

Registration number: 03181655

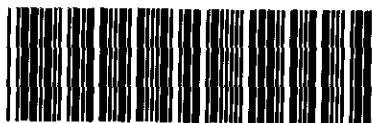
# Picksons Plc

Annual Report and Consolidated Financial  
Statements

for the Year Ended 30 June 2016

CSD Friction limited  
170 2864  
pg 28

FRIDAY



\*A65BYGH6\*

A32

28/04/2017

#350

COMPANIES HOUSE

## Picksons Plc

### Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 6
Consolidated Profit and Loss Account	7
Consolidated Statement of Comprehensive Income	8
Consolidated Balance Sheet	9
Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 to 43

## **Picksons Plc**

### **Company Information**

#### **Directors**

Mr C A Pick

Mrs A I Pick

Mr S A Pick

#### **Registered office**

Cotswold House  
Quarry Road  
Chipping Sodbury  
Bristol  
BS37 6AX

#### **Auditors**

Milsted Langdon LLP  
Chartered Accountants and Statutory Auditors  
One Redcliff Street  
Bristol  
BS1 6NP

## Picksons Plc

### Strategic Report for the Year Ended 30 June 2016

The Directors present their strategic report for the year ended 30 June 2016.

#### Principal activity

The principal activity of the Group is the provision of wholesale trade of motor vehicle parts and accessories.

#### Fair review of the business

The Group's operations comprise Picksons Plc, Fleetwheel Limited and CSD Friction Limited (formerly Commercial Spares Distributors Limited), a company acquired on 1 November 2015. The Group has had another successful year and experienced further financial growth whilst being able to maintain its consistent margins, which management are of the opinion is due to the good reputation of the business.

The Group's key financial and other performance indicators during the year were as follows:

	Unit	2016	2015
Turnover variance	%	-	16.00
Gross profit margin	%	36.27	33.95

#### Principal risks and uncertainties

The primary risk of the business is the loss of the Group's good reputation within the industry. This risk is managed by working closely with customers, continuously enhancing services and improving service levels, and by gaining business across a wider customer base.

Approved by the Board on 16/12/16 and signed on its behalf by:



Mr C A Pick  
Director

## Picksons Plc

### Directors' Report for the Year Ended 30 June 2016

The Directors present their report and the consolidated financial statements for the year ended 30 June 2016.

#### Directors of the Group

The directors who held office during the year were as follows:

Mr C A Pick

Mrs A I Pick

Mr S A Pick

#### Financial instruments

##### Objectives and policies

The company is exposed to price risk, credit risk, liquidity risk and cash flow risk. The directors review risk management strategies regularly.

##### Price risk, credit risk, liquidity risk and cash flow risk

###### Price

The company has minimal exposure to price risk as all prices are pre-set by management.

###### Credit

The company is exposed to credit risk and management ensure credit checks are completed on all new customers and chase debts on a regular basis once they become overdue.

###### Liquidity

The company's exposure to liquidity risk is minimal as the company has adequate net current assets.

###### Cashflow

The company is exposed to cash flow risk as a result of the timing between paying suppliers and the receipt of money from customers and management manage this through the use of an invoice discounting facility.

#### Future developments

Following the acquisition of CSD Friction Limited during the period, management's aim is to further develop and expand existing sites with a view to recognising further organic growth over the coming years.

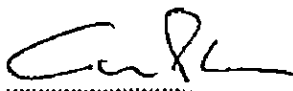
#### Going concern

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason the financial statements continue to adopt the going concern basis.

#### Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 16/12/16 and signed on its behalf by:



Mr C A Pick  
Director

## **Picksons Plc**

### **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 apply them consistently;**
- make judgements and accounting 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.**

## **Picksons Plc**

### **Independent Auditor's Report**

**We have audited the financial statements of Picksons Plc for the year ended 30 June 2016, set out on pages 7 to 43. 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).**

**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 Statement of Directors' Responsibilities (set out on page 4), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 (APB's) Ethical Standards for Auditors of the financial statements.**

#### **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 the financial statements**

**In our opinion the financial statements:**

- **give a true and fair view of the state of the Group's and the Company's affairs as at 30 June 2016 and of the Group's profit 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.**

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

**In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.**

**Picksons Plc**

**Independent Auditor's Report (continued)**

**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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.

*Milsted Langdon LLP.*

.....  
Mrs Sarah Jenkins (Senior Statutory Auditor)  
For and on behalf of Milsted Langdon LLP  
Chartered Accountants and Statutory Auditors  
One Redcliff Street  
Bristol  
BS1 6NP

20 December 2016



**Picksons Plc**

**Consolidated Profit and Loss Account for the Year Ended 30 June 2016**

	Note	Year ended 30 June 2016 £	1 June 2014 to 30 June 2015 £
Turnover	3	14,162,490	14,168,705
Cost of sales		<u>(9,025,372)</u>	<u>(9,357,875)</u>
Gross profit		5,137,118	4,810,830
Administrative expenses		(4,334,085)	(3,865,933)
Other operating income	4	<u>9,600</u>	<u>8,800</u>
Operating profit	6	<u>812,633</u>	<u>953,697</u>
Other interest receivable and similar income	7	818	5
Interest payable and similar charges	8	<u>(96,644)</u>	<u>(105,597)</u>
		<u>(95,826)</u>	<u>(105,592)</u>
Profit before tax		716,807	848,105
Taxation	12	<u>(165,617)</u>	<u>(166,049)</u>
Profit for the financial year		<u>551,190</u>	<u>682,056</u>
Profit/(loss) attributable to:			
Owners of the company		455,892	542,702
Minority interests		<u>95,298</u>	<u>139,354</u>
		<u>551,190</u>	<u>682,056</u>

The above results were derived from continuing operations.

**Picksons Plc**

**Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2016**

	Note	Year ended 30 June 2016 £	1 June 2014 to 30 June 2015 £
Profit for the year		551,190	682,056
Total comprehensive income for the year		<u>551,190</u>	<u>682,056</u>
Total comprehensive income attributable to:			
Owners of the company		455,892	542,702
Minority interests		95,298	139,354
		<u>551,190</u>	<u>682,056</u>

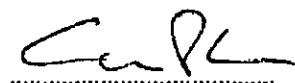
The notes on pages 15 to 43 form an integral part of these financial statements.

**Picksons Plc**

**(Registration number: 03181655)  
Consolidated Balance Sheet as at 30 June 2016**

	Note	30 June 2016 £	30 June 2015 £
<b>Fixed assets</b>			
Intangible assets	13	337,551	408,274
Tangible assets	14	<u>1,312,067</u>	<u>1,232,244</u>
		<u>1,649,618</u>	<u>1,640,518</u>
<b>Current assets</b>			
Stocks	17	2,939,704	2,519,748
Debtors	18	3,696,522	3,510,320
Investments	19	5,000	5,000
Cash at bank and in hand		<u>68,369</u>	<u>133,245</u>
		6,709,595	6,168,313
<b>Creditors: Amounts falling due within one year</b>	21	<u>(5,118,757)</u>	<u>(5,033,920)</u>
<b>Net current assets</b>		<u>1,590,838</u>	<u>1,134,393</u>
<b>Total assets less current liabilities</b>		3,240,456	2,774,911
<b>Creditors: Amounts falling due after more than one year</b>	21	(341,074)	(389,719)
<b>Provisions for liabilities</b>	22	<u>(18,471)</u>	<u>(18,471)</u>
<b>Net assets</b>		<u>2,880,911</u>	<u>2,366,721</u>
<b>Capital and reserves</b>			
Called up share capital	24	279,000	279,000
Profit and loss account		<u>1,806,899</u>	<u>1,388,007</u>
<b>Equity attributable to owners of the company</b>		2,085,899	1,667,007
<b>Minority interests</b>		<u>795,012</u>	<u>699,714</u>
<b>Total equity</b>		<u>2,880,911</u>	<u>2,366,721</u>

Approved and authorised by the Board on 16/12/16 and signed on its behalf by:



Mr C A Pick  
Director

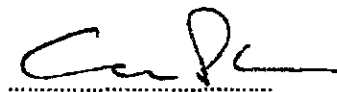
**Picksons Plc**

**(Registration number: 03181655)  
Balance Sheet as at 30 June 2016**

	Note	30 June 2016 £	30 June 2015 £
<b>Fixed assets</b>			
Tangible assets	14	239,991	191,126
Investments	15	2,284,818	2,284,817
		<u>2,524,809</u>	<u>2,475,943</u>
<b>Current assets</b>			
Stocks	17	1,203,241	1,134,040
Debtors	18	1,380,604	1,206,740
Investments		5,000	5,000
Cash at bank and in hand		46,139	78,002
		<u>2,634,984</u>	<u>2,423,782</u>
Creditors: Amounts falling due within one year	21	<u>(3,589,700)</u>	<u>(3,553,002)</u>
Net current liabilities		<u>(954,716)</u>	<u>(1,129,220)</u>
Total assets less current liabilities		1,570,093	1,346,723
Creditors: Amounts falling due after more than one year	21	<u>-</u>	<u>(18,934)</u>
Net assets		<u>1,570,093</u>	<u>1,327,789</u>
<b>Capital and reserves</b>			
Called up share capital		279,000	279,000
Profit and loss account		1,291,093	1,048,789
Total equity		<u>1,570,093</u>	<u>1,327,789</u>

The company made a profit after tax for the financial year of £279,304 (2015 - profit of £203,484).

Approved and authorised by the Board on 16/12/16 and signed on its behalf by:



Mr C A Pick  
Director

Picksons Plc

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2016  
Equity attributable to the parent company

	Share capital £	Profit and loss account £	Total £	Non- controlling interests £	Total equity £
At 1 July 2015	279,000	1,388,007	1,667,007	139,354	1,806,361
Profit for the year	-	455,892	455,892	95,298	551,190
Total comprehensive income	-	455,892	455,892	95,298	551,190
Dividends	-	(37,000)	(37,000)	-	(37,000)
Increase in ownership interests in subsidiaries	-	-	-	560,360	560,360
At 30 June 2016	279,000	1,806,899	2,085,899	795,012	2,880,911
				Non- controlling interests £	
At 1 June 2014	279,000	882,305	1,161,305	-	1,161,305
Profit for the year	-	542,702	542,702	139,354	682,056
Total comprehensive income	-	542,702	542,702	139,354	682,056
Dividends	-	(37,000)	(37,000)	-	(37,000)
Increase in ownership interests in subsidiaries	-	-	-	560,360	560,360
At 30 June 2015	279,000	1,388,007	1,667,007	699,714	2,366,721

The notes on pages 15 to 43 form an integral part of these financial statements.

# Picksons Plc

## Statement of Changes in Equity for the Year Ended 30 June 2016

	Share capital £	Profit and loss account £	Total £
At 1 July 2015	279,000	1,048,789	1,327,789
Profit for the year	-	279,304	279,304
Total comprehensive income	-	279,304	279,304
Dividends	-	(37,000)	(37,000)
At 30 June 2016	279,000	1,291,093	1,570,093
	Share capital £	Profit and loss account £	Total £
At 1 June 2014	279,000	882,305	1,161,305
Profit for the year	-	203,484	203,484
Total comprehensive income	-	203,484	203,484
Dividends	-	(37,000)	(37,000)
At 30 June 2015	279,000	1,048,789	1,327,789

The notes on pages 15 to 43 form an integral part of these financial statements.  
Page 12

**Picksons Plc**

**Consolidated Statement of Cash Flows for the Year Ended 30 June 2016**

	Note	Year ended 30 June 2016 £	1 June 2014 to 30 June 2015 £
<b>Cash flows from operating activities</b>			
Profit for the year		551,190	682,056
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	287,934	248,761
Loss/(profit) on disposal of tangible assets	5	2,396	(125)
Finance income	7	(818)	(5)
Finance costs	8	96,644	105,597
Income tax expense	12	165,617	166,049
		1,102,963	1,202,333
Working capital adjustments			
Increase in stocks	17	(374,956)	(135,823)
Increase in trade debtors	18	(140,689)	(156,064)
(Decrease)/increase in trade creditors	21	(131,173)	527,896
Cash generated from operations		456,145	1,438,342
Income taxes paid	12	(171,382)	(217,627)
Net cash flow from operating activities		284,763	1,220,715
<b>Cash flows from investing activities</b>			
Interest received		818	5
Acquisitions of tangible assets		(259,255)	(230,073)
Proceeds from sale of tangible assets		3,300	125
Acquisition of intangible assets	13	1,581	(2,097,284)
Net cash flows from investing activities		(253,556)	(2,327,227)
<b>Cash flows from financing activities</b>			
Interest paid	8	(96,644)	(105,597)
Repayment of bank borrowing		(11,190)	1,361,124
Proceeds from other borrowing draw downs		21,468	13,042
Payments to finance lease creditors		27,283	4,809
Dividends paid		(37,000)	(37,000)
Net cash flows from financing activities		(96,083)	1,236,378
Net (decrease)/increase in cash and cash equivalents		(64,876)	129,866
Cash and cash equivalents at 1 July		133,245	3,379
Cash and cash equivalents at 30 June		68,369	133,245

The notes on pages 15 to 43 form an integral part of these financial statements.

**Picksons Plc**

**Statement of Cash Flows for the Year Ended 30 June 2016**

	Note	Year ended 30 June 2016 £	1 June 2014 to 30 June 2015 £
<b>Cash flows from operating activities</b>			
Profit for the year		279,304	203,484
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	74,996	63,708
Finance costs		50,344	65,244
Income tax expense	12	65,428	34,664
		<u>470,072</u>	<u>367,100</u>
Working capital adjustments			
(Increase)/decrease in stocks	17	(69,201)	118,802
Increase in trade debtors	18	(173,864)	(42,553)
(Decrease)/increase in trade creditors	21	(112,983)	1,772,025
Cash generated from operations		<u>114,024</u>	<u>2,215,374</u>
Income taxes paid	12	<u>(34,664)</u>	<u>(39,170)</u>
Net cash flow from operating activities		<u>79,360</u>	<u>2,176,204</u>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries	15	(1)	(2,284,817)
Acquisitions of tangible assets		<u>(123,861)</u>	<u>(113,768)</u>
Net cash flows from investing activities		<u>(123,862)</u>	<u>(2,398,585)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(50,344)	(65,244)
Repayment of bank borrowing		-	(36,277)
Proceeds from other borrowing draw downs		99,983	435,525
Dividends paid		<u>(37,000)</u>	<u>(37,000)</u>
Net cash flows from financing activities		<u>12,639</u>	<u>297,004</u>
Net (decrease)/increase in cash and cash equivalents		(31,863)	74,623
Cash and cash equivalents at 1 July		<u>78,002</u>	<u>3,379</u>
Cash and cash equivalents at 30 June		<u>46,139</u>	<u>78,002</u>

The notes on pages 15 to 43 form an integral part of these financial statements.



## **Picksons Plc**

### **Notes to the Financial Statements for the Year Ended 30 June 2016**

#### **1 General information**

The company is a private company limited by share capital incorporated in United Kingdom.

The address of the company's registered office is:

Cotswold House  
Quarry Road  
Chipping Sodbury  
Bristol  
BS37 6AX  
United Kingdom

These financial statements were authorised for issue by the Board on 16 December 2016.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. There have been no changes to accounting policies following the transition to the Financial Reporting Standard 102.

##### **Statement of compliance**

These financial statements are the first financial statements of the company prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The date of transition to FRS 102 was 1 June 2014.

The transition to FRS 102 has resulted in changes in accounting policies to those used previously. Note 31 to the financial statements describes the effect the transition has had on opening equity and profit for the comparative period.

No Profit and Loss Account is presented for the Company as permitted by section 408 of the Companies Act 2006. The company made a loss after tax for the financial period of £279,304 (2015 - £203,484).

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 June 2016.

## **Picksons Plc**

### **Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)**

#### **2 Accounting policies (continued)**

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

#### **Judgements**

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

#### **Key sources of estimation uncertainty**

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

The directors do not consider there are any critical judgements or key sources of estimation uncertainty made in the process of applying the Group's accounting policies and the amounts recognised in the financial statements..

## **Picksons Plc**

### **Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)**

#### **2 Accounting policies (continued)**

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The Group recognises revenue when:

- the amount of revenue can be reliably measured;
- all of the significant risks and rewards of ownership have been transferred to the customer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the costs incurred or to be incurred can be measured reliably;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the Group's activities.

##### **Finance income and costs policy**

Interest income and expenses are recognised using the effective interest rate method.

##### **Foreign currency transactions and balances**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the Profit and Loss Account.

##### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS 102.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

## Picksons Plc

### Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

#### 2. Accounting policies (continued)

##### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

##### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land	Nil
Freehold buildings	2% per annum
Leasehold property	Period of lease
Plant and machinery	25% reducing balance
Motor vehicles	25% reducing balance

##### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

##### Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

##### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% straight line

## **Picksons Plc**

### **Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)**

#### **2 Accounting policies (continued)**

##### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Current asset investments are included at the lower of cost and net realisable value.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### **Debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

##### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

##### **Creditors**

Trade creditors 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 the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## **Picksons Plc**

### **Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)**

#### **2 Accounting policies (continued)**

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## Picksons Plc

### Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

#### 2 Accounting policies (continued)

##### Financial instruments

##### *Classification, recognition and measurement*

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the Group is presented as a liability in the Balance Sheet. The corresponding dividends relating to the liability component are charged as interest expense in the Profit and Loss Account.

#### 3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	Year ended 30 June 2016	1 June 2014 to 30 June 2015
	£	£
Distribution revenues	<u>14,162,490</u>	<u>14,168,705</u>

The analysis of the group's turnover for the year by market is as follows:

	Year ended 30 June 2016	1 June 2014 to 30 June 2015
	£	£
UK	<u>14,162,490</u>	<u>14,168,705</u>

#### 4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	Year ended 30 June 2016	1 June 2014 to 30 June 2015
	£	£
Rental income	<u>9,600</u>	<u>8,800</u>

#### 5 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	Year ended 30 June 2016	1 June 2014 to 30 June 2015
	£	£
(Loss)/gain on disposal of property, plant and equipment	<u>(2,396)</u>	<u>125</u>

# Picksons Plc

## Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

### 6. Operating profit

Arrived at after charging/(crediting)

	Year ended 30 June 2016	1 June 2014 to 30 June 2015
	£	£
Depreciation expense	178,030	146,693
Amortisation expense	109,904	102,068
Foreign exchange gains	(10,633)	(13,407)
Operating lease expense - property	77,333	60,000
Loss/(profit) on disposal of property, plant and equipment	2,396	(125)

### 7 Other interest receivable and similar income

	Year ended 30 June 2016	1 June 2014 to 30 June 2015
	£	£
Other finance income	818	5

### 8 Interest payable and similar charges

	Year ended 30 June 2016	1 June 2014 to 30 June 2015
	£	£
Interest on bank overdrafts and borrowings	14,079	14,380
Interest on obligations under finance leases and hire purchase contracts	4,185	15,278
Other finance costs	78,380	75,939
	96,644	105,597

### 9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 30 June 2016	1 June 2014 to 30 June 2015
	£	£
Wages and salaries	2,446,270	2,184,502
Social security costs	220,480	201,767
Pension costs, defined contribution scheme	38,978	49,912
	2,705,728	2,436,181



# Picksons Plc

## Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

### 9 Staff costs (continued)

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	Year ended 30 June 2016	1 June 2014 to 30 June 2015
	No.	No.
Administration and support	14	13
Distribution	96	82
	<u>110</u>	<u>95</u>

### 10 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 30 June 2016	1 June 2014 to 30 June 2015
	£	£
Remuneration	64,500	75,000
Contributions paid to money purchase schemes	20,000	40,000
	<u>84,500</u>	<u>115,000</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	Year ended 30 June 2016	1 June 2014 to 30 June 2015
	No.	No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

### 11 Auditors' remuneration

	Year ended 30 June 2016	1 June 2014 to 30 June 2015
	£	£
Audit of these financial statements	7,850	10,375
Audit of the financial statements of subsidiaries of the company pursuant to legislation	11,200	6,025
	<u>19,050</u>	<u>16,400</u>
<b>Other fees to auditors</b>		
Taxation compliance services	350	350
All other assurance services	1,500	1,250
	<u>1,850</u>	<u>1,600</u>

# Picksons Plc

## Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

### 12 Taxation

Tax charged/(credited) in the income statement

	Year ended 30 June 2016 £	1 June 2014 to 30 June 2015 £
<b>Current taxation</b>		
UK corporation tax	165,617	171,382
UK corporation tax adjustment to prior periods	-	(5,333)
	<u>165,617</u>	<u>166,049</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20% (2015 - 20.75%).

The differences are reconciled below:

	Year ended 30 June 2016 £	1 June 2014 to 30 June 2015 £
Profit before tax	<u>716,807</u>	<u>848,105</u>
Corporation tax at standard rate	143,361	175,982
(Decrease) from effect of different UK tax rates	(824)	(1,441)
Effect of expense not deductible in determining taxable profit	5,455	1,727
Increase from tax losses for which no deferred tax asset was recognised	2,965	-
(Decrease) in UK current tax from adjustment for prior periods	-	(5,333)
Tax (decrease) from effect of capital allowances and depreciation	(7,240)	(26,065)
Tax increase arising from group relief	3,954	-
Other tax reconciling items between accounting profit and tax expense	<u>17,946</u>	<u>21,179</u>
Total tax charge	<u>165,617</u>	<u>166,049</u>

# Picksons Plc

## Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

### 12 Taxation (continued)

#### Deferred tax

#### Group

#### Deferred tax assets and liabilities

	Liability £
<b>2016</b>	
Capital allowances in excess of depreciation	<u>18,471</u>
<b>2015</b>	Liability £
Capital allowances in excess of depreciation	<u>18,471</u>

### 13 Intangible assets

#### Group

	Goodwill £	Total £
<b>Cost</b>		
At 1 July 2015	510,342	510,342
Additions acquired separately	<u>39,181</u>	<u>39,181</u>
At 30 June 2016	<u>549,523</u>	<u>549,523</u>
<b>Amortisation</b>		
At 1 July 2015	102,068	102,068
Amortisation charge	<u>109,904</u>	<u>109,904</u>
At 30 June 2016	<u>211,972</u>	<u>211,972</u>
<b>Carrying amount</b>		
At 30 June 2016	<u>337,551</u>	<u>337,551</u>
At 30 June 2015	<u>408,274</u>	<u>408,274</u>

The amortisation of intangible assets is included in Administrative expenses in the Consolidated Profit and Loss Account.

#### Individually material intangible assets

#### Goodwill of Fleetwheel Limited

The carrying amount of this asset is £306,206 (2015 - £408,274) and the remaining amortisation period is 3 years (2015 - 4 years).

**Picksons Plc**

**Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)**

**14 Tangible assets**

**Group**

	<b>Land and buildings £</b>	<b>Motor vehicles £</b>	<b>Other property, plant and equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 July 2015	-	460,352	743,837	1,204,189
Revaluations	836,800	-	-	836,800
Additions	31,939	108,053	119,263	259,255
Acquired through business combinations	-	-	57,537	57,537
Disposals	-	(50,189)	(2,650)	(52,839)
At 30 June 2016	<u>868,739</u>	<u>518,216</u>	<u>917,987</u>	<u>2,304,942</u>
<b>Depreciation</b>				
At 1 July 2015	37,438	51,479	509,782	598,699
Charge for the period	12,553	76,720	88,757	178,030
Eliminated on disposal	-	(44,493)	(2,650)	(47,143)
Acquired through business combinations	-	210,046	53,243	263,289
At 30 June 2016	<u>49,991</u>	<u>293,752</u>	<u>649,132</u>	<u>992,875</u>
<b>Carrying amount</b>				
At 30 June 2016	<u>818,748</u>	<u>224,464</u>	<u>268,855</u>	<u>1,312,067</u>
At 30 June 2015	<u>799,362</u>	<u>198,827</u>	<u>234,055</u>	<u>1,232,244</u>

Included within the net book value of land and buildings above is £194,438 (2015 - £197,219) in respect of freehold land and buildings, £624,310 (2015 - £602,143) in respect of long leasehold land and buildings.

**Assets held under finance leases and hire purchase contracts**

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	<b>2016 £</b>	<b>2015 £</b>
Motor vehicles	<u>149,920</u>	<u>110,108</u>

**Restriction on title and pledged as security**

Motor vehicles with a carrying amount of £149,920 (2015 - £110,108) has been pledged as security for assets held under finance leases and hire purchase agreements.

Land and buildings with a carrying amount of £791,044 (2015 - £799,362) has been pledged as security for all bank loans.

**Picksons Plc**

**Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)**

**14 Tangible assets (continued)**

**Company**

	Land and buildings £	Other property, plant and equipment £	Total £
<b>Cost</b>			
At 1 July 2015	-	526,014	526,014
Additions	31,939	91,922	123,861
Disposals	-	(2,650)	(2,650)
At 30 June 2016	<u>31,939</u>	<u>615,286</u>	<u>647,225</u>
<b>Depreciation</b>			
At 1 July 2015	-	334,888	334,888
Charge for the period	4,235	70,761	74,996
Eliminated on disposal	-	(2,650)	(2,650)
At 30 June 2016	<u>4,235</u>	<u>402,999</u>	<u>407,234</u>
<b>Carrying amount</b>			
At 30 June 2016	<u>27,704</u>	<u>212,287</u>	<u>239,991</u>
At 30 June 2015	<u>-</u>	<u>191,126</u>	<u>191,126</u>

Included within the net book value of land and buildings above is £27,704 (2015 - £Nil) in respect of long leasehold land and buildings.

**Assets held under finance leases and hire purchase contracts**

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016 £	2015 £
Other property, plant and equipment	<u>75,338</u>	<u>69,597</u>

**Picksons Plc**

**Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)**

**15 Investments**

**Company**

	30 June 2016 £	30 June 2015 £
Investments in subsidiaries	<u>2,284,818</u>	<u>2,284,817</u>
<b>Subsidiaries</b>		£
<b>Cost</b>		
At 1 July 2015		2,284,817
Additions		<u>1</u>
At 30 June 2016		<u>2,284,818</u>
<b>Carrying amount</b>		
At 30 June 2016		<u>2,284,818</u>
At 30 June 2015		<u>2,284,817</u>

**Details of undertakings**

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2016	2015
<b>Subsidiary undertakings</b>				
Fleetwheel Limited	England	Ordinary	76%	76%
CSD Friction Limited	England	Ordinary	100%	100%

The principal activity of Fleetwheel Limited is the provision of wholesale trade of motor vehicle parts and accessories.

The principal activity of CSD Friction Limited is the provision of wholesale trade of motor vehicle parts and accessories.

The profit for the financial period of Fleetwheel Limited was £397,075 and the aggregate amount of capital and reserves at the end of the period was £3,312,550.

The loss for the financial period of CSD Friction Limited was £35,458 and the aggregate amount of capital and reserves at the end of the period was £(54,465).

For the year ended 30 June 2016 the following subsidiaries were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

CSD Friction Limited

## Picksons Plc

### Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

#### 16 Business combinations

On 1 November 2015, Picksons Plc acquired 100% of the issued share capital of Commercial Spares Distributors Limited (a company whose name was changed to CSD Friction Limited on 19 November 2015), obtaining control.

CSD Friction Limited contributed £114,243 revenue and £(15,285) to the Group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Book value 30 June 2016 £	Fair value 30 June 2016 £
<b>Assets and liabilities acquired</b>		
Financial assets	47,095	47,095
Stocks	45,000	45,000
Tangible assets	4,294	4,294
Financial liabilities	(135,569)	(135,569)
Total identifiable assets	(39,180)	(39,180)
Goodwill	39,181	39,181
Total consideration	<u>1</u>	<u>1</u>
<b>Satisfied by:</b>		
Cash	<u>1</u>	<u>1</u>
<b>Cash flow analysis:</b>		
Cash consideration	<u>1</u>	<u>1</u>

The useful life of goodwill is 5 years.

#### *Group reconstruction*

The names of the combining entities in the group reconstruction are Picksons Plc and Commercial Spares Distributors Limited. The combination was accounted for as an acquisition. The date of the combination was 1 November 2015.

## Picksons Plc

### Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

#### 17 Stocks

	30 June 2016	Group 30 June 2015	30 June 2016	Company 30 June 2015
	£	£	£	£
<b>Stocks</b>	<u>2,939,704</u>	<u>2,519,748</u>	<u>1,203,241</u>	<u>1,134,040</u>

#### Group

The cost of stocks recognised as an expense in the year amounted to £9,400,328 (2015 - £9,493,698).

#### Impairment of stocks

The amount of impairment loss included in profit or loss is £387,223 (2015 - £382,300). The impairment loss is included in materials.

#### Company

The cost of stocks recognised as an expense in the year amounted to £3,553,699 (2015 - £4,334,933).

#### Impairment of stocks

The amount of impairment loss included in profit or loss is £175,184 (2015 - £228,391). The impairment loss is included in materials.

#### 18 Debtors

		30 June 2016	Group 30 June 2015	30 June 2016	Company 30 June 2015
	Note	£	£	£	£
Trade debtors		3,630,557	3,431,844	1,177,854	1,185,315
Amounts owed by related parties	29	-	-	113,000	-
Other debtors		-	-	80,000	-
Prepayments		<u>65,965</u>	<u>78,476</u>	<u>9,750</u>	<u>21,425</u>
<b>Total current trade and other debtors</b>		<u><b>3,696,522</b></u>	<u><b>3,510,320</b></u>	<u><b>1,380,604</b></u>	<u><b>1,206,740</b></u>

#### 19 Current asset investments

	30 June 2016	Group 30 June 2015	30 June 2016	Company 30 June 2015
	£	£	£	£
<b>Other investments</b>	<u><b>5,000</b></u>	<u><b>5,000</b></u>	<u><b>5,000</b></u>	<u><b>5,000</b></u>

Other investments relates to a 26% interest in Yate Town F.C Ltd, a company over which Picksons Plc lack significant influence in respect of operating and financial policies.



# Picksons Plc

## Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

### 20 Cash and cash equivalents

	30 June 2016	Group 30 June 2015	30 June 2016	Company 30 June 2015
	£	£	£	£
Cash on hand	2,200	2,000	2,000	2,000
Cash at bank	66,169	131,245	44,139	76,002
	<u>68,369</u>	<u>133,245</u>	<u>46,139</u>	<u>78,002</u>

### 21 Creditors

	Note	30 June 2016	Group 30 June 2015	30 June 2016	Company 30 June 2015
		£	£	£	£
<b>Due within one year</b>					
Loans and borrowings	26	2,008,781	1,922,575	887,644	768,727
Trade creditors		2,263,042	2,186,232	920,596	867,748
Amounts due to related parties	29	-	-	1,230,222	1,230,222
Social security and other taxes		248,230	218,202	94,605	134,661
Other payables		395,080	503,105	377,330	503,105
Accrued expenses		38,012	32,429	13,875	13,875
Income tax liability	12	165,612	171,377	65,428	34,664
		<u>5,118,757</u>	<u>5,033,920</u>	<u>3,589,700</u>	<u>3,553,002</u>
<b>Due after one year</b>					
Loans and borrowings	26	341,074	389,719	-	18,934

### 22 Deferred tax and other provisions

#### Group

	Deferred tax	Total
	£	£
At 1 July 2015	18,471	18,471
At 30 June 2016	<u>18,471</u>	<u>18,471</u>

### 23 Pension and other schemes

#### Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £38,978 (2015 - £49,912).

# Picksons Plc

## Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

### 24 Share capital

#### Allotted, called up and fully paid shares

	No.	30 June 2016 £	No.	30 June 2015 £
Ordinary shares of £1 each	279,000	279,000	279,000	279,000

#### Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

The ordinary shares have full voting rights and rights to dividends at the discretion of the directors.

### 25 Minority interests

The minority interests relate to:

Fleetwheel Limited

### 26 Loans and borrowings

	30 June 2016 £	Group 30 June 2015 £	30 June 2016 £	Company 30 June 2015 £
<b>Non-current loans and borrowings</b>				
Bank borrowings	319,940	344,556	-	-
Finance lease liabilities	21,134	45,163	-	18,934
	<u>341,074</u>	<u>389,719</u>	<u>-</u>	<u>18,934</u>
		<b>Group</b>		<b>Company</b>
	30 June 2016 £	30 June 2015 £	30 June 2016 £	30 June 2015 £
<b>Current loans and borrowings</b>				
Bank borrowings	47,428	51,452	-	-
Finance lease liabilities	118,313	67,001	83,443	42,223
Other borrowings	1,843,040	1,804,122	804,201	726,504
	<u>2,008,781</u>	<u>1,922,575</u>	<u>887,644</u>	<u>768,727</u>

#### Group

##### Bank borrowings

Bank loans are denominated in GBP with a nominal interest rate of 3.24% above base rate and the final instalment is due on 30 September 2019. The carrying amount at the year end is £358,634 (2015 - £396,008).

Bank loans are secured by a charge over the freehold land and buildings and the long leasehold land and buildings.

Bank overdrafts are denominated in GBP with a nominal interest rate of 6.17% and are repayable on demand. The carrying amount at the year end is £8,734 (2015 - £nil).

## Picksons Plc

### Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

#### 26 Loans and borrowings (continued)

##### Other borrowings

Finance lease and hire purchase liabilities with a carrying amount of £139,447 (2015 - £112,164) is denominated in GBP with a nominal interest rate of between 5% and 9%. The final instalment is due on 30 June 2019.

The finance lease and hire purchase liability is secured over the assets under the finance lease and hire purchase agreement.

The invoice discounting facility with a carrying amount of £1,783,052 (2015 - £1,765,602) is denominated in GBP with a nominal discount rate of between 2.25% and 2.5% and is repayable on demand.

The invoice discounting facility is secured against the trade debtors.

Directors' loan accounts with a carrying value of £59,988 (2015 - £38,520) is denominated in GBP are interest free and repayable on demand.

##### Company

##### Other borrowings

Finance lease and hire purchase liabilities with a carrying amount of £83,443 (2015 - £61,157) is denominated in GBP with a nominal interest rate of between 5% and 9%. The final instalment is due on 30 June 2019.

The finance lease and hire purchase liability is secured over the assets under the finance lease and hire purchase agreement.

The invoice discounting facility with a carrying amount of £744,213 (2015 - £687,984) is denominated in GBP with a nominal discount rate of 2.25% and is repayable on demand.

The invoice discounting facility is secured against the trade debtors.

Directors' loan accounts with a carrying value of £59,988 (2015 - £38,520) is denominated in GBP are interest free and repayable on demand.

#### 27 Obligations under leases and hire purchase contracts

##### Group

##### Finance leases and hire purchases

Obligations under finance leases and hire purchases are secured on the assets to which they relate.

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	118,313	67,001
Later than one year and not later than five years	21,134	45,163
	<u>139,447</u>	<u>112,164</u>

# Picksons Plc

## Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

### 27 Obligations under leases and hire purchase contracts (continued)

#### Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	84,000	64,000
Later than one year and not later than five years	185,583	207,917
Later than five years	82,500	97,500
	<u>352,083</u>	<u>369,417</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £77,333 (2015 - £60,000).

#### Company

#### Finance leases and hire purchases

Obligations under finance leases and hire purchases are secured on the assets to which they relate.

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	83,443	42,223
Later than one year and not later than five years	-	18,934
	<u>83,443</u>	<u>61,157</u>

### 28 Dividends

	30 June 2016 £	30 June 2015 £
Interim dividend of £0.1326 (2015 - £0.1326) per ordinary share	<u>37,000</u>	<u>37,000</u>

### 29 Related party transactions

#### Group

#### Key management personnel

Directors.

#### Summary of transactions with key management

Key management compensation has been disclosed in note 10 Directors' remuneration.

#### Summary of transactions with other related parties

The pension scheme of key management and an entity in which the company and key management have a controlling interest, but lack significant influence in respect of operating and financial policies.

During the year Picksons Plc bought services from the other related parties.

# Picksons Plc

## Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

### 29 Related party transactions (continued)

#### Expenditure with and payables to related parties

	Key management £	Other related parties £
<b>2016</b>		
Rendering of services	-	49,500
Leases	79,910	33,590
Dividends	37,000	-
	<u>116,910</u>	<u>83,090</u>
Amounts payable to related party	<u>59,988</u>	<u>-</u>

	Key management £	Other related parties £
<b>2015</b>		
Rendering of services	-	34,000
Leases	79,910	33,590
Dividends	37,000	-
	<u>116,910</u>	<u>67,590</u>
Amounts payable to related party	<u>38,520</u>	<u>-</u>

#### Loans from related parties

	Key management £
<b>2016</b>	
At start of period	38,520
Advanced	<u>21,468</u>
At end of period	<u>59,988</u>

	Key management £
<b>2015</b>	
At start of period	25,478
Advanced	<u>13,042</u>
At end of period	<u>38,520</u>

#### Terms of loans from related parties

The loans from key management are interest free and repayable on demand.

# Picksons Plc

## Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

### 29 Related party transactions (continued)

#### Company

#### Key management personnel

#### Directors.

#### Summary of transactions with key management

Key management compensation has been disclosed in note 10 Directors' remuneration.

#### Summary of transactions with subsidiaries

#### Subsidiary companies

During the year Picksons Plc bought goods from and sold goods to the subsidiary companies. The company also provided and received interest free loans which are repayable on demand.

#### Summary of transactions with other related parties

The pension scheme of key management and an entity in which the company and key management have a controlling interest, but lack significant influence in respect of operating and financial policies.

During the year Picksons Plc bought services from the other related parties.

#### Income and receivables from related parties

	Subsidiary £
<b>2016</b>	
Sale of goods	169,058
Receipt of services	200,000
	<u>369,058</u>
Amounts receivable from related party	<u>32,756</u>

	Subsidiary £
<b>2015</b>	
Sale of goods	202,517
Receipt of services	200,000
	<u>402,517</u>
Amounts receivable from related party	<u>59,061</u>

#### Expenditure with and payables to related parties

	Subsidiary £	Key management £	Other related parties £
<b>2016</b>			
Purchase of goods	87,571	-	-
Rendering of services	-	-	49,500
Leases	-	79,910	33,590
Dividends	-	37,000	-
	<u>87,571</u>	<u>116,910</u>	<u>83,090</u>
Amounts payable to related party	<u>13,054</u>	<u>59,988</u>	<u>-</u>

**Picksons Plc**

**Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)**

**29 Related party transactions (continued)**

	<b>Subsidiary £</b>	<b>Key management £</b>	<b>Other related parties £</b>
<b>2015</b>			
Purchase of goods	24,873	-	-
Rendering of services	-	-	34,000
Leases	-	79,910	33,590
Dividends	-	37,000	-
	<u>24,873</u>	<u>116,910</u>	<u>67,590</u>
Amounts payable to related party	<u>9,039</u>	<u>38,520</u>	<u>-</u>

**Loans to related parties**

	<b>Subsidiary £</b>
<b>2016</b>	
Advanced	<u>113,000</u>

**Loans from related parties**

	<b>Subsidiary £</b>	<b>Key management £</b>
<b>2016</b>		
At start of period	1,230,222	38,520
Advanced	<u>-</u>	<u>21,468</u>
At end of period	<u>1,230,222</u>	<u>59,988</u>

	<b>Subsidiary £</b>	<b>Key management £</b>
<b>2015</b>		
At start of period	-	25,478
Advanced	<u>1,230,222</u>	<u>13,042</u>
At end of period	<u>1,230,222</u>	<u>38,520</u>

**Terms of loans from related parties**

The loans from subsidiaries are interest free and repayable on demand.

The loans from key management are interest free and repayable on demand.

**30 Parent and ultimate parent undertaking**

The ultimate controlling party is Mr C A Pick.

# Picksons Plc

## Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

### 31 Transition to FRS 102

Under the transitional rules of FRS 102 section 35 the Group has treated the previous valuation of freehold land and buildings as deemed cost and is therefore no longer applying a method of revaluation.

This has no effect on the previous two years' balance sheets or the previous year's profit and loss account as summarised in this note.

### Consolidated Balance Sheet at 1 June 2014

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Fixed assets</b>					
Tangible assets		141,066	-	-	141,066
<b>Current assets</b>					
Stocks		1,252,842	-	-	1,252,842
Debtors		1,164,187	-	-	1,164,187
Current investments		5,000	-	-	5,000
Cash at bank and in hand		3,379	-	-	3,379
		<u>2,425,408</u>	<u>-</u>	<u>-</u>	<u>2,425,408</u>
Creditors: Amounts falling due within one year		<u>(1,372,055)</u>	<u>-</u>	<u>-</u>	<u>(1,372,055)</u>
Net current assets		<u>1,053,353</u>	<u>-</u>	<u>-</u>	<u>1,053,353</u>
Total assets less current liabilities		1,194,419	-	-	1,194,419
Creditors: Amounts falling due after more than one year		<u>(33,114)</u>	<u>-</u>	<u>-</u>	<u>(33,114)</u>
Net assets		<u>1,161,305</u>	<u>-</u>	<u>-</u>	<u>1,161,305</u>
<b>Capital and reserves</b>					
Called up share capital		(279,000)	-	-	(279,000)
Profit and loss account		<u>(882,305)</u>	<u>-</u>	<u>-</u>	<u>(882,305)</u>
Total equity		<u>(1,161,305)</u>	<u>-</u>	<u>-</u>	<u>(1,161,305)</u>



**Picksons Plc**

**Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)**

**31 Transition to FRS 102 (continued)**

**Consolidated Balance Sheet at 30 June 2015**

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Fixed assets</b>				
Intangible assets	408,274	-	-	408,274
Tangible assets	1,232,244	-	-	1,232,244
	<u>1,640,518</u>	<u>-</u>	<u>-</u>	<u>1,640,518</u>
<b>Current assets</b>				
Stocks	2,519,748	-	-	2,519,748
Debtors	3,510,320	-	-	3,510,320
Current investments	5,000	-	-	5,000
Cash at bank and in hand	133,245	-	-	133,245
	<u>6,168,313</u>	<u>-</u>	<u>-</u>	<u>6,168,313</u>
Creditors: Amounts falling due within one year	(5,033,920)	-	-	(5,033,920)
Net current assets	<u>1,134,393</u>	<u>-</u>	<u>-</u>	<u>1,134,393</u>
Total assets less current liabilities	2,774,911	-	-	2,774,911
Creditors: Amounts falling due after more than one year	(389,719)	-	-	(389,719)
Provisions for liabilities	(18,471)	-	-	(18,471)
Net assets	<u>2,366,721</u>	<u>-</u>	<u>-</u>	<u>2,366,721</u>
<b>Capital and reserves</b>				
Called up share capital	(279,000)	-	-	(279,000)
Other reserves	(699,714)	-	-	(699,714)
Profit and loss account	(1,388,007)	-	-	(1,388,007)
Total equity	<u>(2,366,721)</u>	<u>-</u>	<u>-</u>	<u>(2,366,721)</u>

**Picksons Plc**

**Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)**

**31 Transition to FRS 102 (continued)**

**Consolidated Profit and Loss Account for the period from 1 June 2014 to 30 June 2015**

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover		14,168,705	-	-	14,168,705
Cost of sales		(9,357,875)	-	-	(9,357,875)
Gross profit		4,810,830	-	-	4,810,830
Administrative expenses		(3,865,933)	-	-	(3,865,933)
Other operating income		8,800	-	-	8,800
Operating profit		953,697	-	-	953,697
Other interest receivable and similar income		5	-	-	5
Interest payable and similar charges		(105,597)	-	-	(105,597)
		(105,592)	-	-	(105,592)
Profit before tax		848,105	-	-	848,105
Taxation		(166,049)	-	-	(166,049)
Profit for the financial year		682,056	-	-	682,056

**Picksons Plc**

**Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)**

**31 Transition to FRS 102 (continued)**

**Balance Sheet at 1 June 2014**

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Fixed assets</b>					
Tangible assets		141,066	-	-	141,066
<b>Current assets</b>					
Stocks		1,252,842	-	-	1,252,842
Debtors		1,164,187	-	-	1,164,187
Current investments		5,000	-	-	5,000
Cash at bank and in hand		3,379	-	-	3,379
		<u>2,425,408</u>	<u>-</u>	<u>-</u>	<u>2,425,408</u>
Creditors: Amounts falling due within one year		<u>(1,372,055)</u>	<u>-</u>	<u>-</u>	<u>(1,372,055)</u>
Net current assets		<u>1,053,353</u>	<u>-</u>	<u>-</u>	<u>1,053,353</u>
Total assets less current liabilities		1,194,419	-	-	1,194,419
Creditors: Amounts falling due after more than one year		<u>(33,114)</u>	<u>-</u>	<u>-</u>	<u>(33,114)</u>
Net assets		<u>1,161,305</u>	<u>-</u>	<u>-</u>	<u>1,161,305</u>
<b>Capital and reserves</b>					
Called up share capital		(279,000)	-	-	(279,000)
Profit and loss account		<u>(882,305)</u>	<u>-</u>	<u>-</u>	<u>(882,305)</u>
Total equity		<u>(1,161,305)</u>	<u>-</u>	<u>-</u>	<u>(1,161,305)</u>

**Picksons Plc**

**Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)**

**31 Transition to FRS 102 (continued)**

**Balance Sheet at 30 June 2015**

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Fixed assets</b>					
Tangible assets		191,126	-	-	191,126
Investments		2,284,817	-	-	2,284,817
		<u>2,475,943</u>	<u>-</u>	<u>-</u>	<u>2,475,943</u>
<b>Current assets</b>					
Stocks		1,134,040	-	-	1,134,040
Debtors		1,206,740	-	-	1,206,740
Current investments		5,000	-	-	5,000
Cash at bank and in hand		78,002	-	-	78,002
		<u>2,423,782</u>	<u>-</u>	<u>-</u>	<u>2,423,782</u>
Creditors: Amounts falling due within one year		<u>(3,553,002)</u>	<u>-</u>	<u>-</u>	<u>(3,553,002)</u>
Net current liabilities		<u>(1,129,220)</u>	<u>-</u>	<u>-</u>	<u>(1,129,220)</u>
Total assets less current liabilities		1,346,723	-	-	1,346,723
Creditors: Amounts falling due after more than one year		<u>(18,934)</u>	<u>-</u>	<u>-</u>	<u>(18,934)</u>
Net assets		<u>1,327,789</u>	<u>-</u>	<u>-</u>	<u>1,327,789</u>
<b>Capital and reserves</b>					
Called up share capital		(279,000)	-	-	(279,000)
Profit and loss account		<u>(1,048,789)</u>	<u>-</u>	<u>-</u>	<u>(1,048,789)</u>
Total equity		<u>(1,327,789)</u>	<u>-</u>	<u>-</u>	<u>(1,327,789)</u>

**Picksons Plc**

**Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)**

**31 Transition to FRS 102 (continued)**

**Profit and Loss Account for the period from 1 June 2014 to 30 June 2015**

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover		6,569,261	-	-	6,569,261
Cost of sales		<u>(4,453,735)</u>	-	-	<u>(4,453,735)</u>
Gross profit		2,115,526	-	-	2,115,526
Administrative expenses		<u>(1,812,134)</u>	-	-	<u>(1,812,134)</u>
Operating profit		<u>303,392</u>	-	-	<u>303,392</u>
Interest payable and similar charges		<u>(65,244)</u>	-	-	<u>(65,244)</u>
		<u>(65,244)</u>	-	-	<u>(65,244)</u>
Profit before tax		238,148	-	-	238,148
Taxation		<u>(34,664)</u>	-	-	<u>(34,664)</u>
Profit for the financial year		<u>203,484</u>	-	-	<u>203,484</u>