

**AUTOSMART HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 JANUARY 2017**



## **AUTOSMART HOLDINGS LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	S Atkinson C K Brain C A Ashton
<b>Company number</b>	05433031
<b>Registered office</b>	Lynn Lane Shenstone Lichfield Staffordshire WS14 0DH
<b>Auditors</b>	RSM UK Audit LLP Chartered Accountants St Philips Point Temple Row Birmingham West Midlands B2 5AF
<b>Bankers</b>	Lloyds Bank Plc 125 Colmore Row Birmingham B3 3SD
<b>Solicitors</b>	Keelys 28 Dam Street Lichfield Staffordshire WS13 6AA

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# **AUTOSMART HOLDINGS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 JANUARY 2017**

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The directors present the strategic report and financial statements for the year ended 31 January 2017.

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

##### **Sales**

Sales closed at £24.3m, a growth of £3.2m (15%).

##### **Profit**

Our profit before tax was £5.3m, a significant increase on the last 2 years. We are pleased that the investments that we have made in additional manufacturing capacity and sales strategies have been rewarded.

##### **Future plans**

We have a 5 year in plan in place where we expect to see sales grow significantly and we are therefore planning further investment to increase our manufacturing capacity.

##### **Key performance indicators**

Our business is built on the success of our individual franchise owners' success. The UK, France, Australia and Sweden have again achieved their highest sales so far. The number of mobile showrooms in the UK and France now stands at 199, a 7% increase on the year. We have a current strategic goal to increase our operating profit by 10% per year. This year we achieved 50%. Additionally we have cash safety cover policy of £2.5m that we have also achieved.

##### **Monitoring and managing risk**

We have a watching brief for Brexit and will flex as needed to continue being competitive. We are seeing some steep rises in the cost of some raw materials. We have the advantage of having integrated research and development and manufacturing which gives us flex as our raw material markets and our competitors change.

##### **Financial instruments**

###### **Cash Flow and Liquidity risk**

We have a prudent approach as a business, and choose to maintain high cash balances in case of a rainy day, or in case of an unexpected investment opportunity. We closed the financial year with no borrowings and £4.9m cash at bank.

###### **Credit risk**

Our credit risk is in our trade receivables. We have policies in place against which we manage the trade receivables carefully.

###### **Price Risk**

We are a manufacturer and therefore are subject to changes in the prices of our raw materials as they occur. We also sell in several currencies and therefore also carry an exchange rate risk. We have systems in place to monitor and react to these risks.

##### **Future developments**

The investment plans we have in mind would not have a significant impact on our financial resources.

##### **Research and development activities**

We have an in house research and development department, who focus on developing our product ranges and on our manufacturing processes. We have invested in the area over the last 2 years and spend in this financial year has exceeded £250k.



Signed on behalf of the directors

C A Ashton

Director

Approved by the directors on

30 June 2017

# **AUTOSMART HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### **OR THE YEAR ENDED 31 JANUARY 2017**

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The directors present their report and financial statements for the year ended 31 January 2017.

#### **Principal activities**

The principal activities of Autosmart Holdings are those of a holding company. The company owns directly the entire issued share capital of Autosmart International (the trading company). The principal activity of the group continued to be that of the manufacture and sale of valeting and maintenance products for vehicles through an exclusive network of franchisees.

#### **Directors**

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

S Atkinson  
C K Brain  
C A Ashton

#### **Results and dividends**

The results for the year are set out on page 5.

Interim ordinary dividends were paid amounting to £2,879,444. The directors do not recommend payment of a final dividend.

#### **Going concern**

The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements and have not identified any material uncertainties to the group's ability to continue as a going concern for at least twelve months from the date of approval of the financial statements.

#### **Auditor**

RSM UK Audit LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for it to be deemed reappointed as auditor in the absence of an Annual General Meeting.

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

So far as the directors are aware, there is no relevant audit information of which the group's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditor is aware of that information.

#### **Matters of strategic importance**

Information as required by schedule 7 of the Large and Medium sized companies and groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report.

By order of the directors



C A Ashton  
Director

Approved by the directors on 30th June 2017

**AUTOSMART HOLDINGS LIMITED**  
**DIRECTORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

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The directors are responsible for preparing the Directors' Report, the Strategic 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 group and the company and of the profit or loss of the group and 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 group and the company will continue in business.

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUTOSMART HOLDINGS LIMITED

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## Opinion on financial statements

We have audited the group and parent company financial statements (the "financial statements") on pages 5 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 January 2017 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.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Strategic report and the Directors' Report 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 company and its environment obtained in the course of the audit, we have not identified any 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 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.

## Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

Richard Eccles (Senior Statutory Auditor)  
RSM UK AUDIT LLP  
Statutory Auditor  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

Date

4/7/17

**AUTOSMART HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

	Notes	2017 £	2016 £
Turnover	3	24,275,317	21,072,391
Cost of sales		(13,888,217)	(12,730,632)
<b>Gross profit</b>		<b>10,387,100</b>	<b>8,341,759</b>
Administrative expenses		(6,084,011)	(5,848,419)
Other operating income		940,641	982,478
<b>Operating profit</b>	4	<b>5,243,730</b>	<b>3,475,818</b>
Interest receivable and similar income	8	23,247	23,439
<b>Profit on ordinary activities before taxation</b>		<b>5,266,977</b>	<b>3,499,257</b>
Taxation	9	(1,047,934)	(580,394)
<b>Profit for the financial year</b>		<b>4,219,043</b>	<b>2,918,863</b>
<b>Total comprehensive income for the year</b>		<b>4,219,043</b>	<b>2,918,863</b>

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

**AUTOSMART HOLDINGS LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2017**

Company Registration No. 05433031

	Notes	Group		Company	
		2017	2016	2017	2016
		£	£	£	£
<b>Fixed assets</b>					
Goodwill		871,761	980,730	-	-
Other intangible assets		341,780	176,723	-	-
Total intangible assets	11	1,213,541	1,157,453	-	-
Tangible assets	12	3,538,749	3,343,547	1,095,193	-
Investment properties	13	-	-	-	1,184,943
Investments	14	-	-	10,691,452	10,691,452
		4,752,290	4,501,000	11,786,645	11,876,395
<b>Current assets</b>					
Stocks	16	1,959,409	1,438,752	-	-
Debtors due within one year	17	2,695,380	2,520,236	-	-
Cash at bank and in hand		4,858,865	3,546,247	9,342	9,438
		9,513,654	7,505,235	9,342	9,438
<b>Creditors: amounts falling due within one year</b>	18	(3,833,032)	(2,875,745)	(1,159,477)	(985,650)
<b>Net current assets/(liabilities)</b>		5,680,622	4,629,490	(1,150,135)	(976,212)
<b>Total assets less current liabilities</b>		10,432,912	9,130,490	10,636,510	10,900,183
<b>Provisions for liabilities</b>	20	(63,361)	(100,538)	(33,050)	(64,881)
<b>Net assets</b>		10,369,551	9,029,952	10,603,460	10,835,302
<b>Capital and reserves</b>					
Called up share capital	22	503,359	503,359	503,359	503,359
Share premium account	23	73,806	73,806	73,806	73,806
Capital redemption reserve	23	75,213	75,213	75,213	75,213
Profit and loss reserves	23	9,717,173	8,377,574	9,951,082	10,182,924
<b>Total equity</b>		10,369,551	9,029,952	10,603,460	10,835,302

The financial statements were approved by the board of directors and authorised for issue on 5<sup>th</sup> June 2017 and are signed on its behalf by:

*Sophie Atkinson*

S Atkinson  
Director



**AUTOSMART HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JANUARY 2017**

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 February 2015</b>		503,359	73,806	75,213	8,330,894	8,983,272
Profit and total comprehensive income for the year		-	-	-	2,918,863	2,918,863
Dividends	10	-	-	-	(2,872,183)	(2,872,183)
<b>Balance at 31 January 2016</b>		503,359	73,806	75,213	8,377,574	9,029,952
<b>Year ended 31 January 2017</b>						
Profit and total comprehensive income for the year		-	-	-	4,219,043	4,219,043
Dividends	10	-	-	-	(2,879,444)	(2,879,444)
<b>Balance at 31 January 2017</b>		503,359	73,806	75,213	9,717,173	10,369,551

**AUTOSMART HOLDINGS LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 February 2015</b>		<u>503,359</u>	<u>73,806</u>	<u>75,213</u>	<u>10,152,276</u>	<u>10,804,654</u>
Profit and total comprehensive income for the year		-	-	-	2,902,831	2,902,831
Dividends	10	-	-	-	(2,872,183)	(2,872,183)
<b>Balance at 31 January 2016</b>		<u>503,359</u>	<u>73,806</u>	<u>75,213</u>	<u>10,182,924</u>	<u>10,835,302</u>
<b>Year ended 31 January 2017</b>						
Profit and total comprehensive income for the year		-	-	-	2,647,602	2,647,602
Dividends	10	-	-	-	(2,879,444)	(2,879,444)
<b>Balance at 31 January 2017</b>		<u>503,359</u>	<u>73,806</u>	<u>75,213</u>	<u>9,951,082</u>	<u>10,603,460</u>

**AUTOSMART HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

	Notes	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	24	5,698,622	3,703,735
Interest paid		-	-
Income taxes paid		(722,519)	(721,719)
		<u>          </u>	<u>          </u>
<b>Net cash from operating activities</b>		<u>4,976,103</u>	<u>2,982,016</u>
<b>Investing activities</b>			
Purchase of intangible assets		(213,537)	(176,427)
Purchase of tangible fixed assets		(769,645)	(674,744)
Proceeds on disposal of tangible fixed assets		5,351	74,816
Proceeds on disposal of intangible fixed assets		170,543	89,031
Interest received		23,247	23,439
		<u>          </u>	<u>          </u>
<b>Net cash used in investing activities</b>		<u>(784,041)</u>	<u>(663,885)</u>
<b>Financing activities</b>			
Dividends paid		(2,879,444)	(2,872,183)
		<u>          </u>	<u>          </u>
<b>Net cash used in financing activities</b>		<u>(2,879,444)</u>	<u>(2,872,183)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>1,312,618</u>	<u>(554,052)</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>3,546,247</u>	<u>4,100,299</u>
		<u>          </u>	<u>          </u>
<b>Cash and cash equivalents at end of year</b>		<u><u>4,858,865</u></u>	<u><u>3,546,247</u></u>
<b>Relating to:</b>			
Bank balances and short term deposits included in cash at bank and in hand		4,858,865	3,546,247
		<u>          </u>	<u>          </u>
		<u><u>4,858,865</u></u>	<u><u>3,546,247</u></u>

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

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**1 Accounting policies**

**Company information**

Autosmart Holdings Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Lynn Lane, Shenstone, Lichfield, Staffordshire, WS14 0DH.

The group consists of Autosmart Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities are disclosed in the Directors' Report.

**Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include investment properties at fair value.

The financial statements for the current year have been drawn up to the 27 January 2017, whereas the prior year financial statements were drawn up to 31 January 2016.

The consolidated financial statements are presented in sterling which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest whole £1.

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's profit and total comprehensive income for the year was £2,647,603 (2016: £2,902,831).

**Basis of consolidation**

The consolidated financial statements incorporate those of Autosmart Holdings Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements for the current year have been drawn up to 27 January 2017, whereas the prior year financial statements were drawn up to 31 January 2016.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

**Going concern**

The directors have at the time of approving the financial statements, a reasonable expectation that the group and the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

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**1 Accounting policies (continued)**

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Turnover from the sale of goods is recognised when the goods leave the Autosmart premises.

**Other operating income**

Royalty income is recognised in the period to which the royalty payments relate.

**Intangible fixed assets - goodwill**

Goodwill which arose prior to the date of transition to FRS 102 is capitalised and written off evenly over 10 years as in the opinion of the directors, this represents the best estimate of the period over which the goodwill is expected to give rise to economic benefits.

**Intangible fixed assets other than goodwill**

Intangible assets purchased other than in a business combinations are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets arising on a business combination are recognised, except where the asset arises from legal or contractual rights, there is no evidence of exchange transactions for the same or similar assets and estimating fair value would depend on immeasurable variables.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Trademarks	10% straight line
Computer software	33.33% straight line

Territories are disclosed at their carrying value, which is reviewed annually by the directors.

**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. Depreciation is recognised so as to write off the cost or valuation of assets to its estimated residual value on a straight line basis over its expected useful life, as follows:

Plant and equipment	20-100% straight line
Freehold land and buildings	0- 5% straight line

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 recognised in the income statement.

**Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

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**1 Accounting policies (continued)**

**Fixed asset investments (continued)**

An associate is an entity, being neither a subsidiary nor a joint venture, in which the group holds a long term interest and where the group has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**Financial assets**

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

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

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

**Loans and receivables**

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

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**1 Accounting policies (continued)**

**Impairment of financial assets**

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

**Financial liabilities**

Basic financial liabilities are initially measured 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. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

**Financial liabilities at fair value through profit or loss**

Financial liabilities classified as other financial liabilities are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

**Other financial liabilities**

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

**Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

**Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

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**1 Accounting policies (continued)**

**Taxation (continued)**

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the group to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

**Employee benefits**

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

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

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

**Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.



**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

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**1 Accounting policies (continued)**

**Leases**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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

**Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

**Reduced disclosures**

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures

The financial statements of the Company are consolidated in the financial statements of Autosmart Holdings Limited.

**Research and development**

Costs related to research and development are expensed within the profit and loss account. The costs are primarily an in house research and development department, who focus on developing our product ranges and on our manufacturing processes.

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

**2 Critical accounting estimates and judgements**

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

- useful economic life of fixed assets
- judgements used in assessing the level of provision against trade debtors
- estimation of useful economic life of goodwill

**3 Turnover and other significant revenue**

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

		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
<b>Class of business</b>			
Sales of goods		<u>24,275,317</u>	<u>21,072,391</u>
	<b>Notes</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
<b>Other significant revenue</b>			
Interest income	<b>8</b>	23,247	23,439
Royalty income		661,300	561,649
Franchise fee		<u>176,537</u>	<u>331,953</u>
<b>Turnover analysed by geographical market</b>			
		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
United Kingdom		18,051,700	16,161,990
Europe		5,839,869	4,572,669
Rest of the world		383,748	337,732
		<u>24,275,317</u>	<u>21,072,391</u>

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

	Notes	2017	2016
		£	£
<b>4</b>	<b>Operating profit</b>		
	Operating profit is stated after charging / (crediting):		
	Exchange (gains) / losses	(166,813)	59,306
	Research and development costs	214,878	179,800
	Fees payable to the company's auditors for the audit of the group's and company's financial statements	5 21,000	18,500
	Depreciation of owned tangible fixed assets	566,779	412,946
	Loss / (profit) on disposal of tangible fixed assets	2,313	(32,534)
	(Profit) on disposal of intangible assets	(58,452)	(54,970)
	Amortisation of intangible assets	229,228	150,943
	Cost of stocks recognised as an expense	10,833,848	9,784,090
	Operating lease charges	217,936	113,864
		<b>2017</b>	<b>2016</b>
		£	£
<b>5</b>	<b>Auditor's remuneration</b>		
	Fees payable to the company's auditor and its associates		
	<b>For audit services:</b>		
	Audit of the group's and company's financial statements	2,600	2,500
	Audit of the company's subsidiaries	18,400	16,000
		<b>21,000</b>	<b>18,500</b>
<b>6</b>	<b>Employees</b>		
	The average monthly number of persons (including directors) employed by the group during the year was:		
		<b>2017</b>	<b>2016</b>
		<b>No</b>	<b>No</b>
	Production staff	50	46
	Sales staff	29	25
	Administrative staff	63	59
		<b>142</b>	<b>130</b>

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

**6 Employees (continued)**

Their aggregate remuneration comprised:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,471,618	3,971,519
Social security costs	487,757	436,567
Pension costs	449,713	378,724
	<u>5,409,088</u>	<u>4,786,810</u>

The total remuneration (including pension contributions and national insurance contributions) payable to key management personnel amounted to £458,282 (2016 - £414,738)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2016 - 3).

<b>7 Directors' remuneration</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	369,686	310,920
Company contributions to defined contribution pension schemes	46,246	66,820
	<u>415,932</u>	<u>377,740</u>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Remuneration	139,533	122,008
Company contributions to defined contribution pension schemes	16,665	40,000
	<u>156,198</u>	<u>162,008</u>

<b>8 Interest receivable and similar income</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	9,935	14,567
Other interest income	13,312	8,872
	<u>23,247</u>	<u>23,439</u>
<b>Total Income</b>	<u>23,247</u>	<u>23,439</u>

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
<b>9</b>	<b>Taxation</b>		
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	1,070,846	595,889
	Adjustments in respect of prior periods	14,265	(65,008)
		<u>1,085,111</u>	<u>530,881</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(37,177)	49,513
		<u>(37,177)</u>	<u>49,513</u>
	<b>Total tax charge</b>	<u>1,047,934</u>	<u>580,394</u>

The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<u>5,266,977</u>	<u>3,499,257</u>
Expected tax charge based on a corporation tax rate of 20% (PY 21.16%)	1,053,395	705,450
Tax effect of expenses that are not deductible in determining taxable profit	23,103	(6,374)
Research and development tax credit	(55,868)	(46,833)
Adjustments in respect of prior periods	14,265	(65,008)
Adjustments for opening and closing rates of tax	13,039	(6,841)
<b>Tax expense for the year</b>	<u>1,047,934</u>	<u>580,394</u>

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>10</b>	<b>Dividends</b>	
	Ordinary:	
	Interim paid	2,872,183
		<u>2,872,183</u>
		<u>2,879,444</u>

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

**11 Intangible Assets**

	Positive goodwill £	Territories £	Trademarks £	Computer Software £	Total £
<b>Cost</b>					
01 February 2016	2,205,647	386,366	47,667	313,983	2,953,663
Additions	-	50,960	13,915	148,662	213,537
Transfers (see below)	-	183,870	-	-	183,870
Disposals	-	(166,883)	(24,468)	-	(191,351)
31 January 2017	<u>2,205,647</u>	<u>454,313</u>	<u>37,114</u>	<u>462,645</u>	<u>3,159,719</u>
<b>Amortisation and impairment</b>					
01 February 2016	1,224,917	344,938	35,142	191,213	1,796,210
Amortisation charged in the year	108,969	46,210	2,681	71,368	229,228
Disposals	-	(54,792)	(24,468)	-	(79,260)
31 January 2017	<u>1,333,886</u>	<u>336,356</u>	<u>13,355</u>	<u>262,581</u>	<u>1,946,178</u>
<b>Carrying amount</b>					
31 January 2017	<u>871,761</u>	<u>117,957</u>	<u>23,759</u>	<u>200,064</u>	<u>1,213,541</u>
31 January 2016	<u>980,730</u>	<u>41,428</u>	<u>12,525</u>	<u>122,770</u>	<u>1,157,453</u>

Amortisation for intangible assets is included within administrative expenses.

Transfers represent credit balances being territory deposits which have been reclassified to other creditors.

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

**12 Tangible fixed assets**

<b>Group</b>	<b>Freehold land and buildings £</b>	<b>Plant and equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
01 February 2016	2,595,990	3,796,500	6,392,490
Additions	302,478	467,137	769,615
Disposals	-	(597,456)	(597,456)
Transfer to intangible	-	-	-
31 January 2017	<u>2,898,468</u>	<u>3,666,181</u>	<u>6,564,649</u>
<b>Depreciation and impairment</b>			
01 February 2016	221,724	2,827,219	3,048,943
Depreciation charged in the year	151,935	414,844	566,779
Eliminated in respect of disposals	-	(589,822)	(589,822)
31 January 2017	<u>373,659</u>	<u>2,652,241</u>	<u>3,025,900</u>
<b>Carrying amount</b>			
31 January 2017	<u>2,524,809</u>	<u>1,013,940</u>	<u>3,538,749</u>
31 January 2016	<u>2,374,266</u>	<u>969,281</u>	<u>3,343,547</u>

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

<b>12</b>	<b>Tangible fixed assets (continued)</b>		
	<b>Company</b>	<b>Freehold land and buildings £</b>	<b>Total £</b>
	<b>Cost or valuation</b>		
	01 February 2016	-	-
	Additions	174,301	174,301
	Transfer from investment property	986,807	986,807
	31 January 2017	<u>1,161,108</u>	<u>1,161,108</u>
	<b>Depreciation and impairment</b>		
	01 February 2016	-	-
	Depreciation charged in the year	54,116	54,116
	Transfer from investment property	11,799	11,799
	31 January 2017	<u>65,915</u>	<u>65,915</u>
	<b>Carrying amount</b>		
	31 January 2017	<u>1,095,193</u>	<u>1,095,193</u>
	31 January 2016	<u>-</u>	<u>-</u>
			<b>2017</b>
<b>13</b>	<b>Investment properties</b>		<b>£</b>
	<b>Company</b>		
	<b>Fair value</b>		
	01 February 2016		1,184,943
	Restatement to historic cost (see below)		(209,935)
	Transfer to tangible fixed assets		<u>(975,008)</u>
			<u>-</u>



**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

The property has been reclassified from investment property to trading property and restated to historic cost to reflect its nature as a trading property of the group.

	Notes	2017 £	2016 £
<b>14</b>	<b>Fixed asset investments</b>		
	<b>Company</b>		
	Investments in subsidiaries	<b>15</b> <u>10,691,452</u>	<u>10,691,452</u>
	<b>Movements in fixed asset investments</b>		<b>Investments in Subsidiaries £</b>
	<b>Cost or valuation</b>		
	At 1 February 2016		10,691,452
	Additions		-
	Disposals		-
	Revaluations		-
	At 31 January 2017		<u>10,691,452</u>
	<b>Carrying amount</b>		
	At 1 February 2016		<u>10,691,452</u>
	At 31 January 2017		<u>10,691,452</u>

**15** **Subsidiary undertakings**

Details of the company's subsidiaries at 31 January 2017 are as follows:

Name of undertaking	Registered office	Class of shareholding	Proportion of nominal value held directly	Nature of Business
Autosmart Group Limited	Autosmart International Ltd Lynn Lane Shenstone WS14 0DH	Ordinary shares	100%	Non trading company (exempt from audit)
Autosmart International Limited	Autosmart International Ltd Lynn Lane Shenstone WS14 0DH	Ordinary shares	100%	Manufacture, marketing, distribution and sale of valeting and maintenance products for vehicles

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

**16 Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raw materials and consumables	938,921	651,918	-	-
Finished goods and goods for resale	1,020,488	786,834	-	-
	<u>1,959,409</u>	<u>1,438,752</u>	<u>-</u>	<u>-</u>

Finished goods stock with a carrying value of £1,051,165 has been written down to £1,020,488. No earlier stock write down has been reversed during the current or proceeding period.

**17 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	2,384,445	2,078,575	-	-
Other debtors	179,694	293,840	-	-
Prepayments and accrued income	131,241	147,821	-	-
	<u>2,695,380</u>	<u>2,520,236</u>	<u>-</u>	<u>-</u>

Trade debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

**18 Creditors**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Corporation tax payable	539,583	176,991	-	-
Other taxation and social security	369,565	215,298	-	-
Trade creditors	1,332,683	1,301,396	-	-
Amounts due to fellow group undertakings	-	-	1,159,477	985,650
Other creditors	377,154	241,501	-	-
Accruals and deferred income	1,214,047	940,559	-	-
	<u>3,833,032</u>	<u>2,875,745</u>	<u>1,159,477</u>	<u>985,650</u>

**19 Financial instruments**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	2,384,445	2,078,575	-	-
Equity instruments measured at cost less impairment	-	-	10,691,452	10,691,452
	<u>2,384,445</u>	<u>2,078,575</u>	<u>10,691,452</u>	<u>10,691,452</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	<u>2,916,295</u>	<u>2,457,253</u>	<u>1,159,477</u>	<u>985,650</u>

**20 Provisions for liabilities**

		<b>Group</b>		<b>Company</b>	
	<b>Notes</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred tax liabilities	<b>21</b>	<u>63,361</u>	<u>100,538</u>	<u>33,050</u>	<u>64,881</u>

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

**21 Deferred taxation**

	<b>Group</b>		<b>Company</b>	
Deferred tax liabilities:	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	63,361	101,161	33,050	-
Other timing differences	-	(623)	-	-
Assets measured at fair value	-	-	-	64,881
<b>Total</b>	<b>63,361</b>	<b>100,538</b>	<b>33,050</b>	<b>64,881</b>

The deferred tax liability relates to accelerated capital allowances that are expected to reverse over the long term.

**22 Share capital**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Allotted, issued and fully paid:		
318,215 Ordinary A shares of £1 each	318,215	318,215
185,144 Ordinary B shares of £1 each	185,144	185,144
	<b>503,359</b>	<b>503,359</b>

Ordinary A shares having full voting rights which are unrestricted including the right for the holders of a majority of the ordinary shares to appoint and remove one person as an 'A director' of the company.

Ordinary B shares which are unrestricted and non preferential other than the right to appoint an 'A director'.

**23 Reserves**

***Share premium account***

Share premium comprises consideration received for shares issued above their nominal value net of transaction costs.

***Capital redemption reserve***

The capital redemption reserve comprises the nominal value of shares repurchased and still held at the end of the reporting period.

***Profit and loss reserves***

Profit and loss reserves comprise of cumulative profit and loss net of distributions to owners.

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

**24 Cash generated from operations**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Profit for the year	4,219,043	2,918,863
<i>Adjustments for:</i>		
Income tax expense recognised in profit or loss	1,047,934	580,394
Investment income recognised in profit or loss	(23,247)	(23,439)
Loss / (profit) on disposal of tangible fixed assets	2,313	(32,534)
(Profit) on disposal of intangible fixed assets	(58,452)	(54,969)
Amortisation and impairment of intangible assets	229,228	150,943
Depreciation and impairment of tangible fixed assets	566,779	412,946
<i>Operating cash flows before movements in working capital</i>	5,983,598	3,952,204
(Increase) in stock	(520,657)	(34,175)
(Increase) in trade and other debtors	(175,144)	(75,635)
Increase / (decrease) in trade and other creditors	410,825	(138,659)
Cash generated from operations	<u>5,698,622</u>	<u>3,703,735</u>

**25 Retirement benefits schemes**

**Defined contribution schemes**

The group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group charged to profit or loss amounted to £449,713 (2016: £378,724). Contributions totalling £nil (2016: £nil) were payable to the fund at the year end and are included in creditors.

**26 Capital commitments and other contractual obligations**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Capital expenditure contracted for but not provided for in the financial statements	-	192,496	-	-
Commitments for the acquisition of tangible fixed assets	<u>-</u>	<u>192,496</u>	<u>-</u>	<u>-</u>

**AUTOSMART HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

**27 Operating lease commitments**

**Lessee:**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Vehicles and equipment:		
Within one year	102,727	95,424
Between two and five years	167,552	46,355
	<u>270,279</u>	<u>141,779</u>
Properties:		
Within one year	67,333	67,948
Within two to five years	247,768	194,024
Between six and fifteen years	515,932	630,120
	<u>831,033</u>	<u>892,092</u>

**28 Related party transactions**

No guarantees have been given or received.

**29 Controlling party**

The ultimate controlling party is S Atkinson through her majority shareholding in Autosmart Holdings Limited.