

Partridge of Hampshire Limited

Annual Report and Financial Statements

Year Ended

31 December 2017

Company Number 08313261

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Partridge of Hampshire Limited

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Company Information

Directors	T B R Partridge S Soper
Registered number	08313261
Registered office	Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL
Independent auditors	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Partridge of Hampshire Limited

Strategic Report For the Year Ended 31 December 2017

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2017.

Principal activities, results, review of the business and future developments

The company's principal activity is engaged in the operation of a franchised motor retail dealership. During the year the company was acquired by Partridge of Hampshire Holdings Limited.

Turnover has increased by 38%, in excess of BMW's decreased registrations nationally which have decreased by 4.1%. This enhanced increase is due to increased used vehicle and corporate sales. The overall gross margin percentage however has decreased from 8.7% to 6.8% reflecting the continued pressure on margins in the industry due to the competitive market place and better informed customers together with the increase in corporate sales.

The loss before tax includes goodwill amortisation of £470,904 (2016 - £470,904). This goodwill is due to be fully amortised by April 2018.

The cash position of the company remains strong and is monitored closely by management.

Our relationship with our franchise partner continues to be very strong and beneficial to both parties. We expect this to continue well into the foreseeable future and the directors expect increased profitability for the company in the forthcoming year.

There are no plans to alter the existing operation of the company in the future.

Review of the position of the business

At the year end the company has maintained its net assets position at £1.6m (2016 - £1.7m). The company cash position has increased through the period by £3,787k. At the year end the company had a positive cash balance of £4,553k. This cash increase is as a result of working capital management by senior management.

The directors believe the company is in a sound position and able to take advantages of opportunities as they arise.

Key performance indicators

	2017	2016	
Direct profit margin	1.5%	2.3%	Direct profit pre general costs as a % of turnover
Return on sales	0.0%	0.2%	Profit before tax as a % of turnover
Cash generation in period	£3,787k	(£1,913k)	Increase/(decrease) in cash in period

The directors also review other non financial key performance indicators such as customer satisfaction, employee turnover and absences.

Partridge of Hampshire Limited

Strategic Report (continued) For the Year Ended 31 December 2017

Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks. The main two risks identified are that of the general economy and the relationship with the manufacturer. The performance in 2017 shows that management has been able to keep abreast of economic conditions, and the company continues to have a good relationship with the manufacturer.

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



T B R Partridge
Director

Date: 2/5/2018

Partridge of Hampshire Limited

Directors' Report For the Year Ended 31 December 2017

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

Results and dividends

The loss for the year, after taxation, amounted to £85,411 (2016 - profit of £152,048).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

T B R Partridge
S Soper

Future developments

Information on the likely future developments in the business of the company has been included in the Strategic Report on page 1.

Financial risk management objectives and policies

The company uses financial instruments comprising cash, manufacturer loans, other loans, stocking loans, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations. The company is not exposed to currency risk as all financial instruments are denominated in sterling. The company has limited exposure to credit risk as in the majority of transactions with customers, the goods are not released until payment has been received in full.

Liquidity risk

The company seeks to manage liquidity risk by ensuring that stock levels are controlled, and by ensuring that sufficient liquidity is available to meet foreseeable needs.

Interest rate risk

The business is funded through various loans and stocking loans. These loans attract interest at a margin above the finance house base rate. The directors monitor the finance house base rate and are able to make appropriate, informed decisions as required.

Disclosure of information to auditors

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

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

Post balance sheet events

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

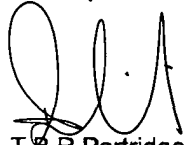
Partridge of Hampshire Limited

Directors' Report (continued) For the Year Ended 31 December 2017

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 2/5/2018 and signed on its behalf.



T B R Partridge
Director

Partridge of Hampshire Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Partridge of Hampshire Limited

Independent Auditors' Report to the member of Partridge of Hampshire Limited

Opinion

We have audited the financial statements of Partridge of Hampshire Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Partridge of Hampshire Limited

Independent Auditors' Report to the member of Partridge of Hampshire Limited (continued)

Other information

The other information comprises the information included in the Strategic Report and the Directors' Report. 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 our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Partridge of Hampshire Limited

Independent Auditors' Report to the member of Partridge of Hampshire Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the company's member 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

BDO LLP

Stephen Le Bas (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton
United Kingdom

3/5/2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Partridge of Hampshire Limited

Statement of Income and Retained Earnings For the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover	3	154,634,156	110,957,126
Cost of sales		(144,088,953)	(101,333,356)
Gross profit		10,545,203	9,623,770
Administrative expenses		(10,196,972)	(8,981,314)
EBITDA *		965,312	1,267,788
Depreciation		(146,177)	(154,428)
Amortisation of intangible assets		(470,904)	(470,904)
Operating profit	4	348,231	642,456
Interest payable and expenses	8	(415,959)	(460,909)
(Loss)/profit before tax		(67,728)	181,547
Tax on (loss)/profit	9	(17,683)	(29,499)
(Loss)/profit for the year		(85,411)	152,048
Retained earnings at the beginning of the year		310,352	158,304
(Loss)/profit for the year		(85,411)	152,048
Retained earnings at the end of the year		224,941	310,352

* EBITDA is earnings before interest, tax, depreciation and amortisation

The notes on pages 11 to 23 form part of these financial statements.

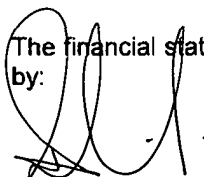
Partridge of Hampshire Limited

Registered number: 08313261

Balance Sheet As at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	10		131,049		601,953
Tangible assets	11		6,494,100		6,463,824
			<u>6,625,149</u>		<u>7,065,777</u>
Current assets					
Stocks	12	15,014,357		13,760,787	
Debtors	13	14,234,522		3,467,750	
Cash at bank and in hand		4,553,493		766,459	
		<u>33,802,372</u>		<u>17,994,996</u>	
Creditors: amounts falling due within one year	14	(34,244,944)		(18,423,368)	
Net current liabilities			<u>(442,572)</u>		<u>(428,372)</u>
Total assets less current liabilities			<u>6,182,577</u>		<u>6,637,405</u>
Creditors: amounts falling due after more than one year	15		(4,379,063)		(4,766,163)
Deferred tax	16		(178,586)		(160,903)
Net assets			<u><u>1,624,928</u></u>		<u><u>1,710,339</u></u>
Capital and reserves					
Called up share capital	17		166,666		166,666
Share premium account	18		1,233,321		1,233,321
Profit and loss account	18		224,941		310,352
			<u><u>1,624,928</u></u>		<u><u>1,710,339</u></u>

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



T B R Partridge
Director

Date: 2/5/2018

The notes on pages 11 to 23 form part of these financial statements.

Partridge of Hampshire Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

Partridge of Hampshire Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the Strategic Report.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Partridge of Hampshire Holdings Limited as at 31 December 2017 and these financial statements may be obtained from the registered office of the company.

1.3 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Sales of motor vehicles, parts and accessories are recognised on the earlier of full payment or delivery to the customer. Service and bodyshop work is recognised on the completion of the agreed work.

Partridge of Hampshire Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

1. Accounting policies (continued)

1.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

1.5 Tangible fixed assets

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. It is calculated at the following rates:

Freehold property	- 2% straight line
Plant and machinery	- 10% - 20% straight line
Motor vehicles	- 10% - 20% straight line
Fixtures and fittings	- 10% - 20% straight line
Office equipment	- 20% straight line
Computer equipment	- 20% - 33.3% straight line

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

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

1.6 Operating leases

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

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value. Where the nature of the agreement with the manufacturer confers the benefit and associated risk of ownership to the company on consignment, such stocks and the corresponding creditor are included on the balance sheet although legal title remains with the supplier until sold. Parts stock is shown at weighted average purchase price paid. Provision is made for obsolete, slow moving or defective items where appropriate.

Partridge of Hampshire Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

1. Accounting policies (continued)

1.8 Financial instruments

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

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

1.9 Finance costs

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

1.10 Pensions

Defined contribution pension plan

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

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

1.11 Current and deferred taxation

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

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

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

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

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

Partridge of Hampshire Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

The directors have made the following critical estimates and judgements deemed to be applicable to the financial statements:

Stocks

Consideration has been given by the directors to the level of provision against vehicle stocks. In determining the provision required the directors have used guidance from independent valuation tools and their knowledge of the industry.

3. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Vehicle sales	147,387,335	104,109,959
Aftersales	7,246,821	6,847,167
	<u>154,634,156</u>	<u>110,957,126</u>

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	146,177	154,428
Amortisation of intangible assets, including goodwill	470,904	470,904
Operating lease expense	115,740	147,628
Defined contribution pension cost	<u>50,522</u>	<u>32,737</u>

Partridge of Hampshire Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

5. Auditors' remuneration

	2017 £	2016 £
Fees payable to the company's auditor for the audit of the company's annual accounts	19,250	18,000
Fees payable to the company's auditor in respect of:		
Tax compliance	2,900	2,750
Other services relating to taxation	19,028	25,612
All other services	3,088	2,600
	<u>19,250</u>	<u>18,000</u>

6. Employees

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

	2017 £	2016 £
Wages and salaries	4,533,749	4,152,578
Social security costs	463,689	418,351
Cost of defined contribution scheme	50,522	32,737
	<u>5,047,960</u>	<u>4,603,666</u>

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

	2017 No.	2016 No.
Service and mechanical staff	67	67
Selling staff	35	42
Office administrative staff	37	26
	<u>139</u>	<u>135</u>

Partridge of Hampshire Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	258,551	240,223
Company contributions to defined contribution pension schemes	13,950	13,950
	<u>272,501</u>	<u>254,173</u>

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

The highest paid director received remuneration of £208,248 (2016 - £207,468).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,950 (2016 - £13,950).

8. Interest payable and similar charges

	2017 £	2016 £
Other loan interest payable	189,397	237,427
Stocking interest	226,562	223,482
	<u>415,959</u>	<u>460,909</u>

9. Taxation

	2017 £	2016 £
Corporation tax		
Adjustments in respect of previous periods	-	(13,500)
Total current tax	<u>-</u>	<u>(13,500)</u>
Deferred tax		
Origination and reversal of timing differences	17,683	55,045
Adjustments in respect of previous periods	-	(5,819)
Changes to tax rates	-	(6,227)
Total deferred tax	<u>17,683</u>	<u>42,999</u>
Taxation on profit on ordinary activities	<u>17,683</u>	<u>29,499</u>

Partridge of Hampshire Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

9. Taxation (continued)

Factors affecting tax charge for the year

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

	2017 £	2016 £
(Loss)/profit on ordinary activities before tax	(67,728)	181,547
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(13,037)	36,309
Effects of:		
Expenses not deductible for tax purposes	33,056	28,450
Adjustments to tax charge in respect of prior periods	-	(19,319)
Effect of tax rate change	(2,336)	(15,941)
Total tax charge for the year	17,683	29,499

Factors that may affect future tax charges

The Finance Act 2015 reduced the main rate of Corporation Tax from 20% to 19% with effect from 1 April 2017. In addition the Government has announced that from 1 April 2020 the Corporation Tax main rate will be further reduced to 17%. We have used a rate of 19.25% for the purpose of preparing the tax disclosure.

Accordingly, deferred tax balances recognised in the accounts as at the year end have been calculated as using the 17% rate.

The company has estimated trading tax losses carried forward totalling £90,000 (2016 - £30,000).

Partridge of Hampshire Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

10. Intangible assets

	Goodwill £
Cost	
At 1 January 2017	2,354,491
At 31 December 2017	<u>2,354,491</u>
Amortisation	
At 1 January 2017	1,752,538
Provided for the year	470,904
At 31 December 2017	<u>2,223,442</u>
Net book value	
At 31 December 2017	<u>131,049</u>
At 31 December 2016	<u>601,953</u>

Partridge of Hampshire Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

11. Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 January 2017	6,075,000	117,325	323,133	309,543	91,998	6,916,999
Additions	14,515	40,297	173,327	13,643	6,184	247,966
Disposals	-	-	(76,626)	-	-	(76,626)
Transfers between classes	25,770	-	-	(25,770)	-	-
At 31 December 2017	6,115,285	157,622	419,834	297,416	98,182	7,088,339
Depreciation						
At 1 January 2017	145,800	42,201	29,686	163,896	71,592	453,175
Provided for the year	48,600	28,862	15,765	43,521	9,429	146,177
Disposals	-	-	(5,113)	-	-	(5,113)
At 31 December 2017	194,400	71,063	40,338	207,417	81,021	594,239
Net book value						
At 31 December 2017	5,920,885	86,559	379,496	89,999	17,161	6,494,100
At 31 December 2016	5,929,200	75,124	293,447	145,647	20,406	6,463,824

Within freehold land and buildings is land not depreciated totalling £3,645,000 (2016 - £3,645,000).

Partridge of Hampshire Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

12. Stocks

	2017 £	2016 £
Raw materials and consumables	41,010	37,683
Work in progress	53,458	56,338
Finished goods and goods for resale	14,919,889	13,666,766
	<u>15,014,357</u>	<u>13,760,787</u>

Consignment stock

The company holds consignment stock at its premises for which the legal title does not pass to the company until the earlier of the company holding the vehicle for a specified period, adopting the vehicle by using it as a demonstrator vehicle or selling the vehicle to a third party.

There is no material difference between the replacement cost of stocks and the amounts stated above.

13. Debtors

	2017 £	2016 £
Due within one year		
Trade debtors	13,272,269	3,025,030
Amounts owed by group undertakings	721,040	-
Other debtors	4,800	200,000
Prepayments and accrued income	236,413	242,720
	<u>14,234,522</u>	<u>3,467,750</u>

Partridge of Hampshire Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

14. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other loans	387,100	503,790
Vehicle stocking loans	6,287,899	6,968,082
Trade creditors	18,266,300	7,858,308
Other taxation and social security	1,692,114	124,382
Finance for deposits on consignment stock	7,249,215	2,614,111
Accruals and deferred income	362,316	354,695
	<u>34,244,944</u>	<u>18,423,368</u>

Finance for deposits on consignment stock are secured against the relevant assets concerned.

Vehicle stocking loans are secured by floating charges over stocks of new and used motor vehicles.

Security for other loans is disclosed in note 15.

15. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other loans	<u>4,379,063</u>	<u>4,766,163</u>

Maturity of debt:

	Loans and overdrafts 2017 £	Loans and overdrafts 2016 £
Due within one year or on demand	6,674,999	7,471,872
In more than one year but not more than two years	303,750	387,100
In more than two years but not more than five years	911,250	911,250
Due after five years	3,164,063	3,467,873
	<u>11,054,062</u>	<u>12,238,095</u>

Within other loans less than and greater than one year is £4,682,813 (2016 - £5,269,953) which is secured by a legal charge over the freehold property of the company.

This loan is repayable by 240 monthly installments of £25,313 until May 2033. Interest is charged at 2% above the higher of the finance house base rate and 2%.

Partridge of Hampshire Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

16. Deferred taxation

	2017 £	2016 £
At 1 January 2017	160,903	117,904
Charged to the profit or loss	17,683	42,999
At 31 December 2017	178,586	160,903

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	194,016	165,953
Tax losses carried forward	(15,430)	(5,050)
	178,586	160,903

17. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
166,666 Ordinary shares of £1 each	166,666	166,666

18. Reserves

Share premium account

Share premium represents the amount above the nominal value received for shares issued, less transaction costs.

Profit and loss account

The profit and loss account represents accumulated comprehensive income for the year and prior periods less any dividends paid.

19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £50,522 (2016 - £32,737). Contributions totalling £Nil (2016 - £3,330) were payable to the fund at the balance sheet date.

Partridge of Hampshire Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

20. Commitments under operating leases

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

	2017 £	2016 £
Not later than 1 year	220,316	140,072
Later than 1 year and not later than 5 years	404,710	404,235
Later than 5 years	208,045	305,965
	<u>833,071</u>	<u>850,272</u>

21. Related party transactions

The company is a wholly owned subsidiary of Partridge of Hampshire Holdings Limited and has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with Partridge of Hampshire Holdings Limited.

At the year end a director has given personal guarantees totalling £100,000 (2016 - £100,000) to Barclays Bank plc.

At the year end amounts totalling £19,665 (2016 - £200,000) is due from a director.

During the year one vehicle totalling £127,500 was purchased from (2016 - £18,333 sold to) a related company with common directorship.

22. Controlling party

From the 2 June 2017, the immediate and ultimate parent undertaking became Partridge of Hampshire Holdings Limited, a company incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Partridge of Hampshire Holdings Limited, incorporated in England and Wales. The address of Partridge of Hampshire Holdings Limited's registered office is Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL.

The ultimate controlling party is T B R Partridge.