

Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements for the Year Ended 31 December 2019  
for  
Alphamore Corporation Ltd

Contents of the Consolidated Financial Statements  
for the Year Ended 31 December 2019

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	5
Consolidated Income Statement	7
Consolidated Other Comprehensive Income	8
Consolidated Balance Sheet	9
Company Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Cash Flow Statement	13
Notes to the Consolidated Cash Flow Statement	14
Notes to the Consolidated Financial Statements	15

Alphamore Corporation Ltd

Company Information  
for the Year Ended 31 December 2019

**DIRECTORS:**

P Ambrose  
Miss C L Ambrose  
P J H Ambrose

**SECRETARY:**

Mrs K J Ambrose

**REGISTERED OFFICE:**

5 Methley Road  
Castleford  
Yorkshire  
WF10 1LX

**REGISTERED NUMBER:**

03974169 (England and Wales)

**SENIOR STATUTORY AUDITOR:**

Craig Fishwick FCCA

**AUDITORS:**

Mayes Business Partnership Limited  
Chartered Certified Accountants and  
Statutory Auditors  
22-28 Willow Street  
Accrington  
Lancashire  
BB5 1LP

Group Strategic Report  
for the Year Ended 31 December 2019

The directors present their strategic report of the company and group for the year ended 31 December 2019.

**Review of business**

During the year ended 31 December 2019 the performance was as follows:

The company's only subsidiary is Peter Ambrose (Castleford) Limited which is 100% owned.

Group turnover was £18,434,990 compared to £16,265,561 for 2018 and Operating Profit £922,275 compared to £1,120,063 for 2019. Other income from investments amounted £35,861 to compared to £19,442 for 2018.

Dividends paid to shareholders of Alphamore Corporation Ltd amounted to £159,000 (2018 - £164,000). Retained reserves of Alphamore Corporation Ltd at the year-end amounted to £5,683,410 (2018 -£5,066,595).

The Directors are satisfied with the performance during the year and believe that the group is in a strong position to meet the unprecedented challenges arising in 2020.

**Strategy**

The strategy adopted during the year has been to build on the market position established by the Group. Paramount to this is the commitment to give all customers the best possible experience within the automotive business.

The directors will continue to invest in its processes and the quality of its people to ensure that it achieves its targets for the forthcoming year.

**Principal Risks and uncertainties**

**Credit risk**

The group's credit risk relates to vehicle stocking loans which are secured against the vehicles and assets of the company. These are reviewed annually.

**Liquidity Risk**

The directors review annually the need to hold the large cash deposits within the group.

These are required due to the large volume of fleet sales to public authority clients which require extended credit terms.

The company also needs to retain cash to cover the risk of repeat flooding of the premises as the group's insurance provider has refused to cover the business for flood risk. Parts of the site have been flooded in recent years. The reason for the flooding is under investigation and the situation is under review annually when the policy is renewed.

**Manufacturer relationship.**

The company relies on the strength of its relationship with Peugeot to deliver a significant component of the group's profitability. Changes in the fortune and strategy of the PSA group could directly and materially impact on the group's results.

**General economic conditions.**

The general economic environment and levels of consumer and business confidence have a direct impact on the levels of demand in the motor sector.

New car registrations fell by 6.7% in 2019. There have now been falls in the last three years amounting to 14.8% since 2016. Economic uncertainty caused by, worries over Brexit and public confusion over diesel policy, taxation and global outlook have all conspired to dent new car sales during 2019. In March 2020, the global pandemic caused by Covid 19 hit the UK. The economic effect of the pandemic which is still ongoing is likely to become the largest single effect on the world's economy since the end of the second world war. The UK will fall into recession as will many other nations throughout the globe. In the short term the future is likely to be bleak with only the fittest companies surviving.

Group Strategic Report  
for the Year Ended 31 December 2019

The company showrooms were closed on 26th March and reopened under Covid 19 rules on the 1st June. The workshops remained open throughout with reduced staff to ensure the NHS, police and key workers kept mobile. We are now back to near full capacity and trading is encouraging but patchy. The Brexit position is not yet resolved and the effect of the pandemic and worldwide recession changes week by week.

The directors will closely monitor the ongoing economic situation which is continually changing to ensure that the group maintains its ability to trade profitably. The group has the financial resources to be able to withstand the uncertainties that currently exist.

The directors would like to take this opportunity to thank all the staff for their hard work and positive attitude during the last six months in what have been trying times for everyone.

**ON BEHALF OF THE BOARD:**

P Ambrose - Director

22 September 2020

Report of the Directors  
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2019.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2019 will be £ 159,000 .

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

P Ambrose  
Miss C L Ambrose  
P J H Ambrose

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Mayes Business Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

P Ambrose - Director

22 September 2020

### **Opinion**

We have audited the financial statements of Alphamore Corporation Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group'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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Craig Fishwick FCCA (Senior Statutory Auditor)  
for and on behalf of Mayes Business Partnership Limited  
Chartered Certified Accountants and  
Statutory Auditors  
22-28 Willow Street  
Accrington  
Lancashire  
BB5 1LP

22 September 2020



Consolidated Income Statement  
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
<b>TURNOVER</b>	3	18,434,990	16,265,561
Cost of sales		<u>17,106,162</u>	<u>14,720,695</u>
<b>GROSS PROFIT</b>		1,328,828	1,544,866
Administrative expenses		<u>458,908</u>	<u>469,740</u>
		869,920	1,075,126
Other operating income		<u>52,355</u>	<u>44,937</u>
<b>OPERATING PROFIT</b>	5	922,275	1,120,063
Interest receivable and similar income		<u>35,861</u>	<u>19,442</u>
<b>PROFIT BEFORE TAXATION</b>		958,136	1,139,505
Tax on profit	6	<u>182,321</u>	<u>216,676</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>775,815</u>	<u>922,829</u>
Profit attributable to:			
Owners of the parent		<u>775,815</u>	<u>922,829</u>

The notes form part of these financial statements

Consolidated Other Comprehensive Income  
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
<b>PROFIT FOR THE YEAR</b>		775,815	922,829
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		-	-
<b>FOR THE YEAR</b>		<u>775,815</u>	<u>922,829</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>775,815</u>	<u>922,829</u>

Consolidated Balance Sheet  
31 December 2019

	Notes	31.12.19 £	£	31.12.18 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		55,648		92,054
Investments	10		<u>-</u>		<u>-</u>
			55,648		92,054
<b>CURRENT ASSETS</b>					
Stocks	11	1,103,734		980,038	
Debtors	12	1,881,937		1,330,183	
Cash at bank and in hand		<u>4,379,281</u>		<u>4,487,240</u>	
		7,364,952		6,797,461	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>1,255,604</u>		<u>1,334,482</u>	
<b>NET CURRENT ASSETS</b>			<u>6,109,348</u>		<u>5,462,979</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,164,996		5,555,033
<b>PROVISIONS FOR LIABILITIES</b>	15		<u>10,275</u>		<u>17,127</u>
<b>NET ASSETS</b>			<u>6,154,721</u>		<u>5,537,906</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		200		200
Share premium	17		465,555		465,555
Capital redemption reserve	17		5,556		5,556
Retained earnings	17		<u>5,683,410</u>		<u>5,066,595</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>6,154,721</u>		<u>5,537,906</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 September 2020 and were signed on its behalf by:

P Ambrose - Director

Company Balance Sheet  
31 December 2019

	Notes	31.12.19 £	£	31.12.18 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		-		-
Investments	10		<u>465,555</u>		<u>465,555</u>
			465,555		465,555
<b>CURRENT ASSETS</b>					
Debtors	12	481,000		822,050	
Cash at bank		<u>3,438,167</u>		<u>2,773,780</u>	
		3,919,167		3,595,830	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>170,990</u>		<u>321,904</u>	
<b>NET CURRENT ASSETS</b>			<u>3,748,177</u>		<u>3,273,926</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,213,732</u>		<u>3,739,481</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		200		200
Share premium			465,555		465,555
Retained earnings			<u>3,747,977</u>		<u>3,273,726</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,213,732</u>		<u>3,739,481</u>
Company's profit for the financial year			<u>633,251</u>		<u>779,817</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 22 September 2020 and were signed on its behalf by:

P Ambrose - Director

Consolidated Statement of Changes in Equity  
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 January 2018</b>	200	4,307,766	465,555
<b>Changes in equity</b>			
Dividends	-	(164,000)	-
Total comprehensive income	-	922,829	-
<b>Balance at 31 December 2018</b>	200	5,066,595	465,555
<b>Changes in equity</b>			
Dividends	-	(159,000)	-
Total comprehensive income	-	775,815	-
<b>Balance at 31 December 2019</b>	200	5,683,410	465,555

  

	Capital redemption reserve £	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 January 2018</b>	5,556	4,779,077	-	4,779,077
<b>Changes in equity</b>				
Dividends	-	(164,000)	-	(164,000)
Total comprehensive income	-	922,829	-	922,829
<b>Balance at 31 December 2018</b>	5,556	5,537,906	-	5,537,906
<b>Changes in equity</b>				
Dividends	-	(159,000)	-	(159,000)
Total comprehensive income	-	775,815	-	775,815
<b>Balance at 31 December 2019</b>	5,556	6,154,721	-	6,154,721

Company Statement of Changes in Equity  
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 January 2018</b>	200	2,657,909	465,555	3,123,664
<b>Changes in equity</b>				
Dividends	-	(164,000)	-	(164,000)
Total comprehensive income	-	779,817	-	779,817
<b>Balance at 31 December 2018</b>	200	3,273,726	465,555	3,739,481
<b>Changes in equity</b>				
Dividends	-	(159,000)	-	(159,000)
Total comprehensive income	-	633,251	-	633,251
<b>Balance at 31 December 2019</b>	200	3,747,977	465,555	4,213,732

Consolidated Cash Flow Statement  
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	360,772	1,456,889
Tax paid		<u>(204,756)</u>	<u>(201,917)</u>
Net cash from operating activities		<u>156,016</u>	<u>1,254,972</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(26,230)	(114,778)
Sale of tangible fixed assets		-	10,000
Interest received		<u>35,861</u>	<u>19,442</u>
Net cash from investing activities		<u>9,631</u>	<u>(85,336)</u>
<b>Cash flows from financing activities</b>			
Amount introduced by directors		163,200	177,452
Amount withdrawn by directors		(277,806)	(170,000)
Equity dividends paid		<u>(159,000)</u>	<u>(164,000)</u>
Net cash from financing activities		<u>(273,606)</u>	<u>(156,548)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(107,959)</u>	<u>1,013,088</u>
<b>Cash and cash equivalents at beginning of year</b>	2	4,487,240	3,474,152
<b>Cash and cash equivalents at end of year</b>	2	<u>4,379,281</u>	<u>4,487,240</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 December 2019

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.19	31.12.18
	£	£
Profit before taxation	958,136	1,139,505
Depreciation charges	59,538	62,107
Profit on disposal of fixed assets	-	(10,000)
Finance income	(35,861)	(19,442)
	<u>981,813</u>	<u>1,172,170</u>
(Increase)/decrease in stocks	(123,696)	273,715
(Increase)/decrease in trade and other debtors	(551,754)	324,783
Increase/(decrease) in trade and other creditors	<u>54,409</u>	<u>(313,779)</u>
<b>Cash generated from operations</b>	<u><u>360,772</u></u>	<u><u>1,456,889</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2019**

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>4,379,281</u>	<u>4,487,240</u>

**Year ended 31 December 2018**

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	<u>4,487,240</u>	<u>3,474,152</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>4,487,240</u>	<u>(107,959)</u>	<u>4,379,281</u>
	<u>4,487,240</u>	<u>(107,959)</u>	<u>4,379,281</u>
<b>Total</b>	<u><u>4,487,240</u></u>	<u><u>(107,959)</u></u>	<u><u>4,379,281</u></u>



Notes to the Consolidated Financial Statements  
for the Year Ended 31 December 2019

1. **STATUTORY INFORMATION**

Alphamore Corporation Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The financial statements consolidate the accounts of Alphamore Corporation Ltd with its subsidiary undertaking, Peter Ambrose (Castleford) Limited.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**Turnover**

**Sale of goods - wholesale**

The Group sources and sells a range of motor vehicles in the wholesale market. Sales of goods are recognised on delivery to the wholesaler, when the wholesaler has full discretion over the channel and price to sell the product and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the product. Delivery occurs when the goods have been shipped to the location specified by the wholesaler, the risks of obsolescence or loss have been transferred to the wholesaler, the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied. Sales are normally made with a credit term of 60 days. The element of financing is deemed immaterial and is disregarded in the measurement of revenue.

**Sale of goods - retail**

The Group operates a garage forecourt for the sale of vehicles and certain related products. Sales of goods are recognised on sale to the customer, which is considered the point of delivery. Retail sales are usually by cash, credit or payment card. Sales are made to retail customers with a right to return within 28 days, subject to certain conditions regarding the usage. Accumulated experience is used to estimate and provide for such returns at the time of sale. The Group does not operate any loyalty programmes.

**Sale of services**

The Group sells vehicle servicing to retail and wholesale customer. Revenue is recognised in the accounting period in which the services are rendered when the outcome of contract can be estimated reliably.

**Interest income**

Interest income is recognised using the effective interest rate method.

**Dividend income**

Dividend income is recognised when the right to receive payment is established.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 33% on cost

**Stocks**

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

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

2. **ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**Basic financial instruments**

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

3. **TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the group.

4. **EMPLOYEES AND DIRECTORS**

	31.12.19	31.12.18
	£	£
Wages and salaries	531,511	505,630
Social security costs	65,569	48,145
Other pension costs	65,049	61,992
	<u>662,129</u>	<u>615,767</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

4. **EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	31.12.19	31.12.18
Directors	3	3
Sales	6	7
After Sales	13	14
Administration	<u>3</u>	<u>4</u>
	<u>25</u>	<u>28</u>

	31.12.19	31.12.18
	£	£
Directors' remuneration	8,515	8,359
Directors' pension contributions to money purchase schemes	<u>10,000</u>	<u>10,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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5. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	31.12.19	31.12.18
	£	£
Other operating leases	91,070	91,273
Depreciation - owned assets	62,636	62,107
Profit on disposal of fixed assets	-	(10,000)
Auditors' remuneration	<u>11,232</u>	<u>10,800</u>

6. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.12.19	31.12.18
	£	£
Current tax:		
UK corporation tax	189,174	204,757
Deferred tax	<u>(6,853)</u>	<u>11,919</u>
Tax on profit	<u>182,321</u>	<u>216,676</u>

UK corporation tax has been charged at 19% .

7. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

8. **DIVIDENDS**

	31.12.19 £	31.12.18 £
Ordinary A shares of £1 each shares of 1 each Final	80,000	80,000
Ordinary B shares of £1 each shares of 1 each Final	75,000	80,000
Ordinary C shares of £1 each shares of 1 each Final	2,000	2,000
Ordinary D shares of £1 each shares of 1 each Final	2,000	2,000
	<u>159,000</u>	<u>164,000</u>

9. **TANGIBLE FIXED ASSETS**

**Group**

	Plant and machinery £
<b>COST</b>	
At 1 January 2019	400,761
Additions	26,230
At 31 December 2019	<u>426,991</u>
<b>DEPRECIATION</b>	
At 1 January 2019	308,707
Charge for year	62,636
At 31 December 2019	<u>371,343</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>55,648</u>
At 31 December 2018	<u>92,054</u>

10. **FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2019 and 31 December 2019	<u>465,555</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>465,555</u>
At 31 December 2018	<u>465,555</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

11. STOCKS

	<b>Group</b>	
	31.12.19	31.12.18
	£	£
Stocks	<u>1,103,734</u>	<u>980,038</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Trade debtors	1,831,831	1,287,349	-	-
Amounts owed by group undertakings	-	-	481,000	822,050
Prepayments	<u>50,106</u>	<u>42,834</u>	<u>-</u>	<u>-</u>
	<u>1,881,937</u>	<u>1,330,183</u>	<u>481,000</u>	<u>822,050</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Trade creditors	342,934	179,581	-	-
Tax	189,175	204,757	111,243	144,451
VAT	183,838	416,750	-	-
Other creditors	131,498	153,579	-	-
Directors' current accounts	59,747	177,452	59,747	177,452
Accrued expenses	<u>348,412</u>	<u>202,363</u>	<u>-</u>	<u>1</u>
	<u>1,255,604</u>	<u>1,334,482</u>	<u>170,990</u>	<u>321,904</u>

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

<b>Group</b>		<b>Non-cancellable operating leases</b>	
		31.12.19	31.12.18
		£	£
Within one year		124,034	73,000
Between one and five years		<u>252,167</u>	<u>227,166</u>
		<u>376,201</u>	<u>300,166</u>

15. PROVISIONS FOR LIABILITIES

	<b>Group</b>	
	31.12.19	31.12.18
	£	£
Deferred tax		
Accelerated capital allowances	<u>10,275</u>	<u>17,127</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

15. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 January 2019	17,127
Credit to Income Statement during year	(6,852)
Balance at 31 December 2019	<u>10,275</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.19 £	31.12.18 £
16	Ordinary A shares of £1 each	1	16	16
152	Ordinary B shares of £1 each	1	152	152
16	Ordinary C shares of £1 each	1	16	16
16	Ordinary D shares of £1 each	1	16	16
			<u>200</u>	<u>200</u>

17. RESERVES

Group

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2019	5,066,595	465,555	5,556	5,537,706
Profit for the year	775,815	-	-	775,815
Dividends	(159,000)	-	-	(159,000)
At 31 December 2019	<u>5,683,410</u>	<u>465,555</u>	<u>5,556</u>	<u>6,154,521</u>

18. CONTINGENT LIABILITIES

The company and its subsidiary entered a cross guarantee and debenture with their banker on 16 April 2010 covering any and all debts due by the group.

The company and its subsidiary had previously provided PSA Wholesale Limited with a debenture on 15 November 2015 covering any and all debts due to PSA Wholesale Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.