Company registration number: NI041722

# Wrights Accident Repair Centres Limited

## Financial statements

## 31 October 2018

## Contents

**Wrights Accident Repair Centres Limited**

**Directors and other information**

| | |
|---|---|
| **Directors** | William Donald Wright<br>Mary Jane Wright<br>Robert Marcus Wright<br>Richard Donald Wright |
| **Secretary** | Mary Jane Wright |
| **Company number** | NI041722 |
| **Registered office** | 21 Rowantree Road<br>Dromore<br>Co Down<br>BT25 1AA |
| **Business address** | 21 Rowantree Road<br>Dromore<br>Co Down<br>BT25 1NN |
| **Auditor** | Jones Peters<br>Hughes House<br>6/7 Church Street<br>Banbridge<br>Co Down<br>BT32 4AA |
| **Bankers** | Danske Bank<br>37 - 39 Bridge Street<br>Banbridge<br>Co Down<br>BT32 3JL |
| **Solicitors** | W.J. Baxter & Co<br>27 Church Street<br>Dromore<br>Co Down<br>BT25 1AA |

# Strategic report
## Year ended 31 October 2018

The directors present their Strategic Report on the company for the year ended 31 October 2018.

### REVIEW OF THE BUSINESS

The principal activity of the company is vehicle accident repair.

### Results and performance

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end.
Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face. During the year, sales increased by over 16% with the gross profit percentage decreasing slightly to 22.59% from 23.16% in the prior year. As a percentage of sales, administrative expenses have decreased from 7.94% in the prior year to 6.22% in the current year resulting in an operating profit of £3,092,873 (2017: £2,488,220).

The company has a sound financial position at the year end with net assets of £11,289,657 (2017: £9,879,850).

### Key Performance Indicators

The company experienced another successful year with turnover increasing by £2,535,706. The gross margin has decreased slightly by 0.57% but as administration expenses have decreased overall it has resulted in an operating profit of £3,092,873 compared with £2,488,220 in the prior year.

| | 2018 | 2017 |
|---|---|---|
| Turnover | £18.3m | £15.7m |
| Gross profit percentage | 22.59% | 23.16% |
| Operating profit | £3.1m | £2.5m |
| EBITAD | £3.5m | £2.8m |

### Business Environment

The company has established itself as a market leader in the motor vehicle repair industry in Northern Ireland. Based on the increasing level of turnover year on year, the industry is performing well and appears strong despite the recessionary economic environment.

### PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the company and the Directors and Finance Department take on an important overview in this regard.

### Financial risk management objectives and policies

The main risks to the company's operations are liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous years.

***- Liquidity risk***

The company has sufficient funds for operations and currently has no debt finance, therefore liquidity risk is low.

***- Interest rate risk***

The company finances its operations through a mixture of retained profits and cash. Therefore, as there are no loans, interest rate risk is low.

***- Credit risk***

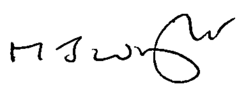
The company requires appropiate checks on potential customers before contracts are agreed. The company reassess credit risk exposure on an ongoing basis.

**STRATEGY AND DEVELOPMENT**

The company's success is dependent on understanding and meeting the developing needs of customers and developing innovative solutions for their needs.

The company will continue to consolidate its position and concentrate on achieving maximum growth in its market sector while at the same time continuing to improve efficiency in all areas of its operations. With its strong capital base and proven track record the company believes it will be well placed to retain existing customers and generate new business.

This report was approved by the board of directors on 18 July 2019 and signed on behalf of the board by:



**Mary Jane Wright**
**Director**

# Directors report
## Year ended 31 October 2018

The directors present their report and the financial statements of the company for the year ended 31 October 2018.

### Directors
The directors who served the company during the year were as follows:

William Donald Wright
Mary Jane Wright
Robert Marcus Wright
Richard Donald Wright

No changes have taken place in the interests of the above directors between 31 October 2018 and the date the financial statements were approved.

### Dividends
Particulars of recommended dividends are detailed in note 12 to the financial statements.

### Future developments
The likely future developments in the business of the company are discussed in the strategic report.

### Financial instruments
The main risks arising from the company's operations are liquidity risk, interest rate risk and credit risk. The directors consider that price and market risks are insignificant. The directors review and agree policies for managing each of these risks and they are summarised in the Strategic Report. The policies have remained unchanged from previous years.

### Directors responsibilities statement
The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

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

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

## Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 18 July 2019 and signed on behalf of the board by:

M J Wright

**Mary Jane Wright**
**Director**

**Independent auditor's report to the members of Wrights Accident Repair Centres Limited Year ended 31 October 2018**

### Opinion

We have audited the financial statements of Wrights Accident Repair Centres Limited for the year ended 31 October 2018 which comprise the Profit and Loss Account and Retained Earnings, Balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and the returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ken Jones

Ken Jones (Senior Statutory Auditor)

For and on behalf of
Jones Peters
Chartered Accountants and Statutory Auditors
Hughes House
6/7 Church Street
Banbridge
Co Down
BT32 4AA

18 July 2019

## Wrights Accident Repair Centres Limited

## Profit and loss account and retained earnings
## Year ended 31 October 2018

| | Note | 2018 £ | 2017 £ |
|---|---|---|---|
| **Turnover** | 4 | 18,255,249 | 15,719,543 |
| Cost of sales | | (14,130,583) | (12,078,185) |
| **Gross profit** | | 4,124,666 | 3,641,358 |
| Administrative expenses | | (1,135,485) | (1,247,812) |
| Other operating income | 5 | 103,692 | 94,674 |
| **Operating profit** | 6 | 3,092,873 | 2,488,220 |
| Other interest receivable and similar income | 9 | 14,953 | 11,908 |
| Interest payable and similar expenses | 10 | (62,011) | (21,993) |
| **Profit before taxation** | | 3,045,815 | 2,478,135 |
| Tax on profit | 11 | (636,008) | (518,799) |
| **Profit for the financial year and total comprehensive income** | | 2,409,807 | 1,959,336 |
| Dividends declared and paid or payable during the year | 12 | (1,000,000) | (25,000) |
| **Retained earnings at the start of the year** | | 9,879,750 | 7,945,414 |
| **Retained earnings at the end of the year** | | 11,289,557 | 9,879,750 |

All the activities of the company are from continuing operations.

**The notes on pages 12 to 22 form part of these financial statements.**

## Balance sheet
## 31 October 2018

| | Note | 2018 £ | 2018 £ | 2017 £ | 2017 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 13 | 3,682,807 | | 2,767,587 | |
| Investments | 14 | 3,767,659 | | 3,320,120 | |
| | | | 7,450,466 | | 6,087,707 |
| **Current assets** | | | | | |
| Stocks | 15 | 420,486 | | 291,059 | |
| Debtors | 16 | 2,921,049 | | 2,509,075 | |
| Cash at bank and in hand | | 5,741,142 | | 4,879,750 | |
| | | 9,082,677 | | 7,679,884 | |
| **Creditors: amounts falling due within one year** | 17 | (3,626,106) | | (3,312,700) | |
| **Net current assets** | | | 5,456,571 | | 4,367,184 |
| **Total assets less current liabilities** | | | 12,907,037 | | 10,454,891 |
| **Creditors: amounts falling due after more than one year** | 18 | | (1,399,000) | | (415,305) |
| **Provisions for liabilities** | 20 | | (218,380) | | (159,736) |
| **Net assets** | | | 11,289,657 | | 9,879,850 |
| **Capital and reserves** | | | | | |
| Called up share capital | 23 | | 100 | | 100 |
| Profit and loss account | 24 | | 11,289,557 | | 9,879,750 |
| **Shareholders funds** | | | 11,289,657 | | 9,879,850 |

These financial statements were approved by the board of directors and authorised for issue on 18 July 2019, and are signed on behalf of the board by:

**William Donald Wright**
**Director**

**Mary Jane Wright**
**Director**

**Company registration number: NI041722**

**The notes on pages 12 to 22 form part of these financial statements.**

## Wrights Accident Repair Centres Limited

### Statement of cash flows
### Year ended 31 October 2018

| | 2018 £ | 2017 £ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit for the financial year | 2,409,807 | 1,959,336 |
| *Adjustments for:* | | |
| Depreciation of tangible assets | 445,129 | 269,429 |
| Other interest receivable and similar income | (14,953) | (11,908) |
| Interest payable and similar expenses | 62,011 | 21,993 |
| Gain/(loss) on disposal of tangible assets | (41,157) | (3,812) |
| Tax on profit | 636,008 | 518,799 |
| Accrued expenses/(income) | 27,425 | 2,325 |
| *Changes in:* | | |
| Stocks | (129,427) | (33,433) |
| Trade and other debtors | (411,974) | (233,579) |
| Trade and other creditors | 214,737 | 177,703 |
| Cash generated from operations | 3,197,606 | 2,666,853 |
| Interest paid | (62,011) | (21,993) |
| Interest received | 14,953 | 11,908 |
| Tax paid | (463,219) | (572,402) |
| Net cash from operating activities | 2,687,329 | 2,084,366 |
| **Cash flows from investing activities** | | |
| Purchase of tangible assets | (1,411,448) | (1,445,801) |
| Proceeds from sale of tangible assets | 92,255 | 25,915 |
| Purchase of other investments | (447,539) | (496,250) |
| Net cash used in investing activities | (1,766,732) | (1,916,136) |
| **Cash flows from financing activities** | | |
| Proceeds from borrowings | (20,455) | (616,885) |
| Payment of finance lease liabilities | 961,250 | 449,518 |
| Equity dividends paid | (1,000,000) | (25,000) |
| Net cash used in financing activities | (59,205) | (192,367) |
| **Net increase/(decrease) in cash and cash equivalents** | 861,392 | (24,137) |
| **Cash and cash equivalents at beginning of year** | 4,879,750 | 4,903,887 |
| **Cash and cash equivalents at end of year** | 5,741,142 | 4,879,750 |

## 1. General information

The company is a private company limited by shares, registered in Northern Ireland. The address of the registered office is 21 Rowantree Road, Dromore, Co Down, BT25 1AA.

## 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

## 3. Accounting policies

### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

### Judgements and key sources of estimation uncertainty

In the application of 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 that revision and future periods where the revision affects both current and future periods.

### Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

**Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

**Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | | | |
|---|---|---|---|
| Land and buildings | - | 2% | straight line |
| Leasehold properties | - | 2% | straight line |
| Fittings fixtures and equipment | - | 25% | reducing balance |
| Motor vehicles | - | 25% | reducing balance |
| Courtesy cars | - | 25% | reducing balance |

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

**Fixed asset investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

**Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

**Hire purchase and finance leases**

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

**Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

**Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

## 4. Turnover

Turnover arises from:

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Sale of goods | 18,255,249 | 15,719,543 |

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

## 5. Other operating income

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Rental income | 99,796 | 91,674 |
| Other operating income | 3,896 | 3,000 |
| | 103,692 | 94,674 |

## 6. Operating profit

Operating profit is stated after charging/(crediting):

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Depreciation of tangible assets | 445,129 | 269,429 |
| (Gain)/loss on disposal of tangible assets | (41,157) | (3,812) |
| Impairment of trade debtors | (850) | 2,059 |
| Operating lease rentals | 52,921 | 117,521 |
| Fees payable for the audit of the financial statements | 11,700 | 11,700 |

## 7. Staff costs

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

| | 2018 | 2017 |
|---|---|---|
| Production | 173 | 167 |
| Administration | 14 | 14 |
| Directors | 4 | 4 |
| | 191 | 185 |

The aggregate payroll costs incurred during the year were:

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 5,199,040 | 4,806,721 |
| Other pension costs | 20,065 | 172,257 |
| | 5,219,105 | 4,978,978 |

## 8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Remuneration | 203,958 | 198,928 |
| Company contributions to pension schemes in respect of qualifying services | - | 160,000 |
| | 203,958 | 358,928 |

## 9. Other interest receivable and similar income

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Bank deposits | 14,953 | 11,908 |

## 10. Interest payable and similar expenses

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Other loans made to the company: | | |
| Finance leases and hire purchase contracts | 62,011 | 18,243 |
| Other interest payable and similar expenses | - | 3,750 |
| | 62,011 | 21,993 |

## 11. Tax on profit

### Major components of tax expense

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| **Current tax:** | | |
| UK current tax expense | 577,363 | 475,131 |
| Adjustments in respect of previous periods | - | 2,477 |
| **Deferred tax:** | | |
| Origination and reversal of timing differences | 58,645 | 41,191 |
| **Tax on profit** | 636,008 | 518,799 |

### Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.41%).

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Profit before taxation | 3,045,815 | 2,478,135 |
| Profit multiplied by rate of tax | 578,705 | 481,006 |
| Adjustments in respect of prior periods | - | 2,477 |
| Effect of expenses not deductible for tax purposes | 171 | 767 |
| Effect of capital allowances and depreciation | (2,594) | (7,929) |
| Rounding on tax charge | 1,081 | 1,287 |
| Deferred tax | 58,645 | 41,191 |
| Tax on profit | 636,008 | 518,799 |

## 12. Dividends

### Equity dividends

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Dividends paid during the year (excluding those for which a liability existed at the end of the prior year) | 1,000,000 | 25,000 |

## 13. Tangible assets

| | Freehold property | Long leasehold property | Fixtures, fittings and equipment | Motor vehicles | Tangible assets - user defined | **Total** |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | **£** |
| **Cost** | | | | | | |
| At 1 November 2017 | 907,643 | 922,500 | 1,643,767 | 373,860 | 712,484 | 4,560,254 |
| Additions | 127,152 | - | 73,992 | 179,967 | 1,030,337 | 1,411,448 |
| Disposals | - | - | - | (78,296) | - | (78,296) |
| **At 31 October 2018** | 1,034,795 | 922,500 | 1,717,759 | 475,531 | 1,742,821 | 5,893,406 |
| **Depreciation** | | | | | | |
| At 1 November 2017 | 133,825 | 54,250 | 1,290,415 | 205,094 | 109,084 | 1,792,668 |
| Charge for the year | 18,526 | 17,365 | 92,457 | 61,073 | 255,708 | 445,129 |
| Disposals | - | - | - | (27,198) | - | (27,198) |
| **At 31 October 2018** | 152,351 | 71,615 | 1,382,872 | 238,969 | 364,792 | 2,210,599 |
| **Carrying amount** | | | | | | |
| **At 31 October 2018** | 882,444 | 850,885 | 334,887 | 236,562 | 1,378,029 | 3,682,807 |
| At 31 October 2017 | 773,818 | 868,250 | 353,352 | 168,766 | 603,400 | 2,767,586 |

## 14. Investments

| | **Other investments** | **Investment properties** | **Total** |
|---|---|---|---|
| | £ | £ | **£** |
| **Cost** | | | |
| At 1 November 2017 | 496,250 | 2,823,870 | 3,320,120 |
| Additions | - | 447,539 | 447,539 |
| **At 31 October 2018** | 496,250 | 3,271,409 | 3,767,659 |
| **Impairment** | | | |
| **At 1 November 2017 and 31 October 2018** | - | - | - |
| **Carrying amount** | | | |
| **At 31 October 2018** | 496,250 | 3,271,409 | 3,767,659 |
| At 31 October 2017 | 496,250 | 2,823,870 | 3,320,120 |

## 15. Stocks

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Raw materials | 85,826 | 84,138 |
| Work in progress | 334,660 | 206,921 |
| | 420,486 | 291,059 |

## 16. Debtors

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Trade debtors | 2,864,001 | 2,410,075 |
| Prepayments and accrued income | 55,078 | 96,537 |
| Other debtors | 1,970 | 2,463 |
| | 2,921,049 | 2,509,075 |

## 17. Creditors: amounts falling due within one year

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Trade creditors | 1,667,831 | 1,472,484 |
| Accruals and deferred income | 131,770 | 104,345 |
| Corporation tax | 334,142 | 219,998 |
| Social security and other taxes | 458,618 | 460,557 |
| Obligations under finance leases | 167,522 | 189,967 |
| Director loan accounts | 678,920 | 699,375 |
| Other creditors | 187,303 | 165,974 |
| | 3,626,106 | 3,312,700 |

## 18. Creditors: amounts falling due after more than one year

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Obligations under finance leases | 1,399,000 | 415,305 |

## 19. Obligations under finance leases

### Company lessee

The total future minimum lease payments under finance lease agreements are as follows:

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Not later than 1 year | (167,522) | (189,968) |
| Later than 1 year and not later than 5 years | (1,399,000) | (415,305) |
| | (1,566,522) | (605,273) |
| Present value of minimum lease payments | (1,566,522) | (605,273) |

## 20. Provisions

| | Deferred tax (note 21) | Total |
|---|---|---|
| | £ | £ |
| At 1 November 2017 | 159,735 | 159,735 |
| Additions | 58,645 | 58,645 |
| **At 31 October 2018** | 218,380 | 218,380 |

## 21. Deferred tax

The deferred tax included in the Balance sheet is as follows:

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Included in provisions (note 20) | 218,380 | 159,736 |

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

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Accelerated capital allowances | 218,380 | 159,736 |

## 22. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £20,065 (2017: £12,257).

## 23. Called up share capital

**Issued, called up and fully paid**

| | 2018 | | 2017 | |
|---|---|---|---|---|
| | No | £ | No | £ |
| Ordinary shares shares of £ 1.00 each | 100 | 100 | 100 | 100 |

## 24. Reserves

Called up share capital:
This represents the nominal value of shares that have been issued.

Profit and loss account:
This reserve records retained earnings and accumulated losses.

## 25. Operating leases

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

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Not later than 1 year | - | 15,756 |

## 26. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

**2018**

| | Balance brought forward | Advances /(credits) to the directors | Amounts repaid | Balance o/standing |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| William Donald Wright | (291,525) | - | - | (291,525) |
| Mary Jane Wright | (193,649) | 1,455 | - | (192,194) |
| Robert Marcus Wright | (97,655) | 509,500 | (500,000) | (88,155) |
| Richard Donald Wright | (116,546) | 509,500 | (500,000) | (107,046) |
| | (699,375) | 1,020,455 | (1,000,000) | (678,920) |

2017

| | Balance brought forward | Advances /(credits) to the directors | Amounts repaid | Balance o/standing |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| William Donald Wright | (451,666) | 167,641 | (7,500) | (291,525) |
| Mary Jane Wright | (452,908) | 266,759 | (7,500) | (193,649) |
| Robert Marcus Wright | (205,843) | 113,188 | (5,000) | (97,655) |
| Richard Donald Wright | (205,843) | 94,297 | (5,000) | (116,546) |
| | (1,316,260) | 641,885 | (25,000) | (699,375) |

## 27. Related party transactions

The directors of Wrights Accident Repair Centres Limited are also managing trustees of the Wrights Accident Repair Centres Retirement Benefit Scheme. At 31 October 2018, Wrights Accident Repair Centres Limited were owed £1,970 (2017: £2,463) by the pension scheme.

## 28. Controlling party

By virtue of their majority shareholding, Mary Jane Wright and William Donald Wright are deemed to be the controlling parties.

## 29. Transactions with directors

During the year ended 31 October 2018 payments were made by the company on an arms length basis to Mark Wright totalling £103,000 and £75,000 to Richard Wright in relation to rent of premises.

There were no other transactions between the directors of the company other than as reflected above.