

Allmakes PR2 4X4 Limited

(Formerly Brit-part UK Limited)

Annual report and Financial Statements

30 September 2020

Registered Number 02051551



Officers and professional advisers

The board of directors

D P Beddow
P Myers
A J Overs

Company Secretary

A J Overs

Registered office

188 Park Drive
Milton Park
Abingdon
Oxfordshire
OX14 4SR

Auditor

Ernst & Young LLP
No.1 Colmore Square
Birmingham
B4 6HQ

Bankers

HSBC
The Parade
Leamington Spa
CV32 4BU

Strategic report

The directors present their strategic report and the financial statements for the 18 months period ended 30 September 2020. The accounting period which normally would have finished on 31 March 2020 was extended to 30 September 2020 as a consequence of the Covid 19 pandemic.

Principal activity and review of the business

The Company changed its name from Brit-part UK Limited to Allmakes PR2 4x4 Limited on 17 October 2019 in anticipation of the purchase of the business and assets of Allmakes Limited, a wholesaler and distributor of motor vehicle parts. This purchase was completed on 1 November 2019 when the Company commenced trading. Previously, the Company had been dormant since incorporation.

On 31 October 2019 the Company increased its share capital with the issue of 9,250,000 shares of £1 each (fully paid) in order to fund the Allmakes purchase.

Under the terms of a Business Purchase Agreement the Company acquired the assets and business of Allmakes Limited for £3,000,000 on 1 November 2019. As part of the acquisition the Company had to provide funds to enable the retirement of bank debt and a further £5,930,147 was paid to the principal former banker of Allmakes Limited to retire its debts and clear its security over former Allmakes Limited assets.

The Company conducted a fair value review of the assets and liabilities taken over which resulted in the recognition of goodwill of £90k. This goodwill was fully amortised in the period.

The principal activity of the Company during the 11 months period was the distribution of motor vehicle parts. The Company's key financial and other performance indicators during the period are as follows:

	2020 £000
Turnover	27,642
Loss before tax	(298)
Shareholders' funds	8,994
Current assets as % of current liabilities	195%
Average number of employees	89

Future Prospects

The directors consider that the company's continued growth is dependent on the sales of new 4x4 vehicles and the company policy is to help to promote the sales of new vehicles produced by the manufacturer. The company has helped its customers to create a number of dedicated and well stocked warehouse workshops where owners of 4x4s are able to get immediate top quality workshop facilities and spares availability. This provides potential customers with the confidence to purchase their desired new 4x4 while their older model can still be well cared for and realise a substantial residual value.

Strategic report (continued)

Principal risks and uncertainties

The principal risks and uncertainties facing the company are broadly grouped as competitive, legislative and financial risks.

Competitive

Through careful buying and selling, the Company believes it is extremely competitive in the market sector in which it operates. It is however, reliant on the continued worldwide demand for motor vehicles in the commercial and leisure sectors and its ability to source competitively priced parts.

Legislative

In the UK and Europe, motor vehicle parts and accessories must be manufactured, where relevant, to EU or EU equivalent standards. These standards are subject to continuous revision and any new Directive may have a material impact on the ability of the company to supply products at a profit.

The products sold worldwide comply with the same standards imposed by the EU. Should legislation differ in other non EU countries, e.g. USA, the company would not be exposed to any significant risk in any one export market. The company looks to monitor and therefore manage this risk by ensuring no single overseas market represents a significant part of the business.

Financial

The company has established a strategy which aims to maximise profits by providing a quality product at competitive prices. To achieve this, the company has introduced controls to ensure that sufficient working capital exists and that the financial risk is carefully monitored.

Brexit risk

On 1 January 2021 the UK left the European Union. At this early stage, the directors consider the key implications to be exchange rate fluctuations and potential changes to tariff and non-tariff barriers in the automotive industry as the wider impact of leaving the EU continues to be assessed. To date the direct impact to the Company has been minimal as the business has well established processes and skills needed for exporting to a Global market outside the EU.

Covid 19 Pandemic risk

The company has introduced a wide-ranging framework of measures that has enabled it to adapt to the changing environment of Covid risk. Where possible employees have been enabled to work at home and investment has been made in stringent health and safety support procedures for employees continuing to work at the Company's warehouse premises. With these measures in place, which are closely monitored, the directors believe the business can adapt efficiently to any changes in Government regulations. Stock levels have been increased to minimise the impact of potential supply shortages.

On behalf of the Board



A J Overs

Director

29 July 2021

Directors' report

The directors present their report and financial statements for the period ended 30 September 2020.

Results and dividends

The loss for the period before taxation amounted to £298k (Year ended 2019 – Nil). The directors do not recommend a final dividend (2019 – £nil).

Going concern

The company's business activities, together with the factors likely to affect its future development are described in the Strategic Report on pages 2 and 3. The company operates as part of the Border Holdings (UK) Limited group and has received confirmation from Border Holdings (UK) Limited that it is both able to and will provide financial support to the company, in order to ensure the company is able to meet its liabilities as they fall due to the extent that the company does not have the ability to do so. The duration of the committed support is through to 31 December 2022 and is aligned with the going concern review conducted by the directors of Border Holdings (UK) Limited.

With the support of its parent company, the Company has access to considerable financial resources, and together with a number of customers and suppliers across different geographical areas, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who served the Company during the period were as follows:

D P Beddow
P Myers
A J Overs

Financial instruments

The Company's financial risk management objectives are to ensure sufficient working capital for its needs. This is achieved by careful management of cash balances to ensure that the company continues to be able to meet its liabilities as they fall due. Other than this, use of financial instruments is not material for the assessment of the assets, liabilities, financial position and profit of the Company.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The Company operates a framework of employee information. During the period, the policy of providing employees with information about the company has been continued through the company website. Employees are able to provide feedback on this information so that their views are taken into account when decisions are likely to affect their interests.

Directors' report (continued)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



A J Overs

Director

29 July 2021

Statement of directors' responsibilities in respect of the annual report and financial statements

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 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions 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 Allmakes PR2 4X4 Limited

Opinion

We have audited the financial statements of AllMakes PR2 4x4 Limited for the period ended 30 September 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes¹ to 17, 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 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 company's affairs as at 30 September 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the 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 this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent Auditor's report to the members of Allmakes PR2 4X4 Limited (continued)

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 period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 6, 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent Auditor's report to the members of Allmakes PR2 4X4 Limited (continued)

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.



Andrew Merrick (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham – UK

29 July 2021

Profit and loss account*for the 18 months ended 30 September 2020*

	<i>Note</i>	2020 18 months £000	2019 12 months £000
Turnover	2	27,642	-
Change in stocks of finished goods		1,597	-
Raw materials and consumables		19,795	-
Other external charges		1,875	-
Staff costs	6	2,827	-
Depreciation and amortisation		234	-
Other operating income		(177)	-
Other Operating charges		1,787	-
Operating Loss	3	(296)	-
Interest payable and similar charges		(2)	-
Loss before taxation		(298)	-
Tax credit	7	42	-
Loss for the financial period		(256)	-

Statement of comprehensive income*for the 18 months ended 30 September 2020*

There are no items of other comprehensive income other than the loss for the period of £256,000 (2019:£nil)

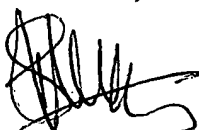
Statement of changes in equity
for the 18 months ended 30 September 2020

	Share capital	Profit and loss account	Total shareholders' funds
	£000	£000	£000
Balance at 1 April 2018 and 31 March 2019	-	-	-
Issue of 9,250 ordinary shares £1 each, allotted, called up and fully paid	9,250	-	9,250
Loss for the 18 months ended 30 September 2020	-	(256)	(256)
Total comprehensive income for the period	9,250	(256)	8,994
Balance at 30 September 2020	9,250	(256)	8,994

Balance sheet**at 30 September 2020**

	Note	30 September 2020		31 March 2019	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	4		-		-
Tangible assets	8		<u>839</u>		<u>-</u>
			839		-
Current assets					
Stocks	9	8,082		-	
Debtors	10	7,352		-	
Cash at bank and in hand	11	<u>1,377</u>		<u>-</u>	
		16,811		-	
Creditors: amounts falling due within one year	12	<u>(8,613)</u>		<u>-</u>	
Net current assets			<u>8,198</u>		<u>-</u>
Total assets less current liabilities			9,037		
Provision for deferred tax liability	13		(43)		-
Net assets			<u>8,994</u>		<u>-</u>
Capital and reserves					
Called up share capital	14		9,250		-
Profit and loss account			<u>(256)</u>		<u>-</u>
Total equity			<u>8,994</u>		<u>-</u>

The financial statements were approved by the Board of Directors on 29 July 2021 and signed on its behalf by:



P Myers

Director

Notes to the financial statements

for the period ended 30 September 2020

1. Accounting policies

Allmakes PR2 4X4 Limited is a privately limited liability company incorporated in England. The Registered Office is 188 Park Drive, Milton Park, Abingdon, Oxfordshire, OX14 4SR. The company is limited by shares.

These financial statements are prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') as issued in September 2015. The amendments to FRS 102 issued in March 2016, December 2016 and May 2017 have been applied.

The following exemptions available under FRS 102 in respect of certain disclosures have been applied, Allmakes PR2 4X4 Limited cashflows are included in the consolidated cashflow statement of its parent company Border Holdings (UK) Limited registered number 01664243 and is therefore exempt from including a cashflow statement in these financial statements.

The principal accounting policies adopted by the Company are set out below and have been consistently applied throughout the period.

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company.

The financial statements present information about the company as an individual undertaking. Allmakes PR2 4X4 Limited is included in the consolidated financial statements of its parent company, Border Holdings (UK) Limited registered number 01664243.

1.2 Going concern

The company's business activities, together with the factors likely to affect its future development are described in the Strategic Report on pages 2 and 3. The company operates as part of the Border Holdings (UK) Limited group and has received confirmation from Border Holdings (UK) Limited that it is both able to and will provide financial support to the company, in order to ensure the company is able to meet its liabilities as they fall due to the extent that the company does not have the ability to do so. The duration of the committed support is through to 31 December 2022 and is aligned with the going concern review conducted by the directors of Border Holdings (UK) Limited.

With the support of its parent company, the Company has access to considerable financial resources, and together with a number of customers and suppliers across different geographical areas, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Revenue recognition

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 company and the costs incurred in respect of the transaction can be measured reliably.

Notes to the financial statements

for the period ended 30 September 2020 (continued)

1. Accounting policies (continued)

1.4 Tangible fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value evenly over its expected useful life, as follows:

Short leasehold premises	–	over the lease term
Plant and machinery	–	over 5 years
Fixtures and fittings	–	over 3-10 years
Motor vehicles	–	over 4 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.5 Stocks

Finished goods are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.6 Deferred taxation

Deferred taxation is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.7 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

1.8 Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

1.8 Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.9 Cash

Cash in the balance sheet comprises cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

Notes to the financial statements

for the period ended 30 September 2020 (continued)

1. Accounting policies (continued)

1.10 Interest bearing loans

All interest bearing loans and borrowings which are basic financial instruments are initially recognised at transaction price. After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment.

1.11 Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other operating expenses.

1.12 Government Grants

Grants are accounted for under the accruals basis as permitted by FRS 102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the relevant expenditure.

1.13 Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

1.13 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's continuing ordinary activities stated net of value added tax. In accordance with the exemption within the Companies Act 2006 Schedule 1 part 3 section 68(5) an analysis of turnover has not been given by class of business or geographical location, as in the opinion of the directors, it would be seriously prejudicial to the interests of the company to disclose this.

Notes to the financial statements

for the period ended 30 September 2020 (continued)

3. Operating Loss

This is stated after charging:

	2020 (18 months) £000	2019 (12 months) £000
Auditors Remuneration - Audit	36	-
- Non audit	-	-
Depreciation of owned fixed assets	144	-
Amortisation of goodwill	90	-
Loss on disposal of fixed assets	16	-
Operating lease rentals land and buildings	417	-
Operating lease rentals other leases	57	-

4. Business Combination

On 1 November 2019 the Company acquired the business and assets of Allmakes Limited for a total consideration of £3m under the terms of a Business Purchase Agreement ("BPA"). On the same day the Company funded the retirement of Allmakes Limited's Bank borrowings of £5,930,000 which released security over the business assets acquired. The total consideration for the acquisition, including costs, was £9.04m.

The following amount of assets, liabilities and contingent liabilities were recognised at the acquisition date

	Note	Carrying value £000	Adjustment £000	Fair value £000
Property plant & equipment	(i)	570	204	774
Cash and cash equivalents		415	-	415
Inventories	(ii)	6,572	(109)	6,463
Trade and other receivables	(iii)	5,219	45	5,264
Trade and other payables	(iv)	(3,788)	(100)	(3,888)
Deferred tax	(v)	8	(83)	(75)
Total net assets acquired				8,953
Goodwill arising				90
Total consideration				<u>9,043</u>

Notes

- (i) Uplift to value of plant and equipment based on Director's valuation
- (ii) Adoption of Group inventory valuation policies
- (iii) Adoption of Group bad debt provision policies
- (iv) Recognition of warranty claim accrual in line with Group policy
- (v) Adjustments to deferred tax

Goodwill has been amortised in full in the current period.

Notes to the financial statements

for the period ended 30 September 2020 (continued)

5. Directors' remuneration

There was no remuneration paid by the Company. The Directors are also Directors of the parent company, Border Holdings (UK) Limited and it is not considered possible to identify the amount of the directors time which could be ascribed to providing services to the company. Details of their remuneration are disclosed in the Financial Statements of the parent company.

6. Staff costs

	2020 (18 months) £000	2019 (12 months) £000
Wages and salaries	2,529	-
Pension scheme contributions	68	-
Social security costs	230	-
	<u>2,827</u>	<u>-</u>

The Company operates a defined contribution pension scheme.

The average monthly number of employees during the 11 months from November 2019 to September 2020 was as follows. From 1 April 2019 to 31 October 2019 the company was dormant and had no employees:

	2020 No.	2019 No.
Office and management	39	-
Manufacturing, warehouse and agriculture	50	-
	<u>89</u>	<u>-</u>

The Company operates a defined contribution pension scheme.

Notes to the financial statements

for the period ended 30 September 2020 (continued)

7. Tax**(a) Tax on profit on ordinary activities**

The tax charge is made up as follows:

	2020 (18 months) £000	2019 (12 months) £000
Current tax:		
UK corporation tax on the profit for the period	(10)	-
Adjustment in respect of prior years	-	-
Total current tax	(10)	-
Deferred tax:		
Origination and reversal of timing differences	(32)	-
Adjustment in respect of prior year	-	-
Total tax per income statement	(42)	-

(b) Factors affecting tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 19% (2019 – 19%). The differences are explained below:

	2020 (18 months) £000	2019 (12 months) £000
Loss on ordinary activities before taxation	(298)	-
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 – 19%)	(56)	-

Effects of:

Expenses not deductible for tax purposes	17	-
Income not taxable	(3)	-
Adjustment to tax in respect of previous years	-	-
Tax credit for the period	(42)	-

(c) Factors that may affect future tax charges

The UK Finance Act 2016 included a reduction in the main rate of UK corporation tax from 19% to 17% from 1 April 2020. However, in the UK budget on 11 March 2020, it was announced that the tax rate reduction to 17% would not occur and the UK corporation tax rate would instead remain at 19%. As the 19% rate was substantively enacted by the balance sheet date, deferred tax disclosures have been calculated at 19% (2019: 17%).

In the UK Budget on 3 March 2021 it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. As substantive enactment took place after the balance sheet no adjustments to reflect this rate change are reflected in these financial statements.

Notes to the financial statements

for the period ended 30 September 2020 (continued)

8. Tangible fixed assets

	Improvement leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost					
At 1 April 2019	-	-	-	-	-
Acquisition of business	70	185	430	89	774
Other Additions	-	38	206	55	299
Disposals	-	-	(36)	(65)	(101)
At 30 September 2020	70	223	600	79	972
Depreciation					
At 1 April 2019	-	-	-	-	-
Provided during the period	7	41	74	21	143
Disposals	-	-	(7)	(3)	(10)
At 30 September 2020	7	41	67	18	133
Net book value					
At 30 September 2020	63	182	533	61	839
At 1 April 2019	-	-	-	-	-

9. Stocks

	2020 £000	2019 £000
Finished goods for resale	8,082	-
	8,082	-

The difference between the replacement cost and purchase cost of stocks is not material.

Notes to the financial statements

for the period ended 30 September 2020 (continued)

10. Debtors

	2020 £000	2019 £000
Trade debtors	5,748	-
Prepayments and accrued income	1,372	-
Other debtors	232	-
	<u>7,352</u>	<u>-</u>

11. Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	<u>1,377</u>	<u>-</u>

12. Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	3,150	-
Amounts due to parent company	5,006	-
Current corporation tax	-	-
Other creditors including tax and social security costs	124	-
Accruals	333	-
	<u>8,613</u>	<u>-</u>

13. Provisions for liabilities

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	Provided		Not Provided	
	2020 £000	2019 £000	2020 £000	2019 £000
Fixed asset timing differences	56	-	-	-
Other timing differences	(13)	-	-	-
Deferred taxation provision	<u>43</u>	<u>-</u>	<u>-</u>	<u>-</u>

£000

At 1 April 2019	-
Deferred tax arising on business combination (note 4)	75
Deferred tax credit to Profit and Loss	(32)
At 30 September 2020	<u>43</u>

Notes to the financial statements

for the period ended 30 September 2020 (continued)

14. Issued share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
9,250,002 (2019: 2) ordinary shares of £1 each	9,250	-
	<u>9,250</u>	<u>-</u>

On 31 October 2019 the Company issued 9,250,000 shares of £1 each, fully paid for cash to provide funds for the acquisition in the period.

15. Operating lease commitments

Future minimum lease payments under non-cancellable operating leases are as follows:

	2020		2019	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Less than one year	663	62	-	-
Between one and five years	2,652	81	-	-
More than five years	3,314	-	-	-
	<u>6,629</u>	<u>143</u>	<u>-</u>	<u>-</u>

The Company leases its principal warehouse under a lease that expires in September 2030.

16. Related party transactions

The company has taken advantage of the exemptions available under FRS 102 not to disclose related party transactions with Border Holdings (UK) Limited, the immediate parent company which prepares consolidated financial statements which include the company.

17. Immediate parent company and ultimate controlling party

The company is a wholly owned subsidiary of Border Holdings (UK) Limited, a company registered in England and Wales. Border Holdings (UK) Limited prepare consolidated financial statements which include the company and which are available from that company's registered office The Grove, Craven Arms, Shropshire, SY7 8DA.

The company is ultimately controlled by D P Beddow, a director and sole shareholder of the Company's parent company, Border Holdings (UK) Limited.