultimate parent undertaking, Uni-Select Inc includes the Company in its consolidated financial statements. The consolidated financial statements of Uni-Select Inc are prepared in accordance with IFRS and are available to the public. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Parent Company Cash Flow Statement and related notes;
- Key Management Personnel compensation exemption under S33.7A of FRS102, Directors remuneration is disclosed in point 8:
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1;
- Related Party Disclosures; and
- Disclosure of share based payment arrangements.

The financial statements are prepared on the historical cost basis. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The company entered into several trading transactions with related parties during the year. The related parties include wholly owned subsidiaries within the group where such transactions are eliminated upon consolidation in the consolidated accounts of Uni-select Inc. The company has taken advantage of the exemptions under FRS 102 section 33.1A not to disclose such transactions. Where subsidiaries are not wholly owned disclosures are included within notes to the accounts.

1 Accounting policies **(Continued)**

1.2 Basis of consolidation

The Group financial statements consolidate the financial statements of PA Topco Limited and all its subsidiary undertakings drawn up to 31 December each year. No profit and loss accounts is presented for PA Topco Limited as permitted by section 408 of the Companies Act 2006.

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of PA Topco Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

1 Accounting policies **(Continued)**

1.3 Going concern

The Groups business activities together with the factors likely to impact its future development, performance and position are set out in the Directors and Strategic Reports respectively.

The Group is reliant on the continued operational support of its parent group and has the financial support of the groups ultimate parent company, Uni-Select Inc., which has sufficient cash and liquidity to fund the operations if necessary and a letter of support has been provided indicating that it will continue to support the business for at least 12 months from the date of approval of these financial statements.

The group has prepared a cash flow forecast for the period through 31 December 2021 and has considered both severe but plausible downside scenarios, noting any controllable cost mitigations such as deferral of capital expenditure to protect liquidity and adjusting network operations to meet variable customer demand. In the most severe but plausible scenario forecasted, the Group would remain a going concern.

Having considered all the above, including Uni-Selects current financial position and its willingness to provide financial support to the Group as needed, the directors remain confident in the long-term future prospects of the Group. The directors therefore consider that COVID 19 has no impact on the Groups ability to continue as a going concern for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

The directors have concluded that COVID-19 has not caused significant adverse changes to assets or liabilities of the Group, including the recoverability of financial instruments measured at amortized cost (such as "Trade and other receivables") and at fair value, thesd net realizable value of inventories, and potential impairment charges on property and equipment, intangible assets and goodwill.

1.4 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover is derived from the supply of automotive parts, garage equipment and associated training together with membership fees charged to associated members of the buying groups brand.

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets - goodwill

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years. For goodwill arising prior to the Group's transition to FRS102 the useful life of goodwill is estimated to be 20 years.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

1.6 Intangible fixed assets other than goodwill

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Intangible assets are tested for impairment in accordance when there is an indication that an intangible asset may be impaired.

The cost of intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date. The fair value of intangible assets acquired is derived by the application of a valuation model to the discounted cashflows of the asset which *demonstrate the future economic benefit of the assets acquired.* The valuation models utilised by the group include:

- Brands: Relief of royalty approach
- Customer relationships: Multi-Period Excess Earnings Approach ("MEEM")
- Software: Historical cost

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

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

Software	4 years straight line
Brand	20 years straight line
Customer Relationships	20 years straight line

1.7 Tangible fixed assets

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

1 Accounting policies **(Continued)**

1.7 Tangible fixed assets (continued)

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

Freehold land	Nil
Freehold buildings	2-5%
Leasehold improvements	Life of the lease
Plant and equipment	15%
Fixtures and fittings	10%
Computers	25%
Motor vehicles	15-25%

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

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1 Accounting policies **(Continued)**

1.9 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

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

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

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

1 Accounting policies **(Continued)**

1.12 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Basic financial liabilities

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

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

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

1 Accounting policies **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

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

1.14 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1 Accounting policies **(Continued)**

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.16 Employee benefits

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

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

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

1.17 Retirement benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1 Accounting policies **(Continued)**

1.19 Rebates

Rebates payable are recognised within accruals at the point of sale on the basis of the rebate arrangement prevailing at the point of the transaction. Rebates payable are recognised immediately within the profit and loss as a deduction from revenue within the period in which the related stock is sold.

Rebates receivable are recognised within other debtors at the point of purchase on the basis of the rebate arrangement prevailing at the point of the transaction. Rebates receivable are recognised within stock on the receipt of the related goods. Consequently, rebates receivable are credited to the profit and loss account within the period the related stock is sold.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

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

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

Stock:
Management considers the recoverability of stock at the year end, with reference to previous trading results by stock item ("SKU"). They take a prudent approach, providing each item such that the items which are less likely to sell, that are held at cost will be written down to their net realisable value.

Goodwill and Intangible Assets:
Management consider the value of goodwill at each year end with reference to the future cash flows derived from the cash generating unit to which the goodwill is assigned. Any indicators of impiarement are reviewed in arriving at the carrying value of goodwill at each year end. Management are of the view that there are no such indicators as at 31 December 2019.

The cost of intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured in accordance with the Groups accounting policy. The fair value of those intangible assets is derived through a review of historical and future discounted cash flows of the asset which demonstrate the future economic benefit of the assets acquired. The review includes the application of various assumptions and judgments covering future sales growth and customer attrition rates, royalty rates and the discount factors which are utilised within the discounted cash flow models. Management are comfortable that as at 31 December 2019, the assumptions utilised represent a realistic yet prudent outlook of the future cash flows derived from those intangible assets capitalised by the group.

Provisions:
The Group makes estimates of projected costs and timelines. and the probability of occurrence of the obligations in determining the amount for provisions. Provisions are reviewed at the end of each reporting period and are adjusted to reflect the best estimates.

Sales recognition:
Estimates are used in determining the amounts to be recorded for the right of return, assurance warranties and trade and volume discounts. These estimates are calculated based on the agreed on specifications with the customers, the Corporation's historical experience and Management's assumptions about future events, and are reviewed on a regular basis throughout the year.

3 Turnover and other revenue

	2019	2018
	£	£
Turnover analysed by class of business		
Car Parts	304,997,175	310,415,000
Membership	2,698,998	2,266,297
	307,696,173	312.681,297

3 Turnover and other revenue (Continued)

	2019	2018
	£	£
Turnover analysed by geographical market		
UK	300,360,000	306,940,000
Exports	7,336,173	5,741,297
	307,696,173	312,681,297

4 Exceptional item

Exceptional items comprise elements which do not reflect the Groups core performance or where their separate presentation will assist readers of the consolidated financial statements in understanding the Groups results for the period. Special items are detailed as follows and are non-recurring in nature:

	2019	2018
	£	£
Severance	2,041,000	864,273
Closing costs and others	80,000	602,227
Fixed asset impairment	149,943	-
Investments in new locations / systems	93,000	-
Consulting fees	79,000	154,223
Retention payments	93,704	-
	2,536,647	1,620,723

In January 2019, the Group announced a performance improvement and rightsizing plan as part of the Uni-Select Inc. 25/20 plan announced during the fourth quarter of 2018. These plans are now collectively referred to as the "Performance Improvement Plan (PIP)". Over the course of 2019, due to the challenging macroeconomics within the UK market the Group has successfully expanded the PIP, adding new accretive initiatives.

5 Operating (loss)/profit

	2019	2018
	£	£
Operating (loss)/profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	5,910,488	5,365,194
Impairment of owned tangible fixed assets	149,943	-
Amortisation of intangible assets	4,263,859	4,273,165
Operating lease charges	7,006,670	6,482,216

6 Auditor's remuneration

	2019	2018
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	99,809	159,809

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Sales, Marketing and distribution	2,702	2,741	-	-
Administration and support	307	349	-	-
	3,009	3,090	-	-

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	77,892,267	74,656,286	-	-
Social security costs	6,232,249	5,839,296	-	-
Pension costs	1,857,909	1,234,827	-	-
	85,982,425	81,730,409	-	-

8 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	869,080	1,445,000
Company pension contributions to defined contribution schemes	28,176	-
	897,256	1,445,000

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	489,999	757,000

Certain Directors participate in a group wide long term incentive plan which grants a reward of share options in the group based on achieving certain long term targets. The details of the long term incentive plans and share based payment disclosures are included in the financial statements of Uni-Select Inc.

The UK businesses are recharged by the group for the costs of the long term incentive plan.

No options have been exercised by the Directors during the year.

9 Interest payable and similar expenses

	2019	2018
	£	£
Other finance costs:		
Other interest	613,151	503,066

10 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	526,138	2,381,518
Deferred tax		
Origination and reversal of timing differences	(291,491)	(168,968)
Total tax charge	234,647	2,212,550

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

	2019	2018
	£	£
(Loss)/profit before taxation	(2,967,118)	9,878,606
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(563,752)	1,876,935
Tax effect of expenses that are not deductible in determining taxable profit	89,241	68,801
Under/(over) provided in prior years	298,000	(85,193)
Deferred tax movement	(291,491)	(168,857)
Fixed asset differences	203,354	384,583
Foreign PE exemption	(100,567)	(89,032)
Goodwill ammortisation not deductable	623,390	623,390
Other timing differnce	(23,528)	(398,077)
Taxation charge	234,647	2,212,550

Reductions in the UK corporatation tax rate to 18% (effective 1 April 2020), and subsequently to 17% (effective 1 April 2020) were anounced during the 2015 and 2016 UK budgets respectively.

A change to the main UK Corporation tax rate, anounced in the budget on 11 March 2020, was substantively enacted for IFRS and UK GAAP purposes on 17 March 2020. The rate appicable from 1 Apri 2020 now remains at 19%, rather than the previously enacted reductions outlined above.

11 Dividends

	2019	2018
	£	£
Final paid	7,560,000	1,900,000

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2019	2018
		£	£
In respect of:			
Property, plant and equipment	14	149,943	-
Recognised in:			
Administrative expenses - non-recurring		149,943	-

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

13 Intangible fixed assets

Group	Goodwill	Software	Brand	Customer Relationships	Total
	£	£	£	£	£
Cost					
At 1 January 2019	45,067,000	1,146,291	4,740,949	10,736,299	61,690,539
Additions	-	818,328	-	-	818,328
At 31 December 2019	45,067,000	1,964,619	4,740,949	10,736,299	62,508,867
Amortisation and impairment					
At 1 January 2019	12,741,000	740,000	656,000	1,508,000	15,645,000
Amortisation charged for the year	3,281,000	183,859	237,000	562,000	4,263,859
At 31 December 2019	16,022,000	923,859	893,000	2,070,000	19,908,859
Carrying amount					
At 31 December 2019	29,045,000	1,040,760	3,847,949	8,666,299	42,600,008
At 31 December 2018	32,326,000	406,291	4,084,949	9,228,299	46,045,539

The company had no intangible fixed assets at 31 December 2019 or 31 December 2018.

14 Tangible fixed assets

Group	Freehold land	Freehold buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 January 2019	1,650,490	3,116,076	7,863,861	6,701,350	13,889,889	8,924,509	15,079,240	57,225,415
Additions	-	-	281,599	85,251	4,702,347	1,246,879	2,401,438	8,717,514
Disposals	(393,506)	(1,121,494)	-	(290,430)	(896,158)	(146,075)	(1,697,191)	(4,544,854)
At 31 December 2019	1,256,984	1,994,582	8,145,460	6,496,171	17,696,078	10,025,313	15,783,487	61,398,075
Depreciation and impairment								
At 1 January 2019	-	1,197,583	5,523,046	6,009,710	8,341,214	6,164,811	7,207,929	34,444,293
Depreciation charged in the year	-	38,748	525,104	66,859	1,210,682	1,145,149	2,923,946	5,910,488
Impairment losses (note 12)	-	-	-	100,000	49,943	-	-	149,943
Eliminated in respect of disposals	-	(374,989)	-	(270,795)	(181,814)	(144,520)	(2,038,117)	(3,010,235)
At 31 December 2019	-	861,342	6,048,150	5,905,774	9,420,025	7,165,440	8,093,758	37,494,489
Carrying amount								
At 31 December 2019	1,256,984	1,133,240	2,097,310	590,397	8,276,053	2,859,873	7,689,729	23,903,586
At 31 December 2018	1,650,490	1,918,493	2,340,815	691,640	5,548,675	2,759,698	7,871,311	22,781,122

The company had no tangible fixed assets at 31 December 2019 or 31 December 2018.

15 Fixed asset investments

		Group		Company	
		2019	2018	2019	2018
	Notes	£	£	£	£
Investments	16	59,527	59,527	156,055,018	153,755,018

Movements in fixed asset investments
Group

	Other investments
	£
Cost or valuation	
At 1 January 2019 and 31 December 2019	59,527
Carrying amount	
At 31 December 2019	59,527
At 31 December 2018	59,527

Movements in fixed asset investments
Company

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2019	153,755,018
Additions	2,300,000
At 31 December 2019	156,055,018
Carrying amount	
At 31 December 2019	156,055,018
At 31 December 2018	153,755,018

16 Subsidiaries

The Companies' subsidiaries listed below all intend to claim an audit exemption under S479A of Companies Act 2006 in respect of their own financial statements for their year ended 31 December 2019.

As PAGL Ireland Limited is registered in Dublin, Ireland the exemption will be claimed under S293-304 of the Companies Act 2014 applicable to companies incorporated in the Republic of Ireland.

As a condition of the audit exemption that they will claim, PA Topco Limited intends to guarantee all outstanding liabilities of these companies as at 31 December 2019.

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct	Indirect
Allparts Automotive Limited	2	In liquidation	Ordinary	-	100.00
Allparts Bidco Limited	1	Intermediate holding company	Ordinary	-	100.00
BBC Superfactors Limited	2	In liquidation	Ordinary	-	100.00
Beckwith Limited	2	In liquidation	Ordinary	-	100.00
Blackburn Brakes Holding Limited	2	In liquidation	Ordinary	-	100.00
BMS Superfactors Limited	2	In liquidation	Ordinary	-	100.00
CES Bidco Limited	1	Intermediate holding company	Ordinary	-	100.00
Data Development Services Limited	3	Provision of IT services	Ordinary	-	80.83
DDS Midco Limited	1	Intermediate holding company	Ordinary	-	100.00
G.M.F. Motor Factors Limited	1	In liquidation	Ordinary	-	100.00
Garafabia Limited	2	In liquidation	Ordinary	-	100.00
German Swedish and French Car Parts Limited	1	Sale of auto parts	Ordinary	-	100.00
GMF Bidco Limited	1	Intermediate holding company	Ordinary	-	100.00
Odin Bidco Limited	2	In liquidation	Ordinary	-	100.00
PA Group Holdings Limited	1	Intermediate holding company	Ordinary	100.00	-
Parts Alliance Group Limited	1	Sale of auto parts	Ordinary	-	100.00
Policybest Limited	2	In liquidation	Ordinary	-	100.00
SAS Autoparts Limited	2	In liquidation	Ordinary	-	100.00
SC Motor Factor Limited	2	In liquidation	Ordinary	-	100.00
SCMF Bidco Limited	1	Intermediate holding company	Ordinary	-	100.00
Superfactor (Holdings) Limited	5	In liquidation	Ordinary	-	100.00
The Parts Alliance Limited	1	Sale of auto parts & buying Group	Ordinary	-	100.00
Waterloo (Motor Trade) Holdings Limited	2	In liquidation	Ordinary	-	100.00
Waterloo (Motor Trade) Limited	2	In liquidation	Ordinary	-	100.00
PAGL Ireland Limited	4	Sale of auto parts	Ordinary	-	100.00

16 Subsidiaries **(Continued)**

Registered office addresses:

1. 15th Floor, 6 Bevis Marks, Bury Court, London. EC3A 7BA
2. Centenary House, Penninsula Park, Rydon Loane, Exeter. EX2 7XE
3. 1 The Pavillions, Cranmore Drive, Shirley, Solihull. B90 4SB
4. Trinity House, Charleston Road, Ranelagh, Dublin 6. D06C 8X4
5. C/O Sharles Co. 29 Brandon Street, Hamilton, Lanarkshire. Scotland, ML3 6DA

The Group holds a membership investment in Nexus Automotive International SA, incorporated in Switzerland as a buying consortium.

The investment is held indirectly by the Companies immediate subsidiary The Parts Alliance Group Limited and represents 10% of the Ordinary share capital of Nexus Automotive International SA.

The registered office of Nexus Automotive International SA is Chemin de Château-Bloch 11, 1219 Le Lignon-Geneva, Switzerland.

17 Stocks

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Finished goods and goods for resale	84,300,208	80,556,681	-	-

18 Debtors

	Group 2019	2018	Company 2019	2018
Amounts falling due within one year:	£	£	£	£
Trade debtors	40,838,505	41,475,989	-	-
Corporation tax recoverable	298,994	-	-	-
Amounts owed by parent undertakings	767,001	1,333,972	763,124	763,124
Other debtors	14,900.981	13,709,374	-	-
Prepayments and accrued income	4,054,315	3,282,775	-	-
	60,859,796	59,802,110	763,124	763,124
Deferred tax asset (note 24)	951,811	688.290	-	-
	61,811,607	60,490,400	763,124	763,124

19 *Creditors: amounts falling due within one year*

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Obligations under finance leases	22	-	14,729	-	-
Trade creditors		58,797,804	62,627,611	-	-
Amounts owed to group undertakings		-	-	30,800	30,800
Corporation tax payable		-	200,000	-	-
Other taxation and social security		3,749,421	2,521,514	-	-
Other creditors		380,097	269,097	-	-
Accruals and deferred income		15,313,142	16,000,754	15,336	-
		78,240,464	81,633,705	46,136	30,800

20 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	21	22,200,000	6,700,000	-	-
Other creditors		143,607	-	-	-
		22,343,607	6,700,000	-	-

21 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Revolver credit facility	22,200,000	6,700,000	-	-
Payable after one year	22,200,000	6,700,000	-	-

Revolver Credit Facility: As part of the groups ownership by Uni-select Inc. the group was able to utilise the parent company's Revolver Credit Facility which is unsecured and matures on 30 June 2021. The facility can be repaid at any time without penalty. The facility is available in British pounds at the applicable variable interest rate of GBP LIBOR plus 2.75% (2018 : 2.10%).

On 29 May 2020 the group renegotiated the above facility which is now secured and matures on 30 June 2023. From this date the facility is available in British pounds at the applicable variable interest rate of GBP LIBOR plus 4.5%.

The facility is secured by way of a fixed and floating charge over the assets of the group.

22 Finance lease obligations

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	-	14,728	-	-

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets.

23 Provisions for liabilities

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Other provisions		2,745,157	2,002,862	-	-
Deferred tax liabilities	24	2,304,352	2,332,322	-	-
		5,049,509	4,335,184	-	-

Other provisions relate to the groups liability to historical dilapidations in respect of its existing leasehold properties together with liabilties in respect of restructuring activities commited at the year end.

24 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Accelerated capital allowances	-	-	382,088	459,375
Tax losses	-	-	149,478	219,912
Short term timing differences	-	-	420,245	9,003
Arising on acquired intangibes	2,304,352	2,332,322	-	-
	2,304,352	2,332,322	951,811	688,290

The company has no deferred tax assets or liabilities.

24 Deferred taxation (Continued)

Movements in the year:	Group 2019 £	Company 2019 £
Liability at 1 January 2019	1,644,032	-
Credit to profit or loss	(291,491)	-
Liability at 31 December 2019	1,352,541	-

25 Retirement benefit schemes

Defined contribution schemes	2019 £	2018 £
Charge to profit or loss in respect of defined contribution schemes	1,857,909	1,234,827

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

26 Share capital

	Group and company 2019 £	2018 £
Ordinary share capital		
Allotted, called-up and fully paid		
12,292,864,094 Ordinary A Shares of 1p each	110,635,777	110,635,777
3,285,741,069 Ordinary B shares of 1p each	32,857,411	30,557,411
693,360 Ordinary D Shares of 0.1p each	693	693
9,168 Ordinary E shares of 1p each	92	92
	143,493,973	141,193,973

The A, B and E Ordinary shares rank pari passu in respect of voting rights. The D Ordinary shares have no voting rights. In all other regards the A, B, D and E Ordinary shares rank pari passu in accordance with the shareholders respective rights and order of priority as laid out in the company's shareholders agreement and articles of association.

On 13 December 2019 125,000,000 Ordinary B shares were issued at a par value of £0.01.

On 26 September 2019 105,000,000 Ordinary B shares were issued at a par value of £0.01.

On 10 December 2018 a special resolution was passed, in accordance with chapter 2 of part 13 of the Companies Act 2006, to cancel the paid-up capital (the "capital reduction") to the extent of £0.001 on each issued A Ordindary share in the Company. The nominal value of each A Ordinary share was reduced from £0.01 to £0.009. Reserves arising from the capital reduction have been treated as creating a realised profit of £12,292,864.

On 13 September 2018 69,900,000 Ordinary A shares were issued at a par value of £0.01.

27 Reserves

Share premium

This included any premiums received on the issue of share capital

Profit and loss reserve

The profit and loss reserve represents the accumulated profits, losses and distributions of the company.

Accumulated other comprehsive income reserve

The accumulated other comprehensive reserve relates to cumulative unrealised exchange gains (losses) on the translation of subsidiary financial statements to the group presentational currency.

Contributed surplus

The Group participates in a stock based compensation plan operated by the parent group Uni-Select Inc. Options awarded to employees of the UK group are include as equity settled common share stock within the contributed surplus reserve of the financial statements.

28 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year	7,100,950	6,627,000	-	-
Between two and five years	15,804,998	16,620,000	-	-
In over five years	2,058,638	2,670,000	-	-
	24,964,586	25,917,000	-	-

29 Related party transactions

Group

During the year the group had the following related party transactions:

(a) Group related parties:

The company is the ultimate parent undertaking of the group headed PA Topco Limited. Consequently the Company is exempt under section 33.1A of FRS102 "related party disclosures" from disclosing related party transactions which wholly owned subsidiaries of PA Topco Limited.

The aggregate transactions and balances between Data Development Services Limited, a 80.83% equity investment of the group are as follows:

At the year end there were amounts payable to group subsidiaries from Data Development Services Limited of £83,650 (2018: £99,112).

During the period the group procured services from Data Development Services amounting to £1,623,188 (2018: £1,325,357).

All of the above transactions have been eliminated within the consolidated financial statements.

(b) Director related parties:

During the year the group made leasehold payments of £422,192 (2018: £383,828) in respect of premises occupied by the group and owned directly or indirectly by the West family. Mr J. Clark-West was a director of a group subsidiary and member of the groups key management personnel until his resignation on 24/12/2019.

30 Controlling party

The Company is a subsidiary undertaking of Uni-Select Inc. a company incorporated in Quebec and listed on the Toronto Stock Exchange. The ultimate controlling party is Uni-Select Inc. The largest and smallest Group in which the results of the Company are consolidated is that headed by Uni-Select Inc. The consolidated financial statements of the group headed Uni-Select Inc. are publically available online at www.uniselect.com.

31 Post Balance Sheet Event

Following the outbreak of Coronavirus ("Covid-19"), which the World Health Organisation declared to be pandemic on 11 March 2020, management has put in place a response plan and is closely monitoring the evolution of this pandemic, including how it may affect the Group, the economy and the general population. As such, measures were implemented in early March to protect the health and safety of its employees, customers and suppliers.

Given this was an event occurring after the Balance Sheet date, management consider this to be a non-adjusting event.

The Groups operations have reported a decrease in sales as well as earnings as a result of national and locally enforced government restrictions. However, some or all of the Groups operations were permitted to continue as essential services at the beginning of the crisis and since then, as government restrictions have gradually been lifted the group has returned to full operational capacity.

Throughout the pandemic the group has focused on cash preservation and cost control. With regards to cost control this has included utilising government schemes to provide financial support and adjusting network operations to meet the variable demands of customers.

The extent to which the COVID 19 pandemic impacts the Groups business, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the pandemic and the actions taken to contain or treat the outbreak. Even at its current scope, together with measures that have been taken globally to counteract it, the COVID 19 pandemic could materially and adversely impact the Groups business, financial condition and results of operations including, without limitation, through a major decline in economic activity resulting in a decline in demand for the Groups products and services, compromised employee health and workplace productivity, government ordered business closures and threats to the business continuity of the Groups stores, suppliers, customers and/or partners.

These impacts could in turn, amongst other things, negatively impact the Groups liquidities and/or its ability to remain in compliance with covenants under its Syndicated Credit Agreement.

In this context, the Groups parent undertaking (Uni-Select Inc) successfully refinanced its debt, as announced on May 29, 2020, with new credit facilities providing access to additional liquidity on more flexible financial terms and conditions. The new $565,000,000 secured credit facilities, which will mature on 30 June 2023, consist of a $350,000,000 revolving credit facility and $215,000,000 term facilities.

Based on information available at this point, Management believes that the refinancing of the debt announced in late May 2020 will provide the required flexibility.

32 Cash (absorbed by)/generated from group operations

	2019	2018
	£	£
(Loss)/profit for the year after tax	(3,201,765)	7,666,056
Adjustments for:		
Taxation charged	234,647	2,212,550
Finance costs	613,151	503,066
Gain on disposal of tangible fixed assets	(583,475)	(127,873)
Amortisation and impairment of intangible assets	4,263,859	4,273,165
Depreciation and impairment of tangible fixed assets	6,060,431	5,365,194
Increase in provisions	742,295	1,016,862
Movements in working capital:		
Increase in stocks	(3,743,525)	(11,108,746)
Increase in debtors	(758,692)	(8,767,079)
(Decrease)/increase in creditors	(3,956,987)	13,746,156
Cash (absorbed by)/generated from operations	(330,061)	14,779,353

33 Analysis of changes in net debt - group

	1 January 2019	Cash flows	31 December 2019
	£	£	£
Cash at bank and in hand	2,797,461	1,863,956	4,661,417
Borrowings excluding overdrafts	(6,700,000)	(15,500,000)	(22,200,000)
Obligations under finance leases	(14,729)	14,729	-
	(3,917,268)	(13,621,315)	(17,538,583)