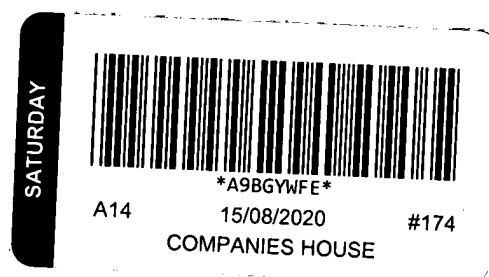


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Company Registration No. 01105580 (England and Wales)

QUEST CONSUMABLES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019



QUEST CONSUMABLES LIMITED

COMPANY INFORMATION

Directors	M B Insley G Mangham S J Godrich
Secretary	G Mangham
Company number	01105580
Registered office	Westland Square Leeds LS11 5XS
Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL
Business address	Stock House Seymour Road Nuneaton Warwickshire CV11 4LB

QUEST CONSUMABLES 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

We aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties we face.

Turnover, gross profit margin and operating profit, the measures that the directors consider to be the key performance indicators, have all increased year on year in 2019. Operating Profit was slightly behind budget.

Turnover

The turnover of the company has increased during the year by approximately 3.2%. The company was able to secure price increases from most customers even though the market remained extremely competitive. Going forward, in 2020, price increases will again be passed on to most customers and we will take further pro-active steps to secure new additional business and increase sales volumes.

Gross Profit

Overall gross profit has increased from £4,538,461 to £4,761,980. The slight increase in gross profit margin of 0.6% is the result of customer selling price increases off set by unavoidable supplier cost increases.

Operating Profit

Operating profit has increased to £957,376 from £857,131. This is mainly on the back of the increased gross margin. Bad debt expenses increased by £61,866 due to a provision release of approximately £60K in 2018 not being repeated in 2019. Wages and salaries have increased by £28,653 due to increases in the minimum wage plus annual pay increases.

Financial Position

Net assets have improved from £1,965,616 to £2,745,156 in the year on the back of the increased profitability. The main movements in financial position are as follows:

Stocks – Increased by £870,872 as the company increased stocks in preparation for a possible “No Deal Brexit” as well as buying additional stocks in advance of highlighted supplier cost increases.

Bank balances – The cash position of the company has reduced during 2019, from a positive cash balance of £907,571 to a positive balance of £750,847 at the 2019 year end.

Trade creditors - Increased by £192,712 as stock and purchasing levels increased towards the year end.

Principal Risks and Uncertainties

As for many companies of our size, the business environment in which we operate continues to be challenging given the current global slowdown and Brexit situation. Whilst the Brexit position became clearer at the year end, 2020 will see a transition period with continuing uncertainty over our future trade agreement with the EU rising towards the end of 2020. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control. However we will continue to show flexibility and respond to market conditions and opportunities as they arise.

QUEST CONSUMABLES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Financial Risk Management and Policies

The main financial risks faced by the company relate to foreign exchange, credit (in relation to its trade receivables) and liquidity.

Foreign exchange risk

Currency risk management relating to transactional business, if significant, is dealt with by the use of currency derivatives, which are mainly foreign currency forward contracts. No such contracts existed during the year ended 31 December 2019 or at the year end. We will monitor the situation closely regarding BREXIT and any future effect this will have on our business.

Credit risk (trade receivables)

The company's credit risk is primarily attributable to its trade receivables. It is company policy that all customers are granted credit subject to credit verification procedures. A rigorous system of credit control is applied and receivables are continually monitored. The amounts presented in the balance sheet are net of allowances for doubtful debts.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance. At present the company has no long-term debt. The company has access to a £2.5 million group overdraft facility as part of the Rema Tip Top Holdings UK Limited group and utilizes its own overdraft facility where necessary.

Future Developments

In the coming 12 months the company aims to continue to grow sales by a combination of price and volume increases. This will be helped by the introduction of some new product ranges. We will continue to closely monitor labour and overhead costs to ensure increased operating profit, albeit that the economic recovery continues to be weak in the UK. We continue to review our succession planning and people development within the business.

By order of the board

.....
G Mangham
Secretary

G. Mangham.

Date:

24-2-20

QUEST CONSUMABLES 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 activity of the company continued to be that of the supply and distribution of workshop consumables and tools.

Directors

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

M B Insley

G Mangham

G S G MacArthur

S J Godrich

(Resigned 29 March 2019)

(Appointed 1 April 2019)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid (2018 - £nil). The directors do not recommend payment of a final dividend.

No preference dividends were paid (2018 - £nil).

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management objectives and policies and future developments.

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 company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

.....
G Mangham

Secretary

G. Mangham.

Date:

24.2.20

QUEST CONSUMABLES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Strategic Report and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEST CONSUMABLES LIMITED

Opinion

We have audited the financial statements of Quest Consumables Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, the statement of financial position 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 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 state of the company's affairs as at 31 December 2019 and of its profit 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.

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 our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEST CONSUMABLES LIMITED (CONTINUED)

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.

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

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: <http://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.



Hugh Fairclough (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL
25-2-20

QUEST CONSUMABLES LIMITED

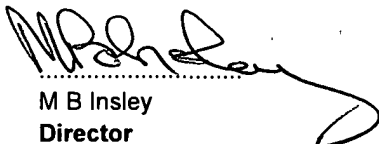
STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	13,888,852	13,458,292
Cost of sales		(9,126,872)	(8,919,831)
Gross profit		4,761,980	4,538,461
Distribution costs		(1,760,426)	(1,762,188)
Administrative expenses		(2,044,178)	(1,919,142)
Operating profit	6	957,376	857,131
Interest payable and similar expenses		-	(376)
Profit before taxation		957,376	856,755
Tax on profit	7	(177,836)	(166,847)
Profit for the financial year		779,540	689,908
Retained earnings brought forward		1,659,874	969,966
Retained earnings carried forward		2,439,414	1,659,874

QUEST CONSUMABLES LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	8		188,751		111,857
Current assets					
Stocks	9	2,950,552		2,079,680	
Debtors	10	1,996,711		2,052,241	
Cash at bank and in hand		750,847		907,571	
		<u>5,698,110</u>		<u>5,039,492</u>	
Creditors: amounts falling due within one year	11	<u>(3,131,570)</u>		<u>(3,185,733)</u>	
Net current assets			<u>2,566,540</u>		<u>1,853,759</u>
Total assets less current liabilities			<u>2,755,291</u>		<u>1,965,616</u>
Provisions for liabilities	12		<u>(10,135)</u>		<u>-</u>
Net assets			<u><u>2,745,156</u></u>		<u><u>1,965,616</u></u>
Capital and reserves					
Called up share capital	14		305,742		305,742
Profit and loss reserves	15		2,439,414		1,659,874
Total equity			<u><u>2,745,156</u></u>		<u><u>1,965,616</u></u>

The financial statements were approved by the board of directors and authorised for issue on 24.2.20
and are signed on its behalf by:


M B Insley
Director

QUEST CONSUMABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Quest Consumables Limited ('the company') is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Westland Square, Leeds, LS11 5XS.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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 financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Reduced disclosure framework

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument issues' – Interest income/expense and net gains/losses for financial instruments not measured at fair value, amount of any impairment loss, risks arising from financial instruments, and transferred financial asset not derecognised, loan defaults or breaches, and descriptions of hedging relationships;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Rema Tip Top Holdings UK Limited. These consolidated financial statements are available from its registered office, Westland Square, Leeds, LS11 5XS.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided to external customers in the ordinary course of business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

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.

QUEST CONSUMABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Tangible fixed assets

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

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

Plant and equipment	5 years on cost
Fixtures and fittings	5-10 years on cost
Motor vehicles	5 years on cost

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 credited or charged to profit or loss.

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. These are recognised in profit or loss.

Recognised impairment losses are reversed if, the reason for impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis.

At each reporting date, the company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock 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.

Financial instruments

The company 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 when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

QUEST CONSUMABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings, 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.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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 company.

QUEST CONSUMABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year or prior year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted by the reporting date. Deferred tax is not discounted.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

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 leases asset are consumed.

QUEST CONSUMABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of inventory

The company holds a high level of finished goods stock. As a result, it is necessary to estimate the recoverability of the cost of inventory and the associated provisioning required. When estimating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods. At 31 December 2019, the carrying value of the stock provision was £68,587 (2018 - £98,505).

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When estimating the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience. At 31 December 2019, the carrying value of the provision against trade and other debtors was £14,098 (2018 - £10,000).

Accrued expenditure

The company has included estimations of expenses that are expected to be incurred in relation to the renovation and maintenance of the properties out of which it operates.

When assessing the potential costs associated with occupying these properties, management considers factors including the type of activities undertaken by the company, the length of time the company has occupied the properties and historical experience of similar works. The carrying value of accrued expenditure subject to estimation uncertainty at 31 December 2019 was £326,954 (2018 - £359,613).

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019	2018
	£	£
Turnover analysed by class of business		
Supply and distribution of workshop consumables and tools	13,888,852	13,458,292

QUEST CONSUMABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

3 Turnover and other revenue (Continued)

	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	13,627,539	13,218,688
Rest of Europe	261,313	239,604
	<u>13,888,852</u>	<u>13,458,292</u>

4 Employees

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

	2019 Number	2018 Number
Distribution	58	58
Administration	29	26
	<u>87</u>	<u>84</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	2,011,387	2,021,235
Social security costs	176,095	148,278
Pension costs	42,074	31,390
	<u>2,229,556</u>	<u>2,200,903</u>

5 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	103,758	138,463
Company pension contributions to defined contribution schemes	2,775	-
	<u>106,533</u>	<u>138,463</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 0).

QUEST CONSUMABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	12,900	12,700
Depreciation of owned tangible fixed assets	53,354	33,520
Operating lease charges	242,908	239,316

7 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	132,303	149,022
Adjustments in respect of prior periods	-	4,142
Total current tax	132,303	153,164
Deferred tax		
Origination and reversal of timing differences	45,533	13,683
Total tax charge	177,836	166,847

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	957,376	856,755
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	181,901	162,783
Tax effect of expenses that are not deductible in determining taxable profit	1,278	1,532
Adjustments in respect of prior years	-	4,142
Effect of change in corporation tax rate	(5,356)	(1,610)
Fixed asset differences	13	-
Taxation charge for the year	177,836	166,847

QUEST CONSUMABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2019	125,840	221,454	20,502	367,796
Additions	39,695	90,553	-	130,248
At 31 December 2019	165,535	312,007	20,502	498,044
Depreciation and impairment				
At 1 January 2019	112,032	137,415	6,492	255,939
Depreciation charged in the year	9,427	39,826	4,101	53,354
At 31 December 2019	121,459	177,241	10,593	309,293
Carrying amount				
At 31 December 2019	44,076	134,766	9,909	188,751
At 31 December 2018	13,808	84,039	14,010	111,857

9 Stocks

	2019 £	2018 £
Raw materials and consumables	1,201,520	825,721
Finished goods and goods for resale	1,749,032	1,253,959
	2,950,552	2,079,680

During the year, net reversals of impairment losses of £29,918 (2018 - £18,866) were recognised in respect of stock which had previously been provided against.

QUEST CONSUMABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

10 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,905,758	1,916,766
Other debtors	-	213
Prepayments and accrued income	90,953	99,864
	<u>1,996,711</u>	<u>2,016,843</u>
Deferred tax asset (note 12)	-	35,398
	<u>1,996,711</u>	<u>2,052,241</u>

11 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	2,256,331	2,063,619
Amounts due to group undertakings	120,261	185,261
Corporation tax	132,303	149,022
Other taxation and social security	50,128	47,835
Other creditors	92	196
Accruals and deferred income	572,455	739,800
	<u>3,131,570</u>	<u>3,185,733</u>

QUEST CONSUMABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

12 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Balances:				
Accelerated capital allowances	15,494	-	-	257
Disallowable provisions	(5,359)	-	-	35,141
	<u>10,135</u>	<u>-</u>	<u>-</u>	<u>35,398</u>
Movements in the year:				2019 £
Liability/(Asset) at 1 January 2019				(35,398)
Charge to profit or loss				<u>45,533</u>
Liability at 31 December 2019				<u><u>10,135</u></u>

13 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>42,074</u>	<u>31,390</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

QUEST CONSUMABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

14 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
255,742 Ordinary shares of £1 each	255,742	255,742
	<u>255,742</u>	<u>255,742</u>
Preference share capital		
Issued and fully paid		
50,000 Preference shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

All ordinary and preference shares rank pari passu with respect to voting rights, the rights to distribution of dividends and the payment of capital.

15 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

16 Financial commitments, guarantees and contingent liabilities

The entity has access to a group overdraft facility. The facility is secured by a fixed and floating charge over the company's assets. There is also a debenture in place dated 20 September 2004 which includes a fixed charge over all present freehold and leasehold property, a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, and a first floating charge over all assets. The contingent liability at the year-end was £nil (2018 - £nil).

The entity has access to a group overdraft facility held by the company's parent. The facility is secured by a mortgage debenture over the freehold land and buildings and by a fixed and floating charge over the company's other assets. The contingent liability at the year-end was £1,972,383 (2018 - £2,670,032).

The company has entered into group securities, including unlimited guarantees dated 24 December 2013 given by Firstserve Group Limited, Force Consumables Limited, Ace UK (Fastenings) Limited, Quest Consumables Limited, Quality Engineering Supplies & Tools Limited, Forem Universal Products Limited, Firstserve Holdings Limited, Firstserve Group Holdings Limited, FST Consumables Limited and Germoco Limited. There are no contingent liabilities in relation to this guarantee at 31 December 2019 (2018 - £nil).

The company is party to a group VAT registration including the former parent company, Firstserve Group Limited and fellow subsidiary company, FST Consumables Limited. At 31 December 2018 the contingent liability for VAT owed to HMRC was £92,618 (2018 - £98,541).

QUEST CONSUMABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

17 Operating lease commitments

Lessee

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

	2019 £	2018 £
Within one year	233,050	240,039
Between one and five years	389,853	632,600
	<u>622,903</u>	<u>872,639</u>

18 Ultimate controlling party

The company is a wholly owned subsidiary of Firstserve Holdings Limited, a company registered in England and Wales.

The smallest group for which consolidated financial statements including Quest Consumables Limited are prepared is the group headed by Rema Tip Top Holdings UK Limited. The consolidated financial statements of Rema Tip Top Holdings UK Limited are available from its registered office: Westland Square, Leeds, LS11 5XS.

The largest group for which consolidated financial statements including Quest Consumables Limited are prepared is the group headed by OWG Beteiligungs AG, a company registered in Germany. The consolidated financial statements of OWG Beteiligungs AG are available from its registered office: Gruber Str. 65, 85586 Poing, Germany.

OWG Beteiligungs AG is the ultimate parent company. The directors are of the opinion that there was no identifiable ultimate controlling party at 31 December 2019.