

Standset Limited

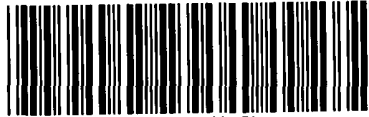
Annual Report and Financial Statements

Period Ended

31 January 2017

Company Number 2546521

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Standset Limited

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Company Information

Directors	J J Wilmoth D C Froude
Registered number	2546521
Registered office	Wilmoths 91-93 Eastbourne Road Willingdon Eastbourne East Sussex BN20 9NR
Independent auditors	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Standset Limited

Group Strategic Report For the Period Ended 31 January 2017

The directors present their strategic report together with the audited financial statements for the period ended 31 January 2017.

Principal activities, review of business and future developments

The principal activities of the group comprises of franchised motor dealerships and retailer of motorhomes. The principal activity of the company is that of a holding company.

The group reports an increase in turnover for the period. This is predominantly due to the current period being a 13 month period. Therefore on a like for like basis turnover has remained static. There continues to be continued pressure on gross margin as service intervals increase and customers continue to look for value. This has resulted in a 1.6% reduction in the gross margin and equates to an overall reduction in profitability of over £750k.

The trading conditions in the franchises we represent remain challenging in 2017 and a further loss is forecast for 2017, however with operational improvements and review of costs by the new management team a profit is forecast for 2018.

There are no expected changes to the business in the foreseeable future.

Review of financial position

As a result of the loss for the year the net asset position has decreased by £1.2m to £1,060k. Net current liabilities have increased by £1,225k.

The group continues to focus on cash management and although the overdraft has increased year on year the group continues to operate within its limits.

Financial key performance indicators

The profit and loss account is set out on page 6 and shows turnover of £47,170,773 (2015 - £44,700,624) and a loss before tax of £1,249,293 (2015 - profit of £245,088).

Gross margin is 13.0% (2015 - 14.6%).

Average headcount is 132 (2015 - 129).

Principal risks and uncertainties

The directors constantly monitor the risks and uncertainties facing the company with particular reference to the exposure to price, credit and liquidity risk. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

We have good relationships with our bankers and our franchisors, the vehicle manufacturers. We have met all our commitments to them on time. We require and expect their continued support for ongoing operations. The parent company, Wilmoths Holdings Limited have confirmed their continuing support of the group for at least 12 months from signing the financial statements.

This report was approved by the board on

9.2.18

and signed on its behalf.



D C Froude
Director

Standset Limited

Directors' Report For the Period Ended 31 January 2017

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

Results and dividends

The loss for the period, after taxation, amounted to £1,249,293 (2015 - profit £245,088).

The directors do not propose a payment of a dividend for the year under review.

Future developments

There are no future plans to alter the existing operation of the group or company in the future.

Financial risk management objectives and policies

The directors constantly monitor the risks and uncertainties facing the group with particular reference to the exposure to price, credit and liquidity. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

We have good relationships with our bankers and our franchisors, the vehicle manufacturers. We have met all our commitments to them on time. We require and expect their continued support for ongoing operations. The parent company, Wilmoths Holdings Limited have confirmed their continuing support of the group for at least 12 months from signing the financial statements.

The group's credit risk is primarily attributable to its trade 'aftersales' debtors. Vehicles are not supplied unless paid for. Credit risk is managed by running credit checks on new customers, enforcing direct debit arrangements wherever possible, and implementing disciplined credit stopping whenever necessary. Our collection record, measured by debtor days, is very good.

The group monitors cashflow as part of its everyday procedures, working closely with its bankers to manage 'peak' requirement periods, normally following new vehicle registration months. We work well together to ensure we maximise opportunities with planning and caution.

Liquidity risk

The Directors seek to manage liquidity risk by ensuring that stock levels are controlled, and by ensuring that sufficient liquidity is available to meet foreseeable needs.

The group monitors cashflow as part of its everyday procedures, working closely with its bankers to manage 'peak' requirement periods, normally following new vehicle registration months. We work well together to ensure we maximise opportunities with planning and caution.

Post balance sheet events

On the 9 February 2017, the group was acquired by Wilmoths Holdings Limited.

Directors

The directors who served during the period were:

A Jones (resigned 9 February 2017)
A R Meader (resigned 9 February 2017)
T D Willoughby (resigned 9 February 2017)
C D Healy (resigned 9 February 2017)
J J Wilmoth (appointed 9 February 2017)
D C Froude (appointed 9 February 2017)

Standset Limited

Directors' Report (continued) For the Period Ended 31 January 2017

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Group's financial statements and then apply them consistently;
- make judgments 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 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 the Group and to 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

9.2.18

and signed on its behalf.



D C Froude
Director

Standset Limited

Independent Auditor's report to the members of Standset Limited

We have audited the financial statements of Standset Limited for the period ended 31 January 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2017 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and Strategic report have been prepared in accordance with applicable legal requirements.

Standset Limited

Independent Auditor's report to the members of Standset Limited (continued)

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 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.

BDO LLP

Stephen Le Bas (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton
United Kingdom

10/2/2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Standset Limited

Consolidated Statement of Comprehensive Income For the Period Ended 31 January 2017

	Note	2017 £	2015 £
Turnover	3	47,170,773	44,700,624
Cost of sales		(41,049,700)	(38,165,722)
Gross profit		6,121,073	6,534,902
Administrative expenses		(7,138,159)	(6,087,548)
Operating (loss)/profit	4	(1,017,086)	447,354
Interest payable and expenses	8	(232,207)	(202,266)
(Loss)/profit before taxation		(1,249,293)	245,088
(Loss)/profit for the period		(1,249,293)	245,088
 Total comprehensive income for the period		 (1,249,293)	 245,088

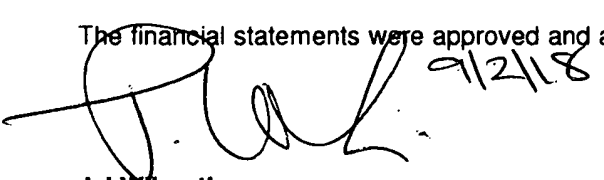
All profits and other comprehensive income are attributable to the owners of the company.

Standset Limited
Registered number: 2546521

Consolidated Balance Sheet
As at 31 January 2017

	Note	31 January 2017 £	31 December 2015 £
Fixed assets			
Intangible assets	10	20,000	43,315
Tangible assets	11	2,575,955	2,610,878
		<u>2,595,955</u>	<u>2,654,193</u>
Current assets			
Stocks	14	7,898,182	6,874,595
Debtors: amounts falling due within one year	15	1,716,649	1,930,385
Cash at bank and in hand		180,943	7,093
		<u>9,795,774</u>	<u>8,812,073</u>
Creditors: amounts falling due within one year	16	(11,170,847)	(8,962,341)
Net current liabilities		<u>(1,375,073)</u>	<u>(150,268)</u>
Total assets less current liabilities		<u>1,220,882</u>	<u>2,503,925</u>
Creditors: amounts falling due after more than one year	17	(81,000)	(114,750)
Deferred tax	19	(80,000)	(80,000)
Net assets		<u>1,059,882</u>	<u>2,309,175</u>
Capital and reserves			
Called up share capital	20	1,029	1,029
Share premium account	21	123,771	123,771
Capital redemption reserve	21	118	118
Profit and loss account	21	934,964	2,184,257
		<u>1,059,882</u>	<u>2,309,175</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


J J Wilmoth
Director

The notes on pages 13 to 31 form part of these financial statements.

Standset Limited
Registered number: 2546521

Company Balance Sheet
As at 31 January 2017

		31 January 2017 £	31 December 2015 £
Fixed assets	Note		
Intangible assets	10	20,000	43,315
Tangible assets	11	-	904
Investments	12	734,519	930,387
Investment property		2,242,000	2,181,186
		<u>2,996,519</u>	<u>3,155,792</u>
Current assets			
Stocks	14	-	15,957
Debtors: amounts falling due within one year	15	220,325	244,586
Cash at bank and in hand		-	8
		<u>220,325</u>	<u>260,551</u>
Creditors: amounts falling due within one year	16	(1,555,042)	(1,550,178)
Net current liabilities		<u>(1,334,717)</u>	<u>(1,289,627)</u>
Total assets less current liabilities		<u>1,661,802</u>	<u>1,866,165</u>
Creditors: amounts falling due after more than one year	17	(81,000)	(114,750)
Deferred taxation	19	(80,000)	(80,000)
Net assets		<u><u>1,500,802</u></u>	<u><u>1,671,415</u></u>

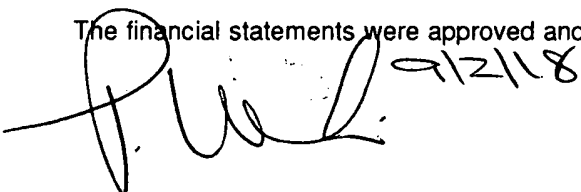
Standset Limited
Registered number: 2546521

Company Balance Sheet (continued)
As at 31 January 2017

	Note	31 January 2017 £	31 December 2015 £
Capital and reserves			
Called up share capital	20	1,029	1,029
Share premium account	21	123,771	123,771
Capital redemption reserve	21	118	118
Profit and loss account	21	1,375,884	1,546,497
		<u>1,500,802</u>	<u>1,671,415</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the period was £170,613 (2015 - loss £72,003).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


J J Wilmoth
Director

The notes on pages 13 to 31 form part of these financial statements.

Standset Limited

Consolidated Statement of Changes in Equity For the Period Ended 31 January 2017

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2016	1,029	123,771	118	2,184,257	2,309,175
Loss for the period	-	-	-	(1,249,293)	(1,249,293)
At 31 January 2017	1,029	123,771	118	934,964	1,059,882

Consolidated Statement of Changes in Equity For the Period Ended 31 December 2015

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2015	1,029	123,771	118	1,939,169	2,064,087
Profit for the year	-	-	-	245,088	245,088
At 31 December 2015	1,029	123,771	118	2,184,257	2,309,175

The notes on pages 13 to 31 form part of these financial statements.

Standset Limited

Company Statement of Changes in Equity For the Period Ended 31 January 2017

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2016	1,029	123,771	118	1,546,497	1,671,415
Loss for the period	-	-	-	(170,613)	(170,613)
At 31 January 2017	1,029	123,771	118	1,375,884	1,500,802

Company Statement of Changes in Equity For the Period Ended 31 December 2015

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2015	1,029	123,771	118	1,618,500	1,743,418
Loss for the year	-	-	-	(72,003)	(72,003)
At 31 December 2015	1,029	123,771	118	1,546,497	1,671,415

The notes on pages 13 to 31 form part of these financial statements.

Standset Limited

Consolidated Statement of Cash Flows For the Period Ended 31 January 2017

	31 January 2017 £	31 December 2015 £
Cash flows from operating activities		
(Loss)/profit for the financial period	(1,249,293)	245,088
Adjustments for:		
Amortisation of intangible assets	23,315	-
Depreciation of tangible assets	68,915	98,167
Net interest expense	232,207	202,266
(Increase) in stocks	(1,023,587)	(939,956)
Decrease/(increase) in debtors	212,568	(600,685)
Increase in creditors	2,399,116	864,101
Corporation tax received	1,168	-
Net cash inflow / (outflow) used in operating activities	664,409	(131,019)
Cash flows from investing activities		
Purchase of tangible fixed assets	(35,118)	(69,027)
Sale of tangible fixed assets	1,126	-
Net cash outflows from investing activities	(33,992)	(69,027)
Cash flows from financing activities		
New secured loans	-	25,000
Repayment of loans	(75,670)	(51,603)
Interest paid	(232,207)	(201,340)
Net cash generated from/(used in) financing activities	(307,877)	(227,943)
Net increase/(decrease) in cash and cash equivalents	322,540	(427,989)
Cash and cash equivalents at beginning of period	(1,635,301)	(1,207,311)
Cash and cash equivalents at the end of period	(1,312,761)	(1,635,300)
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	180,943	7,093
Bank overdrafts	(1,493,704)	(1,642,393)
	(1,312,761)	(1,635,300)

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.3 Revenue

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Sales of motor vehicles, parts and accessories are recognised on the earlier of full payment or delivery to the customer. Service and bodyshop work are recognised on the completion of the agreed work.

1.4 Intangible assets

Acquired goodwill is written off in equal installments over its estimated useful economic life of 20 years.

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

1. Accounting policies (continued)

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation, such costs include costs directly attributable to making the asset capable of operations as intended.

Depreciation is provided at the following rates calculated to write off the cost of fixed assets, except or freehold land, less their estimated residual value.

The estimated useful lives range as follows:

Freehold property	-	2% straight line
Leasehold property and improvements	-	straight line over the period of the lease
Plant and machinery	-	10% straight line
Fixtures and fittings	-	10% - 33% straight line
Computer equipment	-	10% straight line

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be fully recoverable.

1.6 Revaluation of tangible fixed assets

Individual freehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

1.7 Investment property

Investment property is carried at fair value determined by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

1.8 Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value.

Where the nature of the agreement with the manufacturer confers the benefit and associated risk of ownership to the company on consignment, such stocks and the corresponding creditor are included on the balance sheet although legal title remains with the supplier until sold.

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

1. Accounting policies (continued)

1.10 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

1.11 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.12 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

1.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

1. Accounting policies (continued)

1.15 Research and development

Development costs are also charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over a period not exceeding five years commencing in the year the group starts to benefit from expenditure.

1.16 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are management's best knowledge of the amount, events or actions, actual amounts ultimately may differ from those estimates.

The directors have made the following critical estimates and judgements deemed to be applicable to the financial statements:

Stocks

Consideration has been given by the directors to the level of provision against vehicle stocks. In determining the provision required the directors have used guidance from independent valuation tools and their knowledge of the industry.

Valuation of fixed assets and investment property

Investment properties and land and buildings within fixed assets are professionally valued using an existing use basis. The properties are subject to professional valuation with sufficient regularity to ensure that the fair value is not materially misstated. For more information on the valuations carried out in the year please see notes 11 and 13.

3. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2015 £
Vehicles	42,494,423	40,717,362
Aftersales	4,676,350	3,983,262
	<u>47,170,773</u>	<u>44,700,624</u>

All turnover arose within the United Kingdom.

4. Operating (loss)/profit

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

	2017 £	2015 £
Depreciation of tangible fixed assets	68,915	98,167
Amortisation of intangible assets	23,315	-
Operating lease expense	344,585	335,379
Defined contribution pension cost	81,690	69,487

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

5. Auditors' remuneration

	2017 £	2015 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	4,650	4,650
The auditing of accounts the Group subsidiaries pursuant to legislation	20,500	21,300

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2015 £
Wages and salaries	3,311,488	3,005,455
Social security costs	301,586	275,840
Cost of defined contribution scheme	81,690	69,487
	3,694,764	3,350,782

The average monthly number of employees, including the directors, during the period was as follows:

	2017 No.	2015 No.
Productive and selling	113	113
Administrative	19	16
	132	129

7. Directors' remuneration

	2017 £	2015 £
Directors' emoluments	275,693	274,350
Company contributions to defined contribution pension schemes	27,270	27,457
	302,963	301,807

During the period retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £78,068 (2015 - £78,820).

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

8. Interest payable and similar charges

	2017 £	2015 £
Bank interest payable	41,022	38,448
Stocking interest payable	191,185	161,391
Finance leases and hire purchase contracts	-	2,427
	<u>232,207</u>	<u>202,266</u>

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

9. Taxation

	2017 £	2015 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the period/year

The tax assessed for the period is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2017 £	2015 £
(Loss)/profit on ordinary activities before tax	(1,249,293)	245,088
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(249,859)	49,630
Effects of:		
Expenses not deductible for tax purposes	12,234	7,195
Capital allowances for period/year in excess of depreciation	(1,121)	(3,321)
Movement on tax losses	238,746	(53,504)
Total tax charge for the period/year	-	-

Factors that may affect future tax charges

The group has estimated losses of £2,386,000 (2015 - £1,187,000) available for carry forward against future trading profits.

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

10. Intangible assets

Group and Company

	Development costs £	Purchased goodwill £	Negative goodwill £	Total £
Cost				
At 1 January 2016	429,913	10,000	(44,531)	395,382
At 31 January 2017	429,913	10,000	(44,531)	395,382
Amortisation				
At 1 January 2016	394,598	2,000	(44,531)	352,067
Charge for the year	15,315	8,000	-	23,315
At 31 January 2017	409,913	10,000	(44,531)	375,382
Net book value				
At 31 January 2017	20,000	-	-	20,000
At 31 December 2015	35,315	8,000	-	43,315

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

11. Tangible fixed assets

Group

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2016	1,790,000	1,334,323	807,760	425,035	4,357,118
Additions	-	3,508	19,245	12,365	35,118
Disposals	-	-	(904)	(1,251)	(2,155)
At 31 January 2017	1,790,000	1,337,831	826,101	436,149	4,390,081
Depreciation					
At 1 January 2016	600	657,085	782,278	306,277	1,746,240
Charge for the period	-	36,095	4,779	28,041	68,915
Disposals	-	-	-	(1,029)	(1,029)
At 31 January 2017	600	693,180	787,057	333,289	1,814,126
Net book value					
At 31 January 2017	1,789,400	644,651	39,044	102,860	2,575,955
At 31 December 2015	1,789,400	677,238	25,482	118,758	2,610,878

Included in freehold land and buildings is land totalling £675,000 (2015 - £675,000) which is not depreciated.

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

11. Tangible fixed assets (continued)

Company

	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2016	105,765	12,157	117,922
Disposals	(904)	-	(904)
At 31 January 2017	104,861	12,157	117,018
Depreciation			
At 1 January 2016	104,861	12,157	117,018
At 31 January 2017	104,861	12,157	117,018
Net book value			
At 31 January 2017	-	-	-
At 31 December 2015	904	-	904

All of the freehold land and buildings were subject to a full valuation on 31 December 2015 by Vail Williams LLP on an existing use valuation and reviewed and updated by the directors at 31 January 2017.

The directors concluded there was no material change to the valuation at 31 January 2017.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2015 £
Group		
Cost	928,164	928,164
Accumulated depreciation	(33,003)	(32,403)
	895,161	895,761

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

12. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Freeborn Garages Limited	Ordinary	100 %	Motor dealership
S E Thomas Limited	Ordinary	100 %	Dormant
S E Thomas Limited	Preference	100 %	Dormant
Freeborn Hyundai Limited	Ordinary	100 %	Dormant
Romahome Limited	Ordinary	95 %	Dormant
Special Vehicle Projects Limited	Ordinary	95 %	Dormant
Freeborn Motorhomes Limited	Ordinary	100 %	Retailer of motorhomes

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	1,572,387
At 31 January 2017	1,572,387
Impairment	
At 1 January 2016	642,000
Charge for the period	195,868
At 31 January 2017	837,868
Net book value	
At 31 January 2017	734,519
At 31 December 2015	930,387

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

13. Investment property

Company

	Investment property £
Valuation	
At 1 January 2016	2,181,186
Surplus on revaluation	60,814
At 31 January 2017	2,242,000

All of the investment properties were subject to a full valuation on 31 December 2015 by Vail Williams LLP on an existing use valuation and reviewed and updated by the Directors at 31 January 2017. The amount of the valuation of gave rise to a £60,814 surplus in the period.

14. Stocks

	Group 31 January 2017 £	Group 31 December 2015 £	Company 31 January 2017 £	Company 31 December 2015 £
Raw materials and consumables	-	1,207	-	1,207
Work in progress	3,006	17,756	-	14,750
Finished goods and goods for resale	7,895,176	6,855,632	-	-
	7,898,182	6,874,595	-	15,957

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the period as an expense was £40,901,485 (2015 - £41,828,653).

An impairment loss of £213,615 (2015 - £142,978) was recognised in cost of sales against stock during the period due to slow-moving and obsolete stock.

Consignment stock

The group has vehicles held on sale or return until such time as the group adopts the stock which is when the vehicle is sold or has been consigned for a predetermined period. The value of sale or return stock at the year end is £744,156 (2015 - £2,487,756), this stock is not included in the financial statements.

There is no difference between the replacement cost of stocks and the amounts stated above.

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

15. Debtors

	Group 31 January 2017 £	Group 31 December 2015 £	Company 31 January 2017 £	Company 31 December 2015 £
Trade debtors	1,251,670	1,169,354	-	-
Amounts owed by group undertakings	-	-	186,161	186,399
Other debtors	143,716	52,128	26,216	44,795
Prepayments and accrued income	321,263	707,735	7,948	13,392
Tax recoverable	-	1,168	-	-
	1,716,649	1,930,385	220,325	244,586

All amounts shown under debtors fall due for payment within one year.

16. Creditors: Amounts falling due within one year

	Group 31 January 2017 £	Group 31 December 2015 £	Company 31 January 2017 £	Company 31 December 2015 £
Bank overdrafts	1,493,704	1,642,393	906,231	825,518
Bank loans	27,000	27,000	27,000	27,000
Other loans	53,608	95,528	30,262	31,795
Trade creditors	6,944,719	5,747,467	-	-
Amounts owed to group undertakings	-	-	411,017	338,113
Finance for deposits on consignment stock	2,111,217	753,286	-	-
Other taxation and social security	71,118	257,620	108,905	259,481
Other creditors	52,947	50,537	51,507	50,537
Accruals and deferred income	416,534	388,510	20,120	17,734
	11,170,847	8,962,341	1,555,042	1,550,178

Of the sale and return referred to in note 14, vehicles with a value of £2,111,217 (2015 - £753,286) are incurring interest charges and as such the group considers it has a commitment to purchase and has therefore recognised them within stock and creditors.

The bank loans and overdrafts are secured over the groups' freehold and leasehold properties, together with a cross guarantee between all group companies.

Within trade creditors are amounts totalling £2,340,556 (2015: £1,494,064) which are secured against vehicle stock.

The finance for deposits on consignment stock are occurred on each asset concerned.

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

17. Creditors: Amounts falling due after more than one year

	Group 31 January 2017 £	Group 31 December 2015 £	Company 31 January 2017 £	Company 31 December 2015 £
Bank loans	81,000	114,750	81,000	114,750

Maturity of debt:

	Group 31 January 2017 £	Group 31 December 2015 £	Company 31 January 2017 £	Company 31 December 2015 £
Within one year	1,520,704	1,764,921	933,231	884,313
Between 1-2 years	27,000	27,000	27,000	27,000
Between 2-5 years	54,000	87,750	54,000	87,750
	1,601,704	1,879,671	1,014,231	999,063

18. Financial instruments

	Group 31 January 2017 £	Group 31 December 2015 £	Company 31 January 2017 £	Company 31 December 2015 £
Financial assets				
Financial assets that are measured at amortised cost	1,576,329	1,228,575	212,377	231,202
Financial liabilities				
Financial liabilities that are measured at amortised cost	(11,180,729)	(8,792,471)	(1,527,137)	(1,378,447)

Financial assets measured at amortised cost comprise cash at bank, trade debtors and other debtors. At a company level this also includes amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, other loans, finance or deposits on consignment stock, trade creditors, other creditors and accruals. At a company level this also includes amounts owed to group undertakings.

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

19. Deferred taxation

Group

	2017 £	2015 £
At beginning of year	(80,000)	(80,000)
At end of year	<u>(80,000)</u>	<u>(80,000)</u>

Company

	2017 £	2015 £
At beginning of year	(80,000)	(80,000)
At end of year	<u>(80,000)</u>	<u>(80,000)</u>

	Group 31 January 2017 £	Group 31 December 2015 £	Company 31 January 2017 £	Company 31 December 2015 £
Capital gain liability	(80,000)	(80,000)	(80,000)	(80,000)
	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>

At the year end the group has an unprovided tax asset totalling £403,000 (2015: £168,000) consisting of a liability of £11,000 in relation to accelerated capital allowances (2015: £51,000), an asset of £406,000 in relation to unrecognised tax losses (2015: £214,000), and an asset in relation to short term timing differences totalling £8,000 (2015: £5,000).

The deferred tax asset has not been recognised as a result of the uncertainty of future taxable profits.

20. Share capital

	31 January 2017 £	31 December 2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,029 Ordinary shares shares of £1 each	<u>1,029</u>	<u>1,029</u>

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

21. Reserves

Share premium account

The share premium reserve represents the amount above the nominal value received for shares issued, less transaction costs.

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares repurchased by the company.

Profit and loss account

The profit and loss account represents accumulated comprehensive income for the year and prior periods less any dividends paid.

22. Contingent liabilities

Group

There is a cross guarantee on certain trading subsidiaries held by PSA Wholesale Limited. There is also a cross guarantee between the holding company and trading subsidiaries held by Barclays Bank Plc.

23. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge amounted to £81,690 (2015 - £69,487). Contributions totalling £51,842 (2015 - £29,980) were payable to the fund at the balance sheet date.

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

24. Commitments under operating leases

At 31 January 2017 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 31 January 2017 £	Group 31 December 2015 £
Not later than 1 year	197,646	247,608
Later than 1 year and not later than 5 years	338,532	491,636
Later than 5 years	768,600	780,800
	<u>1,304,778</u>	<u>1,520,044</u>

The company has no commitments under operating lease costs.

Standset Limited

Notes to the Financial Statements For the Period Ended 31 January 2017

25. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with its wholly owned subsidiaries within the group.

	Sales to related parties £	Purchases from related parties £	Amounts owed by related parties £	Amounts owed to related parties £
2017				
Related parties	-	105,627	-	-
Subsidiary undertakings	-	-	1,182,529	187,093
	Sales to related parties £	Purchases from related parties £	Amounts owed by related parties £	Amounts owed to related parties £
2015				
Related parties	-	101,500	-	-
Subsidiary undertakings	4,800	173,705	1,207,529	186,913

The related parties are related through the directors interest in them.

The subsidiary undertakings are owned 95% by Standset Limited.

Loans and transactions concerning directors and officers of the company

Key management personnel include all directors who together have authority and responsibility for planning, directing and controlling activities of the group. At the year end £nil (2015: £27,650) is owed from certain directors and their wives.

A director has provided a guarantee to Black Horse Limited for all amounts owing to Black Horse Limited by a subsidiary company. At year end this totalled £444,378 (2015: £699,307).

Only the directors are considered to be Key Management Personnel. Total remuneration in respect of these individuals is £295,104 (2015: £274,350).

26. Controlling party

At year end the directors consider AK Jones has ultimate control over the group and the company by virtue of his majority shareholding.

27. Post balance sheet events

On the 9 February 2017, the group was acquired by Wilmoths Holdings Limited.