

COMPANY REGISTRATION NUMBER: 01410324

PARTIC MOTOR SPARES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2021



PARTIC MOTOR SPARES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

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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 31 OCTOBER 2021

We aim to present a balanced and comprehensive review of the development and performance of our business during the period 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.

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 the East Midlands, Lincolnshire and East Yorkshire.

Growth in 'like for like' sales in the company's core activity, the provision of commercial motor spares and accessories, has been maintained again during the period, with previous strategic acquisitions adding to the growth. 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 and premises.

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 pro rata turnover increasing from £13.1m (£19.6m 18 months) to £17.5m. There have continued to be increased costs, particularly within wages and salaries due to market forces, along with increased buying and operating costs within the current climate. Despite this, gross profit percentage, has remained consistent increasing slightly from 15.3% to 15.5%, the directors remain satisfied with the level of profitability achieved in an ever increasingly competitive marketplace.

At the balance sheet date, the company increased shareholders funds from £7.6m to £8.8m.

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

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.

PARTIC MOTOR SPARES LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 OCTOBER 2021

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.

Future developments

The company has continued to benefit from strategic acquisitions in the previous financial period, and 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 13.10.22 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 31 OCTOBER 2021

The directors present their report and the financial statements of the company for the year ended 31 October 2021.

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 14 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 31 OCTOBER 2021

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 13.10.22 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 MEMBER OF PARTIC MOTOR SPARES LIMITED

YEAR ENDED 31 OCTOBER 2021

Opinion

We have audited the financial statements of Partic Motor Spares Limited (the 'company') for the year ended 31 October 2021 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 31 October 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

PARTIC MOTOR SPARES LIMITED

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

YEAR ENDED 31 OCTOBER 2021

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 MEMBER OF PARTIC MOTOR SPARES LIMITED *(continued)*

YEAR ENDED 31 OCTOBER 2021

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was that we identified the material laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the company and various sectors in which it operates. These were the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. We then assessed the extent of compliance with these laws and regulations through making enquiries of management.

We then assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls we tested journal entries to identify unusual transactions, we assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and we investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to agreeing financial statement disclosures to underlying supporting documentation and reading the minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

PARTIC MOTOR SPARES LIMITED

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

YEAR ENDED 31 OCTOBER 2021

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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.
- 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.

PARTIC MOTOR SPARES LIMITED

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

YEAR ENDED 31 OCTOBER 2021

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 member, 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 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 as a body, for our audit work, for this report, or for the opinions we have formed.



ROBERT ANDERSON (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

14/10/22

PARTIC MOTOR SPARES LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31 OCTOBER 2021

		Year to 31 Oct 21	Period from 1 May 19 to 31 Oct 20
	Note	£	£
Turnover	4	17,545,361	19,594,623
Cost of sales		<u>(14,834,267)</u>	<u>(16,592,984)</u>
Gross profit		2,711,094	3,001,639
Distribution costs		<u>(13,691)</u>	<u>(19,843)</u>
Administrative expenses		<u>(1,038,078)</u>	<u>(1,458,157)</u>
Other operating income	5	<u>14,814</u>	<u>264,131</u>
Operating profit	6	1,674,139	1,787,770
Income from shares in group undertakings	10	–	206,560
Other interest receivable and similar income	11	531	772
Interest payable and similar expenses	12	<u>(4,406)</u>	<u>(106)</u>
Profit before taxation		1,670,264	1,994,996
Tax on profit	13	<u>(366,398)</u>	<u>(385,354)</u>
Profit for the financial year and total comprehensive income		<u>1,303,866</u>	<u>1,609,642</u>
Dividends paid and payable	14	<u>(150,000)</u>	<u>(50,000)</u>
Retained earnings at the start of the year		<u>7,605,235</u>	<u>6,045,593</u>
Retained earnings at the end of the year		<u>8,759,101</u>	<u>7,605,235</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 25 form part of these financial statements.

PARTIC MOTOR SPARES LIMITED

STATEMENT OF FINANCIAL POSITION

31 OCTOBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	15	1,171,479	1,317,914
Tangible assets	16	2,731,171	2,225,820
Investments	17	332,500	—
		<u>4,235,150</u>	<u>3,543,734</u>
Current assets			
Stocks	19	2,230,809	2,127,050
Debtors	20	3,337,937	2,769,871
Cash at bank and in hand		<u>2,209,922</u>	<u>2,115,922</u>
		<u>7,778,668</u>	<u>7,012,843</u>
Creditors: amounts falling due within one year	21	<u>(3,091,313)</u>	<u>(2,829,591)</u>
Net current assets		<u>4,687,355</u>	<u>4,183,252</u>
Total assets less current liabilities		<u>8,922,505</u>	<u>7,726,986</u>
Provisions			
Taxation including deferred tax	22	<u>(163,294)</u>	<u>(121,641)</u>
Net assets		<u>8,759,211</u>	<u>7,605,345</u>
Capital and reserves			
Called up share capital	26	76	76
Capital redemption reserve	27	34	34
Profit and loss account	27	<u>8,759,101</u>	<u>7,605,235</u>
Shareholder funds		<u>8,759,211</u>	<u>7,605,345</u>

These financial statements were approved by the board of directors and authorised for issue on 13.10.21, and are signed on behalf of the board by:

I R Beard
Director

Company registration number: 01410324

The notes on pages 13 to 25 form part of these financial statements.

PARTIC MOTOR SPARES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

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 31 OCTOBER 2021

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 (2020 - £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 £670,329 (2020 - £716,993).

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 31 OCTOBER 2021

3. Accounting policies *(continued)*

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

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

Freehold land is not depreciated.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 OCTOBER 2021

3. Accounting policies *(continued)*

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

The Coronavirus Job Retention Scheme grant has been recognised under the accrual model, and is shown within Government Grant Income within the financial statements.

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.

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.

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 OCTOBER 2021

3. Accounting policies *(continued)*

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:

	Year to 31 Oct 21	Period from 1 May 19 to 31 Oct 20
	£	£
Sale of goods	<u>17,545,361</u>	<u>19,594,623</u>

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

5. Other operating income

	Year to 31 Oct 21	Period from 1 May 19 to 31 Oct 20
	£	£
Rental income	7,800	5,850
Government grant income	<u>7,014</u>	<u>258,281</u>
	<u>14,814</u>	<u>264,131</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	Year to 31 Oct 21	Period from 1 May 19 to 31 Oct 20
	£	£
Amortisation of intangible assets	146,435	146,435
Depreciation of tangible assets	325,488	388,998
Gains on disposal of tangible assets	(87,403)	(48,541)
Impairment of trade debtors	<u>3,120</u>	<u>56,725</u>

PARTIC MOTOR SPARES LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 OCTOBER 2021

7. Auditor's remuneration

	Year to 31 Oct 21	Period from 1 May 19 to 31 Oct 20
	£	£
Fees payable for the audit of the financial statements	<u>20,500</u>	<u>17,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>—</u>	<u>900</u>

8. Staff costs

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

	2021 No.	2020 No.
Production staff	50	43
Distribution staff	50	47
Administrative staff	10	8
Management staff	<u>2</u>	<u>2</u>
	<u>112</u>	<u>100</u>

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

	Year to 31 Oct 21	Period from 1 May 19 to 31 Oct 20
	£	£
Wages and salaries	2,574,918	3,169,071
Social security costs	209,439	265,695
Other pension costs	42,448	81,400
	<u>2,826,805</u>	<u>3,516,166</u>

9. Directors' remuneration

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

	Year to 31 Oct 21	Period from 1 May 19 to 31 Oct 20
	£	£
Remuneration	<u>80,000</u>	<u>112,500</u>

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 OCTOBER 2021

10. Income from shares in group undertakings

	Year to 31 Oct 21	Period from 1 May 19 to 31 Oct 20
	£	£
Income from group undertakings	<u>—</u>	<u>206,560</u>

11. Other interest receivable and similar income

	Year to 31 Oct 21	Period from 1 May 19 to 31 Oct 20
	£	£
Interest on bank deposits	<u>531</u>	<u>772</u>

12. Interest payable and similar expenses

	Year to 31 Oct 21	Period from 1 May 19 to 31 Oct 20
	£	£
Other interest payable and similar charges	<u>—</u>	<u>106</u>

13. Tax on profit

Major components of tax expense

	Year to 31 Oct 21	Period from 1 May 19 to 31 Oct 20
	£	£
Current tax:		
UK current tax expense	325,847	388,937
Adjustments in respect of prior periods	(1,102)	—
Total current tax	<u>324,745</u>	<u>388,937</u>
Deferred tax:		
Origination and reversal of timing differences	<u>41,653</u>	<u>(3,583)</u>
Tax on profit	<u>366,398</u>	<u>385,354</u>

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 OCTOBER 2021

13. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	Year to 31 Oct 21 £	Period from 1 May 19 to 31 Oct 20 £
Profit on ordinary activities before taxation	<u>1,670,264</u>	<u>1,994,996</u>
Profit on ordinary activities by rate of tax	317,350	406,872
Adjustment to tax charge in respect of prior periods	(1,102)	—
Effect of expenses not deductible for tax purposes	29,661	15,457
Effect of capital allowances and depreciation	(18,702)	2,271
Effect of revenue exempt from tax	—	(39,246)
Effect of change in tax rate	<u>39,191</u>	<u>—</u>
Tax on profit	<u>366,398</u>	<u>385,354</u>

14. Dividends

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

	2021 £	2020 £
Equity dividends on ordinary shares	<u>150,000</u>	<u>50,000</u>

15. Intangible assets

	Goodwill £
Cost	
At 1 November 2020 and 31 October 2021	<u>1,464,349</u>
Amortisation	
At 1 November 2020	146,435
Charge for the year	<u>146,435</u>
At 31 October 2021	<u>292,870</u>
Carrying amount	
At 31 October 2021	<u>1,171,479</u>
At 31 October 2020	<u>1,317,914</u>

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 OCTOBER 2021

16. Tangible assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Nov 2020	1,936,242	—	442,837	921,780	248,942	3,549,801
Additions	—	415,000	42,959	418,669	3,228	879,856
Disposals	—	—	(46,903)	(216,552)	(7,648)	(271,103)
At 31 Oct 2021	1,936,242	415,000	438,893	1,123,897	244,522	4,158,554
Depreciation						
At 1 Nov 2020	249,555	—	273,232	570,947	230,247	1,323,981
Charge for the year	26,561	8,300	21,194	263,943	5,490	325,488
Disposals	—	—	(46,903)	(167,535)	(7,648)	(222,086)
At 31 Oct 2021	276,116	8,300	247,523	667,355	228,089	1,427,383
Carrying amount						
At 31 Oct 2021	1,660,126	406,700	191,370	456,542	16,433	2,731,171
At 31 Oct 2020	1,686,687	—	169,605	350,833	18,695	2,225,820

Included in land and buildings is land not subject to depreciation amounting to £528,500 (2020 - £528,500).

17. Investments

	Other investments other than loans £
Cost	
At 1 November 2020	—
Additions	332,500
At 31 October 2021	332,500
Impairment	
At 1 November 2020 and 31 October 2021	—

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 OCTOBER 2021

17. Investments *(continued)*

	Other investments other than loans £
Carrying amount	
At 31 October 2021	<u>332,500</u>
At 31 October 2020	<u>—</u>

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Partic (Newark) Limited (Dormant)	Ordinary	100
Advanced Truck Components Limited (Dissolved 5 April 2022)	Ordinary	100
Advanced Truck Components (Hull) Limited (Dissolved 30 November 2021)	Ordinary	100
Advanced Truck Components (Immingham) Limited (Dissolved 26 April 2022)	Ordinary	100

18. Investment property

Other investments relate to the purchase of two investment properties Unit4 and Unit 8 Balderton Business Park Newark Nottinghamshire NG24 3GL.

19. Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u>2,230,809</u>	<u>2,127,050</u>

20. Debtors

	2021 £	2020 £
Trade debtors	3,186,931	2,588,677
Prepayments and accrued income	116,006	135,447
Other debtors	35,000	45,747
	<u>3,337,937</u>	<u>2,769,871</u>

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 OCTOBER 2021

21. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	2,338,905	2,127,161
Accruals and deferred income	193,011	85,800
Corporation tax	326,084	388,937
Social security and other taxes	233,313	227,693
	<u>3,091,313</u>	<u>2,829,591</u>

22. Provisions

	Deferred tax (note 23) £
At 1 November 2020	121,641
Additions	41,653
At 31 October 2021	<u>163,294</u>

23. Deferred tax

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

	2021	2020
	£	£
Included in provisions (note 22)	<u>163,294</u>	<u>121,641</u>

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

	2021	2020
	£	£
Accelerated capital allowances	165,562	121,641
Provisions	<u>(2,268)</u>	<u>—</u>
	<u>163,294</u>	<u>121,641</u>

24. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £42,448 (2020: £81,400).

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 OCTOBER 2021

25. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>7,014</u>	<u>258,281</u>

26. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary A shares of £1 each	51	51	51	51
Ordinary B shares of £1 each	15	15	15	15
Ordinary C shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
	<u>76</u>	<u>76</u>	<u>76</u>	<u>76</u>

27. 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.

28. Operating leases

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

	2021	2020
	£	£
Not later than 1 year	119,104	78,604
Later than 1 year and not later than 5 years	272,664	110,664
Later than 5 years	<u>110,664</u>	<u>138,330</u>
	<u>502,432</u>	<u>327,598</u>

29. 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 period totalled £81,933 (2020 - £67,746). No amounts were due to the pension scheme at the period end (2020 - £nil) in relation to these transactions.

PARTIC MOTOR SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 OCTOBER 2021

30. 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 current and prior period the ultimate controlling party was I R Beard.