

Companies
House

PARTIC MOTOR SPARES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2019



PARTIC MOTOR SPARES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2019

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PARTIC MOTOR SPARES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

I R Beard
J Beard

Registered office

Brunel Drive
Newark
Nottingham
Nottinghamshire
NG24 2EG

Auditor

Streets Audit LLP
Chartered accountants & statutory auditor
Windsor House
A1 Business Park at
Long Bennington
Notts
NG23 5JR

Bankers

Lloyds Bank Plc
Old Market Square
Nottingham
Nottinghamshire
NG1 6FD

PARTIC MOTOR SPARES LIMITED

STRATEGIC REPORT

YEAR ENDED 30 APRIL 2019

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

GROUP STRUCTURE

In order to accommodate the growth and expansion of the company a new structure was adopted whereby Partic Motor Spares Limited became a wholly owned subsidiary of Partic Motor Spares (Holdings) Limited on 29 April 2019.

BUSINESS REVIEW

The principal activity of the Company continues to be that of the supply and repair of spares and equipment.

As a leading commercial motor factor the Company continues to supply genuine and quality assured motor parts and components across Nottinghamshire, Lincolnshire and Leicestershire, operating through branches in Newark, Lincoln, Melton Mowbray, Coalville, Worksop and Nottingham.

Growth in 'like for like' sales in the Company's core activity, the provision of commercial motor spares and accessories, has been maintained again this year. The company continues to maintain strong relationships with its suppliers in order to ensure that it can provide quality products to its customers at competitive prices. In addition the company continues to invest heavily in the upgrading and maintenance of its van fleet.

We consider our key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit percentage, cash levels and reserves. The directors believe the company has had another solid 12 months trading, with turnover increasing from £9.6m to £10.8m. Increased costs, particularly within wages and salaries due to market forces, have impacted the company's gross profit percentage, falling from 17.3% to 14.9%. Despite this, the directors are satisfied with the level of profitability achieved in an ever increasingly competitive marketplace.

At the balance sheet date, the company increased shareholders funds from £5.4m to £6.0m.

Market conditions are expected to remain very competitive in the foreseeable future; however the directors anticipate steady growth in turnover and profitability in the coming year.

RISK ASSESSMENT

Credit risk

The company seeks to manage its credit risk by dealing with established customers or otherwise checking the credit-worthiness of new customers, establishing clear contractual relationships with those customers and by identifying and addressing any credit issues arising in a timely manner. Credit limits are reviewed regularly by the credit controller and finance staff. The company's exposure to credit risk at the end of the financial period was spread over a large number of customers.

Liquidity risk

The company seeks to manage risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

PARTIC MOTOR SPARES LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 30 APRIL 2019

Customer risk

Loss of contracts from or insolvency of a major customer, would affect the short term performance of the company, however these risks are considered low for the forthcoming year. No individual customer spend is a material proportion of the total revenue for the company.

Inflation risk

Inflationary trends for commodities are currently low, but may well increase. This would impact on the costs of goods purchased. If inflation risks materialise, the company's selling prices may have to increase to the extent that it cannot be mitigated by efficiency improvements. However these factors would also have an adverse effect on the company's competitors.

Brexit

As with most businesses, we await the outcome of the final Brexit deal and the impact it will have on our supply chain, including any adverse impact on the price of our products sourced from overseas.

Future developments

The company will continue to grow its customer base and increase its profitability and market share in line with long term business plans.

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, in terms of what we can foresee at present, we remain very confident in the prospects of the business.

On the basis of these results the directors consider the affairs of the company to be more than satisfactory.

This report was approved by the board of directors on 05/11/2019 and signed on behalf of the board by:



I R Beard
Director

Registered office:
Brunel Drive
Newark
Nottingham
Nottinghamshire
NG24 2EG

PARTIC MOTOR SPARES LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2019

The directors present their report and the financial statements of the company for the year ended 30 April 2019.

Directors

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

I R Beard

J Beard

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Events after the reporting period

Particulars of events after the reporting date are detailed in note 22 to the financial statements.

Disclosure of information in the strategic report

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

Directors' responsibilities statement

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

PARTIC MOTOR SPARES LIMITED

DIRECTORS' REPORT *(continued)*

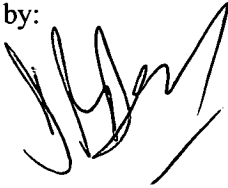
YEAR ENDED 30 APRIL 2019

Auditor

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

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

This report was approved by the board of directors on 05/11/2019 and signed on behalf of the board by:



I R Beard
Director

Registered office:
Brunel Drive
Newark
Nottingham
Nottinghamshire
NG24 2EG

PARTIC MOTOR SPARES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTIC MOTOR SPARES LIMITED

YEAR ENDED 30 APRIL 2019

Opinion

We have audited the financial statements of Partic Motor Spares Limited (the 'company') for the year ended 30 April 2019 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 30 April 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.

PARTIC MOTOR SPARES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTIC MOTOR SPARES LIMITED *(continued)*

YEAR ENDED 30 APRIL 2019

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

PARTIC MOTOR SPARES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTIC MOTOR SPARES LIMITED *(continued)*

YEAR ENDED 30 APRIL 2019

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

PARTIC MOTOR SPARES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTIC MOTOR SPARES LIMITED *(continued)*

YEAR ENDED 30 APRIL 2019

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



MARK BRADSHAW (Senior Statutory Auditor)

For and on behalf of
Streets Audit LLP
Chartered accountants & statutory auditor
Windsor House
A1 Business Park at
Long Bennington
Notts
NG23 5JR

21/11/2019

PARTIC MOTOR SPARES LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 30 APRIL 2019

	Note	2019 £	2018 £
Turnover	4	10,798,998	9,572,433
Cost of sales		<u>(9,188,967)</u>	<u>(7,915,390)</u>
Gross profit		1,610,031	1,657,043
Distribution costs		(11,239)	(11,414)
Administrative expenses		<u>(710,881)</u>	<u>(638,467)</u>
Operating profit	5	887,911	1,007,162
Other interest receivable and similar income	9	<u>2,913</u>	<u>356</u>
Profit before taxation		890,824	1,007,518
Tax on profit	10	<u>(176,138)</u>	<u>(186,505)</u>
Profit for the financial year and total comprehensive income		<u>714,686</u>	<u>821,013</u>
Dividends paid and payable	11	<u>(80,000)</u>	<u>(209,761)</u>
Retained earnings at the start of the year		<u>5,410,907</u>	<u>4,799,655</u>
Retained earnings at the end of the year		<u>6,045,593</u>	<u>5,410,907</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

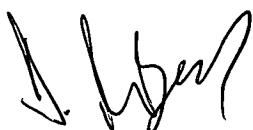
PARTIC MOTOR SPARES LIMITED

STATEMENT OF FINANCIAL POSITION

30 APRIL 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	1,922,756	1,849,649
Current assets			
Stocks	13	1,764,275	1,694,514
Debtors	14	2,030,318	2,126,905
Cash at bank and in hand		2,249,442	1,494,199
		<u>6,044,035</u>	<u>5,315,618</u>
Creditors: amounts falling due within one year	15	<u>(1,818,216)</u>	<u>(1,681,488)</u>
Net current assets		<u>4,225,819</u>	<u>3,634,130</u>
Total assets less current liabilities		<u>6,148,575</u>	<u>5,483,779</u>
Provisions			
Taxation including deferred tax	16	<u>(102,872)</u>	<u>(72,762)</u>
Net assets		<u><u>6,045,703</u></u>	<u><u>5,411,017</u></u>
Capital and reserves			
Called up share capital	19	76	76
Capital redemption reserve	20	34	34
Profit and loss account	20	<u>6,045,593</u>	<u>5,410,907</u>
Shareholders funds		<u><u>6,045,703</u></u>	<u><u>5,411,017</u></u>

These financial statements were approved by the board of directors and authorised for issue on 05/11/2019 and are signed on behalf of the board by:



I R Beard
Director

Company registration number: 01410324

The notes on pages 12 to 20 form part of these financial statements.

PARTIC MOTOR SPARES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Brunel Drive, Newark, Nottingham, Nottinghamshire, NG24 2EG.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis and in sterling which is the functional currency of the entity.

Disclosure exemptions

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

- Disclosures in respect of each class of share capital have not been presented.
- No cash flow statement has been presented for the company.
- No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise.

- Significant judgements

There have been no judgements that management has made in the process of applying the entity's accounting policies that have made a significant effect on the amounts recognised in the financial statements.

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 APRIL 2019

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

- Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are.

Land and buildings includes land held at an estimate of its proportion to the property. These are reviewed periodically by the directors to ensure that they reflect both external and internal factors. The value of land estimated in Land and buildings is £528,500 (2018 - £528,500).

The company sells spare parts and equipment for commercial vehicle operators and its materials can become subject to obsolescence due to manufacturing specifications and other factors. As a result it is necessary to consider the recoverability of the cost of certain stock items and the associate provisioning required. When making these assessments management considers the nature and condition of the stocks as well as considering the possible future applications. The value of obsolete stock provided for within the financial statements is £395,491 (2018 - £360,665).

Revenue recognition

Turnover is recognised to the extent that it is probable that economic benefits will flow to the company and that the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, Value Added Tax and other sales taxes.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

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

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

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 APRIL 2019

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

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

Land and buildings	--	2% straight line
Fixtures and fittings	-	10% reducing balance
Motor vehicles	-	25% straight line
Office equipment	-	25% reducing balance

Freehold land is not depreciated.

Impairment of fixed assets

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

Stocks

Stocks are valued on a first-in-first-out basis at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is based on purchase price.

Provisions

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

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 APRIL 2019

3. Accounting policies *(continued)*

Financial instruments

The company only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the company and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Defined contribution plans

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

4. Turnover

Turnover arises from:

	2019	2018
	£	£
Sale of goods	<u>10,798,998</u>	<u>9,572,433</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018
	£	£
Depreciation of tangible assets	217,937	193,731
Gains on disposal of tangible assets	(43,389)	(15,510)
Cost of stocks recognised as an expense	7,242,203	6,245,871
Impairment of trade debtors	31,553	12,879
Operating lease costs	<u>56,197</u>	<u>61,033</u>

6. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>10,500</u>	<u>10,500</u>

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 APRIL 2019

7. Staff costs

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

	2019 No.	2018 No.
Production staff	44	41
Distribution staff	25	22
Administrative staff	6	5
Management staff	2	2
	<u>77</u>	<u>70</u>

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

	2019 £	2018 £
Wages and salaries	1,665,626	1,422,181
Social security costs	158,087	126,379
Other pension costs	19,016	16,450
	<u>1,842,729</u>	<u>1,565,010</u>

8. Directors' remuneration

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

	2019 £	2018 £
Remuneration	<u>81,358</u>	<u>105,051</u>

9. Other interest receivable and similar income

	2019 £	2018 £
Interest on bank deposits	<u>2,913</u>	<u>356</u>

10. Tax on profit

Major components of tax expense

	2019 £	2018 £
Current tax:		
UK current tax expense	146,028	193,449
Deferred tax:		
Origination and reversal of timing differences	30,110	(6,944)
Tax on profit	<u>176,138</u>	<u>186,505</u>

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 APRIL 2019

10. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	<u>890,824</u>	<u>1,007,518</u>
Profit on ordinary activities by rate of tax	165,476	191,428
Effect of expenses not deductible for tax purposes	7,407	(6,528)
Effect of capital allowances and depreciation	<u>3,255</u>	<u>1,605</u>
Tax on profit	<u>176,138</u>	<u>186,505</u>

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2019 £	2018 £
Equity dividends on ordinary shares	<u>80,000</u>	<u>209,761</u>

12. Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 May 2018	1,601,659	308,108	678,114	182,783	2,770,664
Additions	–	27,851	290,994	767	319,612
Disposals	–	–	(214,777)	–	(214,777)
At 30 April 2019	<u>1,601,659</u>	<u>335,959</u>	<u>754,331</u>	<u>183,550</u>	<u>2,875,499</u>
Depreciation					
At 1 May 2018	188,249	149,005	410,723	173,038	921,015
Charge for the year	21,462	18,699	175,145	2,631	217,937
Disposals	–	–	(186,209)	–	(186,209)
At 30 April 2019	<u>209,711</u>	<u>167,704</u>	<u>399,659</u>	<u>175,669</u>	<u>952,743</u>
Carrying amount					
At 30 April 2019	<u>1,391,948</u>	<u>168,255</u>	<u>354,672</u>	<u>7,881</u>	<u>1,922,756</u>
At 30 April 2018	<u>1,413,410</u>	<u>159,103</u>	<u>267,391</u>	<u>9,745</u>	<u>1,849,649</u>

Included in land and buildings is land not subject to depreciation amounting to £528,500 (2018 - £528,500).

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 APRIL 2019

13. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>1,764,275</u>	<u>1,694,514</u>

14. Debtors

	2019 £	2018 £
Trade debtors	1,858,520	1,967,633
Prepayments and accrued income	<u>171,798</u>	<u>159,272</u>
	<u>2,030,318</u>	<u>2,126,905</u>

15. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,412,157	1,221,530
Accruals and deferred income	59,957	46,720
Corporation tax	146,028	193,449
Social security and other taxes	196,334	216,049
Director loan accounts	<u>3,740</u>	<u>3,740</u>
	<u>1,818,216</u>	<u>1,681,488</u>

16. Provisions

	Deferred tax (note 17) £
At 1 May 2018	72,762
Additions	<u>30,110</u>
At 30 April 2019	<u>102,872</u>

17. Deferred tax

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

	2019 £	2018 £
Included in provisions (note 16)	<u>102,872</u>	<u>72,762</u>

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

	2019 £	2018 £
Accelerated capital allowances	<u>102,872</u>	<u>72,762</u>

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 APRIL 2019

18. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £19,016 (2018: £16,450).

19. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary A shares of £1 each	51	51.00	51	51.00
Ordinary B shares of £1 each	15	15.00	15	15.00
Ordinary C shares of £1 each	10	10.00	10	10.00
	<u>76</u>	<u>76.00</u>	<u>76</u>	<u>76.00</u>

20. Reserves

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

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

21. Operating leases

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

	2019	2018
	£	£
Not later than 1 year	46,604	46,604
Later than 1 year and not later than 5 years	124,868	129,602
Later than 5 years	193,662	221,328
	<u>365,134</u>	<u>397,534</u>

22. Events after the reporting period

On 2 May 2019 Partic (Newark) Limited a company within the group acquired the entire share capital of Advanced Truck Components Limited, Advanced Truck Components (Hull) Limited and Advanced Truck Components (Immingham) Limited. On 1 September 2019 the trade and assets of these companies was transferred into Partic Motor Spares Limited.

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 APRIL 2019

23. Related party transactions

During the year the company occupied premises owned by Partic Motor Spares Pension Scheme in which a director is a trustee. Rent charged during the year totalled £45,164 (2018 - £46,604). No amounts were due to the pension scheme at the year end (2018 - £nil) in relation to these transactions.

24. Controlling party

The immediate and ultimate parent company is Partic Motor Spares (Holdings) Limited, a company registered in England and Wales, number 11574547.

During the year the ultimate controlling party was I R Beard.