

Company Registration No. 03896059 (England and Wales)

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

COMPANY INFORMATION

Directors Mr N M Croxson
 Mr E Bussieres
 Mr A B Windom
 Mrs S A Dowling

Secretary Mr L Juneau

Company number 03896059

Registered office 15th Floor
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 Bury Court
 London
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 EC3A 7BA

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

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GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Business review

The principle activity of the Company during the year was that of warehousing, distribution and sale of replacement car parts, accessories, garage equipment and training. The Company acquires these parts for resale primarily from local UK sources as well as European and Far Eastern Suppliers.

The Trading result for the year was impacted mainly due to the uncertainty surrounding Brexit whose impact was felt throughout the broader UK Economy with consumer spending tightened in second half of the year. Overall the long term fundamentals of the UK Automotive aftermarket are favourable, however we anticipate the market conditions in the short term will remain volatile.

The above factors coupled with a highly competitive market has led to downward pressures on gross margins as well as full year benefits of investing in a National Distribution Centre in 2019, not being fully realized. In second half 2019, we fully implemented a Performance Improvement Plan reshaping the regional management team, progressing further branch integrations and improving the productivity of our supply chain logistics to support sales and improve our network productivity.

In parallel we have continued to invest in our business for the longer term, expanding our geographical coverage, expanding our regional distribution hubs and opening a new national distribution centre in West Midlands.

Key performance indicators

	Year Ended 31 December 2019	Year Ended 31 December 2018
Turnover	£103,062,000	£105,850,000
Gross profit	£48,149,000	£51,261,000
Gross margin %	46.7%	48.4%

Principal risks and uncertainties

The principle risk facing the Company is the demand for new and used cars and the uncertainty of the UK economy as a result of the impact of Covid-19 and the UK's decision to leave the EU. The industry has seen new car registrations decline in 2019 and the Society of Motor Manufacturers and Traders considers this decline will be greater in 2020. As a result of decline in new car registrations, the industry is forecasting used car sales to remain strong leading to an increase of the average age of the UK Car Parc. The Company will look to continue to capitalize on current consumer demands for used vehicles as well as aftermarket services which we expect to see growth across the industry.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Financial risk management objectives and policies

The Company operates a number of risk management policies designed to minimise its exposure to financial risk.

Liquidity and Cashflow risk

The Company produces detailed monthly management accounts and forecasts, which enable the directors to monitor the cash position and to ensure that there is sufficient liquidity and cash flow to minimise the risk of the Company being unable to pay its debts as they fall due. In addition the ultimate parent undertaking Uni-select Inc monitor the forecasts to ensure funding availability for the Company.

Interest rate risk

The Company is exposed to interest rate fluctuations on its borrowings as the majority of the group bank facilities upon which it calls are at floating interest rates. The Group's syndicated financial borrowings, are managed centrally by the Treasury department of the ultimate parent undertaking Uni-select Inc including interest rate risk management.

Currency risk

The Company is exposed to foreign exchange risk on its financial instruments mainly relating to product purchases in currencies other than the functional currency of the Company. Transactional foreign currency risk is mitigated by the use of forward foreign exchange contracts which are matched as far as possible to supplier purchase payments with the aim to achieve a minimum exposure to currency fluctuations.

Credit risk

The Company's principle credit risk arises from the ability of its customers to meet their contractual obligation to pay their debts as and when they fall due. The Company's approach to managing this risk is to continually monitor debt collection, performing appropriate credit checks on new and existing customers using third party credit reference agencies to assess creditworthiness and set appropriate credit limits and payment terms. In addition the Company has credit insurance for large national account customers.

Brexit

The Company recognizes the outcome of the forthcoming trade negotiations could adversely affect the cost of European sourced goods and temporarily disrupt the supply chain in the short term. The Directors regularly review the latest developments, particularly in respect of free trade agreements, potential import duties and customs requirements to assess how this could affect the supply chain in the future in order to develop plans to manage these changes.

Implementing ESG Initiatives

The Company recognizes that its success depends on good environmental, social and governance practices. It is committed to implementing initiatives that will reduce its impact on the environment, provide a safe working environment for its employees and promote sound corporate governance.

Environmental Matters

The Company cares about the impact its operations have on the environment and it complies with all applicable environmental laws. The Company is committed to continuously improve its environmental practices.

Social Matters

The Company strives to create a working environment that bring out the best in its employees and fosters community engagement. The Company is committed to support local communities where it operates through volunteering employee time, raising funds as well as making corporate donations to non-profit charitable organizations.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

S172 (1) statement

The directors consider that, as set out under section 172(1) of the Companies Act 2006, they have in good faith, acted in a way that they consider would promote the success of the Company. In doing so, the directors have given due regard to the interests of key stakeholder groups and have assessed the likely consequences of decisions on the Group's long-term performance and its reputation.

The following elements inform of all the board's decision-making processes:

Strategy – During board and shareholder review meetings, the directors review strategic progress and key performance indicators. The Company shares the performance and annual objectives with all employees in a forum to allow all voices to be heard in a collaborative way.

Performance - The directors regularly review the performance of the Company, taking into account how significant future events (for example Brexit, Covid-19, regulation changes) could impact the Company's projected forecast performance, and deciding the best course of action.

Governance - The directors are committed to ensuring good governance, beginning with the foundation of strong internal controls, a company culture where employees have open access to management at all levels. All employees are encouraged to be curious, to speak up if they witness anything requiring further investigation, and to offer new ideas or initiatives that will strengthen existing processes and procedures.

All employees receive a company handbook with code of conduct, ethics and compliance information, which the company regularly reviews and updates to meet changing business needs and legislation.

As part of good governance, the directors ensure that the balance sheet of the Company is robust. This is the cornerstone of our ability to weather differing economic cycles, enabling us to raise additional borrowing as required, make necessary investments from which to grow, and provide assurance to our key suppliers and trading partners.

Below are our key stakeholders and how we have engaged with them in the decision-making process:

Customers

The Company is committed to help our customers thrive in the markets in which they operate. The directors and management play a key role to ensure this is done in a safe, efficient and ethical manner throughout the supply chain from origination to delivery destination. The Company's approach is to create long term partnerships, prioritizing the customer, listening to feedback and continuously improving our service levels to meet customer demand. As a result of this approach, the Company has built a growing business.

Employees

The Company has a strong commitment to its workforce. We recognize that our people are our most valuable asset, fundamental to the success of the Company and striving to exceed our stakeholder's expectations. We make a conscious effort to attract and retain high calibre staff, offering equal opportunities and without discrimination. The success of individuals and teams enables the Company to achieve its objectives, which enables growth and further opportunities for individuals to prosper in their careers.

Funders and Financial Institutions

The ultimate parent Group (Uni-Select Inc.) has strong and well established links with each of our funding partners and we maintain these relationships through regular meetings and other communications. The provision of reliable, timely management information enables these trusted partners to monitor our financial position, and provides comfort of the financial headroom within the Group at any time.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Suppliers and Other Business Partners

The reputation and strength of the Company is built upon the trust the Company has developed with its supply chain partners. Together we form a critical function to meet the needs of our customers. The Company operates closely with suppliers to create reliable and robust relationships, through which we can be assured that orders are delivered on time in full.

Shareholders

Our shareholders are vital for the future success of the Company. Our ultimate shareholders, through our ultimate parent undertaking Uni-select Inc, provide their strategic vision and support for the future growth and direction of the Group. In return we provide market intelligence, regular performance updates, offer growth opportunities and add value in support of the overall ultimate parent undertaking Uni-select Inc's business plan.

On behalf of the board


.....
Mr N M Croxson
Director
.....

17 December 2020

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the Company continued to be that of warehousing and distribution of exhaust systems, catalytic converters, other replacement automotive parts, garage equipment and training.

Directors

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

Mr N M Croxson	
Mr P C Sephton	(Resigned 3 October 2020)
Mr J Clarke-West	(Resigned 24 December 2019)
Mr E Bussieres	
Mr A B Windom	(Appointed 1 May 2019)
Mr A Courville	(Resigned 1 May 2019)
Mrs S A Dowling	(Appointed 5 November 2019)

Results and dividends

The statement of total comprehensive income is set out on page 8.

Ordinary dividends were paid amounting to £7,560,000 (2018:£1,900,000). The directors do not recommend payment of a further dividend.

Going concern

The Company's business activities together with the factors likely to impact its future development, performance and position are set out in the Directors and Strategic Reports respectively.

The Company is reliant on the continued operational support of its parent group and has the financial support of the groups ultimate parent company, Uni-Select Inc., which has sufficient cash and liquidity to fund the operations if necessary and a letter of support has been provided indicating that it will continue to support the business for at least 12 months from the date of approval of these financial statements.

The Company has prepared a cash flow forecast for the period through 31 December 2021 and has considered both severe but plausible downside scenarios, noting any controllable cost mitigations such as deferral of capital expenditure to protect liquidity and adjusting network operations to meet variable customer demand. In the most severe but plausible scenario forecasted, the Company would remain a going concern.

Having considered all the above, including UniSelects current financial position and its willingness to provide financial support to the Company as needed, the directors remain confident in the long-term future prospects of the Company. The directors therefore consider that COVID-19 has no impact on the Company's ability to continue as a going concern for the foreseeable future and therefore continue to adopt the going concern basis of preparing the financial statements.

The directors have concluded that COVID-19 has not caused significant adverse changes to assets or liabilities of the Company, including the recoverability of financial instruments measured at amortised cost and at fair value, the net realisable value of any inventories held, and potential impairment charges on any tangible, intangible or investment assets.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Qualifying third party indemnity provisions

The ultimate parent Uni-Select Inc has made qualifying third party indemnity provisions for the benefit of the company directors during the year. These provisions remain in force at the reporting date.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

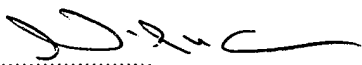
Audit exemption

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

On behalf of the board



.....
Mr N M Croxson

Director

17 December 2020.

Date:

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £'000	2018 £'000
Turnover	3	103,062	105,850
Cost of sales		(54,913)	(54,589)
Gross profit		48,149	51,261
Administrative expenses		(45,780)	(44,329)
Exceptional costs	4	(785)	(417)
Operating profit	5	1,584	6,515
Interest payable and similar expenses	8	-	(130)
Profit before taxation		1,584	6,385
Tax on profit	9	(612)	(1,490)
Profit for the financial year		972	4,895
Other comprehensive income		-	-
Total comprehensive income for the year		972	4,895

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

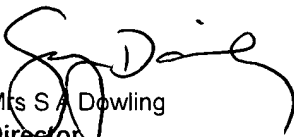
BALANCE SHEET

AS AT 31 DECEMBER 2019

		December 2019	December 2018
	Notes	£'000	£'000
Fixed assets			
Goodwill	11	237	1,482
Tangible assets	12	2,897	4,512
		<u>3,134</u>	<u>5,994</u>
Current assets			
Stocks	14	28,719	33,349
Debtors	15	19,352	19,454
Cash at bank and in hand		397	269
		<u>48,468</u>	<u>53,072</u>
Creditors: amounts falling due within one year	16	(22,994)	(25,751)
Net current assets		<u>25,474</u>	<u>27,321</u>
Total assets less current liabilities		<u>28,608</u>	<u>33,315</u>
Provisions for liabilities	17	(420)	(840)
Net assets		<u><u>28,188</u></u>	<u><u>32,475</u></u>
Capital and reserves			
Share capital	20	6,318	4,017
Capital redemption reserve	24	9,879	9,879
Profit and loss reserve		11,991	18,579
Total equity shareholders funds		<u><u>28,188</u></u>	<u><u>32,475</u></u>

For the financial year ending 31 December 2019 the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its financial statements for the year ending 31 December 2019 in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements were approved by the board of directors and authorised for issue on 17 December 2020 and are signed on its behalf by:


Mrs S A Dowling
Director

Company Registration No. 03896059

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £'000	Capital redemption reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2018		4,017	9,879	15,584	29,480
Year ended 31 December 2018:					
Profit and total comprehensive income for the year		-	-	4,895	4,895
Dividends	10	-	-	(1,900)	(1,900)
Balance at 31 December 2018		4,017	9,879	18,579	32,475
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	972	972
Issue of share capital	20	2,301	-	-	2,301
Dividends	10	-	-	(7,560)	(7,560)
Balance at 31 December 2019		6,318	9,879	11,991	28,188

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

German Swedish & French Car Parts Limited (the "Company") is a Company limited by shares incorporated in England and Wales. The Company's registered office is 15th Floor, 6 Bevis Marks, London, EC3A 7BA.

1.1 Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") and the requirements of the CA2006.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

The presentation currency of these financial statements is sterling. The financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Uni-Select Inc includes the Company in its consolidated financial statements. The consolidated financial statements of Uni-Select Inc are prepared in accordance with IFRS and are available to the public. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Parent Company Cash Flow Statement and related notes;
- Key Management Personnel compensation;
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1; and
- Related Party Disclosures.

The financial statements are prepared on the historical cost basis. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The company entered into several trading transactions with related parties during the year. The related parties include wholly owned subsidiaries within the group where such transactions are eliminated upon consolidation in the consolidated accounts of Uni-select Inc. The company has taken advantage of the exemptions under FRS 102 section 33.1A not to disclose such transactions.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.2 Going concern

The Company's business activities together with the factors likely to impact its future development, performance and position are set out in the Directors and Strategic Reports respectively.

The Company is reliant on the continued operational support of its parent group and has the financial support of the groups ultimate parent company, Uni-Select Inc., which has sufficient cash and liquidity to fund the operations if necessary and a letter of support has been provided indicating that it will continue to support the business for at least 12 months from the date of approval of these financial statements.

The Company has prepared a cash flow forecast for the period through 31 December 2021 and has considered both severe but plausible downside scenarios, noting any controllable cost mitigations such as deferral of capital expenditure to protect liquidity and adjusting network operations to meet variable customer demand. In the most severe but plausible scenario forecasted, the Company would remain a going concern.

Having considered all the above, including Uni-Selects current financial position and its willingness to provide financial support to the Company as needed, the directors remain confident in the long-term future prospects of the Company. The directors therefore consider that COVID-19 has no impact on the Company's ability to continue as a going concern for the foreseeable future and therefore continue to adopt the going concern basis of preparing the financial statements.

The directors have concluded that COVID-19 has not caused significant adverse changes to assets or liabilities of the Company, including the recoverability of financial instruments measured at amortised cost and at fair value, the net realisable value of any inventories held, and potential impairment charges on any tangible, intangible or investment assets.

1.3 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax and agreed rebates and is recognised on delivery of the goods. An allowance is made at the year end for the expected level of outstanding returns in line with historical rates.

All turnover is derived from the supply of automotive parts, garage equipment and associated training.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 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.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	5%
Fixtures and fittings	10%
Computers	25%
Motor vehicles	20%

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 and loss account.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.8 Financial instruments

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- a. they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and
- b. where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Fair value measurement of financial instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium exclude amounts in relation to those shares.

Basic financial assets and liabilities

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or Groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire Group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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.

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the Company is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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 the profit and loss account in the period in which it arises.

1.11 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.12 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.13 Rebates

Rebates payable are recognised within accruals at the point of sale on the basis of the rebate arrangement prevailing at the point of the transaction. Rebates payable are recognised immediately within the profit and loss as a deduction from revenue within the period in which the related stock is sold.

Rebates receivable are recognised within other debtors at the point of purchase on the basis of the rebate arrangement prevailing at the point of the transaction. Rebates receivable are recognised within stock on the receipt of the related goods. Consequently, rebates receivable are credited to the profit and loss account within the period the related stock is sold.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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.

Stock Provision:

Management considers the recoverability of stock at the year end, with reference to previous trading results by stock item. They provide against each item such that the items which are less likely to sell, that are held at cost will be written down to their net realisable value.

Dilapidation Provision:

The Company occupies numerous properties where leases are estimated to end over the next 30 years. Management has made provision in relation to the Company's dilapidation liability at the end of each lease. The provision is based on average historic costs for previous property exits.

3 Turnover

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Turnover analysed by class of business		
Sale of automotive parts	103,062	105,850
	<u>103,062</u>	<u>105,850</u>
	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Turnover analysed by geographical market		
United Kingdom	100,709	102,996
Overseas	2,353	2,854
	<u>103,062</u>	<u>105,850</u>

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Exceptional costs

Exceptional costs comprise items which do not reflect the Company's core performance or where separate presentation will assist users of the financial statements in understanding the Company's results for the year. Exceptional costs are detailed as follows:

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Restructuring costs		
Onerous leases	-	326
Severance costs	785	91
Total restructuring costs	785	417

On 14 November 2018, the Company's ultimate parent company, Uni-Select Inc, announced a restructuring plan ("25/20 Plan"), which consisted of headcount reduction and consolidation of locations, whilst optimising the supply chain. As part of this plan the Company recognised a restructuring provision and associated exceptional costs for severance and onerous leases.

5 Operating profit

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Operating profit for the year is stated after charging:		
Depreciation of tangible fixed assets	1,639	1,899
Amortisation of intangible assets	1,245	1,248
Cost of stocks recognised as an expense	54,913	54,589
Operating lease charges	2,506	2,551
(Profit)/loss on disposal of tangible fixed assets	-	(35)

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Employees

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

	Year ended 31 December 2019 Number	Year ended 31 December 2018 Number
Sales, marketing and distribution	982	954
Administration and support	48	105
	<u>1,030</u>	<u>1,059</u>

Their aggregate remuneration comprised:

	Year ended 31 December 2019	Year ended 31 December 2018
Wages and salaries	25,692	24,676
Social security costs	1,988	2,109
Pension costs	384	331
	<u>28,064</u>	<u>27,116</u>

7 Directors' remuneration

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Remuneration for qualifying services	246	258
Company pension contributions to defined contribution schemes	5	5
	<u>251</u>	<u>263</u>

Some of the Directors are also the Directors of other group companies and their roles within the company are deemed to be incidental to their wider roles within group management and therefore the company bears no cost in relation to the directors.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Directors' remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Remuneration for qualifying services	258	258

8 Interest payable and similar expenses

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	-	6
Other finance costs:		
Unwinding of discount on provisions	-	124
	-	130

9 Taxation

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Current tax		
UK corporation tax on profits for the current period	662	534
Adjustments in respect of prior periods	-	(22)
Group tax relief	-	1,024
Total current tax	662	1,536
Deferred tax		
Origination and reversal of timing differences	(50)	(47)
Adjustment in respect of prior periods	-	1
Total deferred tax	(50)	(46)
Total tax charge	612	1,490

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Taxation

(Continued)

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

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Profit before taxation	1,584	6,385
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (April 2017: 19.92%)	301	1,213
Tax effect of expenses that are not deductible in determining taxable profit	16	13
Amortisation on assets not qualifying for tax allowances	276	279
Current tax adjustments in respect of prior years	40	(21)
Deferred tax movement	(8)	6
Other short term timing differences	(13)	-
Taxation charge for the year	612	1,490

10 Dividends

	2019 £'000	2018 £'000
Dividends paid	7,560	1,900

11 Intangible fixed assets

	Goodwill £'000
Cost	
At 1 January 2019 and 31 December 2019	21,524
Amortisation and impairment	
At 1 January 2019	20,042
Amortisation	1,245
At 31 December 2019	21,287
Carrying amount	
At 31 December 2019	237
At 31 December 2018	1,482

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2019	2,931	7,437	1,169	5,245	16,782
Additions	66	2	12	12	92
Disposals	-	-	-	(636)	(636)
At 31 December 2019	2,997	7,439	1,181	4,621	16,238
Depreciation and impairment					
At 1 January 2019	2,251	6,743	529	2,787	12,310
Depreciation	272	213	168	986	1,639
Eliminated in respect of disposals	-	-	-	(608)	(608)
At 31 December 2019	2,523	6,956	697	3,165	13,341
Carrying amount					
At 31 December 2019	474	483	484	1,456	2,897
At 31 December 2018	725	697	640	2,450	4,512

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019 £'000	2018 £'000
Depreciation charge for the year in respect of leased assets	-	-

13 Fixed asset investments

At 31 December 2018 investments in subsidiaries held at cost were £340 (2017 : £340).

Details of the Company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held Direct Indirect
URO (South West) Limited	England and Wales	Liquidated	Ordinary	100.00 -
URO Autospares Limited	England and Wales	Liquidated	Ordinary	100.00 -

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Fixed asset investments

(Continued)

All subsidiaries are registered at Unit 21 The Fort Industrial Park, Dunlop Way, Birmingham, B35 7AR.

These subsidiaries were dissolved on 20 March 2018.

14 Stocks

	2019 £'000	2018 £'000
Goods in transit	198	3,211
Finished goods and goods for resale	28,521	30,138
	<u>28,719</u>	<u>33,349</u>

15 Debtors

	2019 £'000	2018 £'000
Trade debtors	15,927	11,161
Amounts due from group undertakings	-	4,783
Other debtors	2,295	2,267
Prepayments and accrued income	729	891
	<u>18,951</u>	<u>19,102</u>
Deferred tax asset (note 18)	401	352
	<u>19,352</u>	<u>19,454</u>

Amounts due from group undertakings are unsecured and have no formal interest and repayment terms.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Creditors: amounts falling due within one year

	Notes	2019 £'000	2018 £'000
Trade creditors		11,055	14,221
Amounts due to group undertakings		6,887	3,349
Corporation tax		280	381
Other taxation and social security		1,743	1,684
Derivative liability		100	37
Goods in transit		198	3,211
Other creditors		-	945
Accruals and deferred income		2,732	1,923
		<u>22,995</u>	<u>25,751</u>

Amounts due to group undertakings were unsecured and have no formal interest and repayment terms.

17 Provisions for liabilities

	2019 £'000	2018 £'000
Provisions	<u>420</u>	<u>840</u>

The company have made provisions in relation to dilapidations on property leases and restructuring projects as highlighted in the above notes.

Movements on provisions:

	Dilapidations £'000	Restructuring £'000	Total £'000
Brought forward as at 1 January 2018	439	401	840
Utilisation of provision	(19)	-	(19)
Transfer to group undertaking	-	(401)	(401)
At 31 December 2019	<u>420</u>	<u>-</u>	<u>420</u>

The Company occupies numerous properties and management has made provision in relation to the Company's dilapidation liability over the next 30 years. The provision is based on historic costs for previous property exits and the provision has been discounted to net present value for the 30 year term at an interest rate of 10.5%, this being the weighted average cost of capital used within the Uni-Select Group.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Deferred taxation

Deferred tax assets are attributable to the following:

	2019 £'000	2018 £'000
Balances:		
Accelerated capital allowances	392	350
Short term timing differences	9	2
	<u>401</u>	<u>352</u>
 Movements in the year:		2018 £'000
Asset at 1 January 2018		352
Credit to profit or loss		49
Asset at 31 December 2018		<u>401</u>

19 Retirement benefit schemes

	£'000	£'000
Defined contribution schemes		
Charge to profit and loss account in respect of defined contribution schemes	<u>384</u>	<u>331</u>

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.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

20 Reserves

	2019 £'000	2018 £'000
Share capital		
6,005,784 (2018:3,705,784) Ordinary A shares of £1 each	6,006	3,705
311,609 Ordinary C Shares of £1 each	312	312
	<u>6,318</u>	<u>4,017</u>

The 'A' Ordinary Shares entitle the holders to receive notice of every General Meeting of the Company and to attend, speak and vote at any General Meeting of the Company, whereupon each holder of 'A' Ordinary Shares who are present in person or by proxy or (being a corporation) by a representative, shall have one vote for each 'A' Ordinary Share held by them.

On 26 September 2019 1,050,000 Ordinary A shares were issued at a par value of £1 per share.

On 13 December 2019 a further 1,250,000 Ordinary A shares were issued at a par value of £1 per share.

The 'C' Ordinary Shares entitle the holders to receive notice of every General Meeting of the Company and to attend, speak and vote at any General Meeting of the Company, whereupon each holder of 'C' Ordinary Shares who are present in person or by proxy or (being a corporation) by a representative, shall have one vote for each 'C' Ordinary Share held by them.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Capital redemption reserve

The capital redemption reserve is a reserve relating to the purchase of the companies own shares

Profit and loss reserve

The profit and loss accounts represents the accumulated profits, losses and distribution of the Company.

21 Operating lease commitments

Lessee

At the period end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £'000	2018 £'000
Within one year	2,506	2,441
Between two and five years	5,753	6,275
In over five years	646	1,131
	<u>8,905</u>	<u>9,847</u>

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Events after the reporting date

Following the outbreak of Coronavirus ("Covid-19"), which the World Health Organisation declared to be pandemic on 11 March 2020, management has put in place a response plan and is closely monitoring the evolution of this pandemic, including how it may affect the Company, the economy and the general population. As such, measures were implemented in early March to protect the health and safety of its employees, customers and suppliers. Given this was an event occurring after the Balance Sheet date, management consider this to be a non-adjusting event. The Company's operations have reported a decrease in sales as well as earnings as a result of national and locally enforced government restrictions. However, some or all of the Company's operations were permitted to continue as essential services at the beginning of the crisis and since then, as government restrictions have gradually been lifted the Company has returned to full operational capacity. Throughout the pandemic the Company has focused on cash preservation and cost control. With regards to cost control this has included utilising government schemes to provide financial support and adjusting network operations to meet the variable demands of customers. The extent to which the COVID 19 pandemic impacts the Company's business, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the pandemic and the actions taken to contain or treat the outbreak. Even at its current scope, together with measures that have been taken globally to counteract it, the COVID 19 pandemic could materially and adversely impact the Company's business, financial condition and results of operations including, without limitation, through a major decline in economic activity resulting in a decline in demand for the Company's products and services, compromised employee health and workplace productivity, government ordered business closures and threats to the business continuity of the Company's stores, suppliers, customers and/or partners. These impacts could in turn, amongst other things, negatively impact the Company's liquidities and/or its ability to remain in compliance with covenants under the Group Syndicated Credit Agreement of which it is a counterparty. In this context, the Company's ultimate parent undertaking (Uni-Select Inc) successfully refinanced its debt, as announced on May 29, 2020, with new credit facilities providing access to additional liquidity on more flexible financial terms and conditions. The new \$565,000,000 secured credit facilities, which will mature on 30 June 2023, consist of a \$350,000,000 revolving credit facility and \$215,000,000 term facilities. Based on information available at this point, Management believes that the refinancing of the debt announced in late May 2020 will provide the required flexibility.

On the 31 July 2020 the directors of the company resolved to hive the trading activities, assets and liabilities of German Swedish & French Car Parts Limited to Parts Alliance Group Limited, a fellow subsidiary of the Uni-Select Group. The consideration for the hived transaction was in the form of an inter company payable to German Swedish & French Car Parts Limited.

GERMAN SWEDISH & FRENCH CAR PARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

23 Related party transactions

Transactions with related parties

During the year the group made leasehold payments of £422,192 (2018: £383,828) in respect of premises occupied by the group and owned directly or indirectly by the West family. Mr J. Clark-West was a director of a group subsidiary and member of the groups key management personnel until his resignation on 24/12/2019.

24 Ultimate parent Company and parent Company of larger Group

The company is a wholly owned subsidiary of immediate parent company PA Group Holdings Limited. The registered office of 15th Floor, 6 Bevis Marks, Bury Court, London, EC3A 7BA.

The ultimate parent undertaking is Uni-Select Inc. The largest and smallest Group in which the results of the Company are consolidated is that headed by Uni-Select Inc. The consolidated financial statements of Uni-Select Inc are available to the public online at www.uniselect.com.