

Company Registration No. 00968279 (England and Wales)

**CAR SPARES NECHELLS LIMITED**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2015**

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# **CAR SPARES NECHELLS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	M J Gardner Snr A Tuby M J Gardner Jnr
<b>Secretary</b>	T Gardner
<b>Company number</b>	00968279
<b>Registered office</b>	Progress House 1281 Stratford Road Hall Green Birmingham B28 9AJ
<b>Auditor</b>	Cheesmans 4 Aztec Row Berners Road London N1 0PW
<b>Business address</b>	14 Lawford Close Birmingham B7 4HJ
<b>Bankers</b>	HSBC Bank Plc 34 Poplar Road Solihull West Midlands B91 3AF

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# **CAR SPARES NECHELLS LIMITED**

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# CAR SPARES NECHELLS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present the strategic report for the year ended 31 December 2015.

### **Fair review of the business**

The directors are disappointed to have made a loss for the financial year due to continuing difficulties presented by the ongoing economic decline, the increase in competition and most importantly the uncertainty surrounding the business being situated at Nechells, in a leasehold property that is likely to be acquired for the planned high speed train, but for which no timescale is available.

In an increasingly competitive market, the directors have considered, and acted upon, the risks and uncertainties relevant to the business. The most significant of which was the receipt of a notice in respect of the proposed High Speed Rail (London - West Midlands).

### **Key performance indicators**

The company results and financial position at the year end, is shown on pages 6 to 21 of the financial statements. The directors consider that the key performance indicators for the company are as follows:

- ability to maintain/improve gross profit margin
- staff efficiency
- ability to retain and incentivise all members of staff

### **Other information and explanations**

The company intends to develop its business in the future, subject to constraints imposed by HS2.

By order of the Board

.....  
M J Gardner Snr  
Director

13 September 2016



# **CAR SPARES NECHELLS LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2015***

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The directors present their annual report and financial statements for the year ended 31 December 2015.

### **Principal activities**

The principal activity of the company continued to be that of the retailing and wholesaling of motor accessories.

### **Directors**

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

M J Gardner Snr  
A Tuby  
M J Gardner Jnr

### **Results and dividends**

The results for the year are set out on page 6.

No dividends were paid during the year (2014:£3,091,954).

### **Auditor**

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

### **Statement of directors' responsibilities**

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

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

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

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

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.


# **CAR SPARES NECHELLS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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By order of the Board



T Gardner

Secretary

13 September 2016

# **CAR SPARES NECHELLS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CAR SPARES NECHELLS LIMITED**

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We have audited the financial statements of Car Spares Nechells Limited for the year ended 31 December 2015 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year 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.

#### **Emphasis of Matter**

In forming our opinion, we have considered the adequacy of the disclosures made in note 1.2 of the financial statements. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion 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.

# **CAR SPARES NECHELLS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CAR SPARES NECHELLS LIMITED**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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.

**Carol A Cheesman (Senior Statutory Auditor)**  
for and on behalf of Cheesmans

13 September 2016

**Chartered Accountants**  
**Statutory Auditor**

4 Aztec Row  
Berners Road  
London  
N1 0PW



# CAR SPARES NECHELLS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	2,160,512	9,145,915
Cost of sales		(1,288,549)	(5,949,414)
<b>Gross profit</b>		<b>871,963</b>	<b>3,196,501</b>
Distribution costs		(51,327)	(240,122)
Administrative expenses		(912,234)	(2,585,352)
Other operating income		4,914	18,199
Profit/(loss) on disposal of operations		-	866,202
<b>Operating (loss)/profit</b>	<b>4</b>	<b>(86,684)</b>	<b>1,255,428</b>
Interest receivable and similar income	8	298	1,555
Interest payable and similar charges	9	-	(2,652)
<b>(Loss)/profit before taxation</b>		<b>(86,386)</b>	<b>1,254,331</b>
Taxation	10	5,569	(56,979)
<b>(Loss)/profit for the financial year</b>	<b>20</b>	<b>(80,817)</b>	<b>1,197,352</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# CAR SPARES NECHELLS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	12		147,160		168,922
<b>Current assets</b>					
Debtors falling due after one year	13	223,403		-	
Debtors falling due within one year	13	84,701		96,172	
Cash at bank and in hand		59,008		153,507	
		<u>367,112</u>		<u>249,679</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(545,084)</u>		<u>(291,927)</u>	
<b>Net current liabilities</b>			(177,972)		(42,248)
<b>Total assets less current liabilities</b>			<u>(30,812)</u>		<u>126,674</u>
<b>Provisions for liabilities</b>	15		(12,331)		(89,000)
<b>Net (liabilities)/assets</b>			<u>(43,143)</u>		<u>37,674</u>
<b>Capital and reserves</b>					
Called up share capital	18		50		50
Capital redemption reserve	19		50		50
Profit and loss reserves	20		(43,243)		37,574
<b>Total equity</b>			<u>(43,143)</u>		<u>37,674</u>

The financial statements were approved by the board of directors and authorised for issue on 13 September 2016 and are signed on its behalf by:

  
M J Gardner Jnr  
Director

Company Registration No. 00968279

# CAR SPARES NECHELLS LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 3 June 2014		50	50	1,932,176	1,932,276
Year ended 31 December 2014:					
Profit and total comprehensive income for the year		-	-	1,197,352	1,197,352
Dividends	11	-	-	(3,091,954)	(3,091,954)
Balance at 31 December 2014		50	50	37,574	37,674
Year ended 31 December 2015:					
Loss and total comprehensive income for the year		-	-	(80,817)	(80,817)
Balance at 31 December 2015		50	50	(43,243)	(43,143)

# CAR SPARES NECHELLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

#### Company information

Car Spares Nechells Limited is a company limited by shares incorporated in England and Wales. The registered office is Progress House, 1281 Stratford Road, Hall Green, Birmingham, B28 9AJ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

These financial statements for the year ended 31 December 2015 are the first financial statements of Car Spares Nechells Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### 1.2 Going concern

Due to the uncertainty of the proposed high speed railway, the directors are unable to assess whether the company will be a going concern for the next 12 months.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Tangible fixed assets

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

Tangible fixed assets are stated at cost less depreciation and amortisation. Depreciation and amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings	Over the remaining length of the lease
Plant and machinery	20% straight line
Fixtures, fittings & equipment	20% straight line

# CAR SPARES NECHELLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# CAR SPARES NECHELLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

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

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# CAR SPARES NECHELLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

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

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

### 1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

# CAR SPARES NECHELLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

(Continued)

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

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

	2015 £	2014 £
<b>Turnover</b>		
Sale of goods	2,160,512	9,145,915
	<u>          </u>	<u>          </u>
 <b>Other significant revenue</b>		
Interest income	298	1,555
Commissions received	-	5,250
	<u>          </u>	<u>          </u>



# CAR SPARES NECHELLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 3 Turnover and other revenue (Continued)

#### Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	2,160,512	9,145,915

### 4 Operating (loss)/profit

	2015 £	2014 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange (losses)/gains	1	(3)
Depreciation of owned tangible fixed assets	27,278	99,488
(Loss)/profit on disposal of tangible fixed assets	875	(182)
Operating lease charges	6,750	136,750

### 5 Auditor's remuneration

	2015 £	2014 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the company's financial statements	8,011	12,000
<b>For other services</b>		
Taxation compliance services	1,510	1,525
All other non-audit services	7,512	21,377
	9,022	22,902

### 6 Employees

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

	2015 Number	2014 Number
Distribution	15	14
Administration	21	17
Management	2	2
	38	33

# CAR SPARES NECHELLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	534,759	1,845,056
Social security costs	33,881	129,298
Pension costs	4,145	13,758
	<u>572,785</u>	<u>1,988,112</u>

### 7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	-	78,487
Company pension contributions to defined contribution schemes	-	2,073
	<u>-</u>	<u>80,560</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2014 - 2).

### 8 Interest receivable and similar income

	2015 £	2014 £
<b>Interest income</b>		
Interest on bank deposits	296	1,555
Other interest income	2	-
Total income	<u>298</u>	<u>1,555</u>

### 9 Interest payable and similar charges

	2015 £	2014 £
Other interest on financial liabilities	-	2,652

### 10 Taxation

	2015 £	2014 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	8,500
Adjustments in respect of prior periods	(3,100)	(55)
Group tax relief	(14,800)	71,500
Total current tax	<u>(17,900)</u>	<u>79,945</u>

# CAR SPARES NECHELLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 10 Taxation

(Continued)

#### Deferred tax

Origination and reversal of timing differences

12,331

(22,966)

Total tax charge

(5,569)

56,979

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2015 £	2014 £
(Loss)/profit before taxation	(86,386)	1,254,331
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 20.00%)	(17,277)	250,866
Tax effect of expenses that are not deductible in determining taxable profit	915	1,221
Tax effect of income not taxable in determining taxable profit	-	(173,240)
Adjustments in respect of prior years	-	(55)
Permanent capital allowances in excess of depreciation	1,401	(3,363)
Under/(over) provided in prior years	(3,100)	-
Deferred tax adjustments in respect of prior years	-	(22,966)
Other adjustments	161	4,516
Deferred tax	12,331	-
Tax expense for the year	(5,569)	56,979

### 11 Dividends

	2015 £	2014 £
Interim paid	-	3,091,954

# CAR SPARES NECHELLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 12 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 January 2015	261,616	5,207	69,124	335,947
Additions	-	-	6,391	6,391
Disposals	(288)	(3,166)	(2,470)	(5,924)
At 31 December 2015	261,328	2,041	73,045	336,414
<b>Depreciation and impairment</b>				
At 1 January 2015	125,839	4,235	36,951	167,025
Depreciation charged in the year	4,849	20	22,409	27,278
Eliminated in respect of disposals	(288)	(2,291)	(2,470)	(5,049)
At 31 December 2015	130,400	1,964	56,890	189,254
<b>Carrying amount</b>				
At 31 December 2015	130,928	77	16,155	147,160
At 31 December 2014	135,777	972	32,173	168,922

The leasehold land and buildings are currently included in the financial statements at £130,928 being amortised over the length of the lease. However, the directors are not confident as to the value of this property and whether or not it should be impaired due to the fact that it is in the high speed train route and could therefore be compulsory purchased. Similarly they have no indication of any compensation that may be paid with regard to a compulsory purchase order.

It was identified that several assets that had been transferred to Car Spares (Distributions) Limited in the year ended 31 December 2014 with nil Net Book Value had been incorrectly treated and as such a prior year adjustment was made in this regard.

### 13 Debtors

	2015 £	2014 £
<b>Amounts falling due within one year:</b>		
Trade debtors	69,449	83,266
Corporation tax recoverable	5,371	2,333
Prepayments and accrued income	9,881	10,573
	84,701	96,172
<b>Amounts falling due after one year:</b>		
Other debtors	223,403	-
<b>Total debtors</b>	308,104	96,172

# CAR SPARES NECHELLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 14 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	-	27,223
Amount due to parent undertaking	168,458	190,941
Corporation tax	-	8,500
Other taxation and social security	116,344	13,532
Other creditors	223,999	28,054
Accruals and deferred income	36,283	23,677
	<u>545,084</u>	<u>291,927</u>

### 15 Provisions for liabilities

	2015 £	2014 £
Other provisions	-	89,000
Deferred tax liabilities	16 12,331	-
	<u>12,331</u>	<u>89,000</u>

### 16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £
<b>Balances:</b>		
Accelerated capital allowances	<u>12,331</u>	<u>-</u>
<b>Movements in the year:</b>		2015 £
Liability at 1 January 2015		-
Charge to profit or loss		12,331
Liability at 31 December 2015		<u>12,331</u>

The deferred tax liability set out above is expected to reverse in the foreseeable future and relates to accelerated capital allowances that are expected to mature within the same period.

# CAR SPARES NECHELLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 17 Retirement benefit schemes

#### Defined contribution schemes

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

The charge to profit and loss in respect of defined contribution schemes was £4,145 (2014 - £13,758).

### 18 Share capital

	2015 £	2014 £
<b>Issued and fully paid</b>		
12 Ordinary A shares of £1 each	12	12
12 Ordinary B shares of £1 each	12	12
12 Ordinary C shares of £1 each	12	12
14 Ordinary D shares of £1 each	14	14
	<u>50</u>	<u>50</u>

All the shares rank pari passu in all respects, except where dividends are declared and each class is entitled to receive its own dividend.

### 19 Capital redemption reserve

	2015 £	2014 £
At beginning and end of year	<u>50</u>	<u>50</u>

### 20 Profit and loss reserves

	2015 £	2014 £
At the beginning of the year	37,574	1,932,176
(Loss)/profit for the year	(80,817)	1,197,352
Dividends	-	(3,091,954)
At the end of the year	<u>(43,243)</u>	<u>37,574</u>

# **CAR SPARES NECHELLS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **21 Financial commitments, guarantees and contingent liabilities**

A charge of £39,000 (2014: £39,000) is secured on the assets of the company to a third party.

There is an limited multilateral guarantee between the companies of the Car Spares (Distribution) Holdings Limited group and HSBC Bank PLC whereby amounts due to and from HSBC Bank PLC can be offset, both in terms of capital and interest calculation. At 31 December 2015 there were no amounts that could be called under this arrangement.

### **22 Related party transactions**

The company has taken advantage of the exemptions available whereby it has not disclosed transactions with the parent company or any wholly owned subsidiary undertakings of the group.

### **23 Controlling party**

The company is a wholly owned subsidiary undertaking of Car Spares (Distribution) Holdings Limited, a company registered in England and Wales, in which the results of the company are consolidated. Copies of these consolidated financial statements can be obtained from the Registrar of Companies, Companies House, Maindy, Cardiff CF4 3UZ.

The ultimate controlling parties are Michael Gardner and Malcolm Gardner the directors of Car Spares (Distribution) Holdings Limited by virtue of their shareholdings in that company.