

Report of the Directors and
Financial Statements for the Year Ended 31 December 2017
for
Parkside (Barnstaple) Limited



ASE Audit LLP
Statutory Auditors & Chartered Accountants
Rowan Court
Concord Business Park
Manchester
Greater Manchester
M22 0RR

Contents of the Financial Statements
for the Year Ended 31 December 2017

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Income Statement	5
Statement of Financial Position	6
Notes to the Financial Statements	7

Parkside (Barnstaple) Limited
Company Information
for the Year Ended 31 December 2017

DIRECTORS:

P J Squire
S Williams
D J Squire
Mrs W E Bassom
N C Williams
Mrs A V Lewis
A J Witherington

SECRETARY:

P J Squire

REGISTERED OFFICE:

Newport Road
Barnstaple
Devon
EX32 9BA

REGISTERED NUMBER:

02658607 (England and Wales)

AUDITORS:

ASE Audit LLP
Statutory Auditors & Chartered Accountants
Rowan Court
Concord Business Park
Manchester
Greater Manchester
M22 0RR

Report of the Directors
for the Year Ended 31 December 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

DIVIDENDS

Interim dividends of 0.60p per Ordinary £1 share were voted on the 1 January 2017, 1 April 2017, 1 July 2017 and 1 October 2017.

The directors recommended that no final dividend be paid on these shares.

No interim dividend was paid on Ordinary A £1 shares.

Total dividends voted and paid during the year amounted to £120,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

P J Squire
S Williams
D J Squire
Mrs W E Bassom
N C Williams
Mrs A V Lewis
A J Witherington

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, ASE Audit LLP, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
P J Squire - Director

Date: 16/8/18

**Report of the Independent Auditors to the Members of
Parkside (Barnstaple) Limited**

Opinion

We have audited the financial statements of Parkside (Barnstaple) Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, Statement of Financial Position and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Report of the Independent Auditors to the Members of
Parkside (Barnstaple) Limited

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

ASE Audit LLP

Paul Allan Byrne BA (Double Hons) FCA (Senior Statutory Auditor)
for and on behalf of ASE Audit LLP
Statutory Auditors & Chartered Accountants
Rowan Court
Concord Business Park
Manchester
Greater Manchester
M22 0RR

Date: *29 August 2018*

Parkside (Barnstaple) Limited (Registered number: 02658607)

Income Statement
for the Year Ended 31 December 2017

	Notes	2017 £	2016 £
TURNOVER		14,435,526	14,942,762
Cost of sales		13,934,633	14,324,637
GROSS PROFIT		500,893	618,125
Administrative expenses		506,116	515,465
OPERATING (LOSS)/PROFIT		(5,223)	102,660
Interest payable and similar expenses		54,893	56,074
(LOSS)/PROFIT BEFORE TAXATION		(60,116)	46,586
Tax on (loss)/profit		(2,136)	16,282
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(57,980)	30,304

The notes form part of these financial statements

Parkside (Barnstaple) Limited (Registered number: 02658607)

Statement of Financial Position
31 December 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	5	489,036	519,458
CURRENT ASSETS			
Stocks	6	3,114,197	3,411,928
Debtors	7	870,965	882,937
Cash in hand		618	467
		<u>3,985,780</u>	<u>4,295,332</u>
CREDITORS			
Amounts falling due within one year	8	(2,961,373)	(3,124,562)
NET CURRENT ASSETS		<u>1,024,407</u>	<u>1,170,770</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,513,443</u>	<u>1,690,228</u>
PROVISIONS FOR LIABILITIES		<u>(26,631)</u>	<u>(25,436)</u>
NET ASSETS		<u><u>1,486,812</u></u>	<u><u>1,664,792</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	54,287	54,287
Retained earnings	11	1,432,525	1,610,505
SHAREHOLDERS' FUNDS		<u><u>1,486,812</u></u>	<u><u>1,664,792</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 16/8/18 and were signed on its behalf by:

N C Williams
N C Williams - Director

Susan Williams
S Williams - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2017

1. STATUTORY INFORMATION

Parkside (Barnstaple) Limited is a private company, limited by share, registered in England and Wales. The company's registered office and principal place of business is Newport Road, Barnstaple, Devon, EX32 9BA.

The presentation and functional currency of the financial statements is Pound Sterling (£).

The principal activity of the company in the year under review was that of the operation of a motor dealership involving the sale, maintenance and repair of motor vehicles and the supply of related accessories.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Consignment stock

Consignment stock has been included within the company's Statement of Financial Position on the grounds that the company considerably bears the risks and rewards of ownership attached to these vehicles. As such, the consignment stock is considered to be under control of the company.

Stock valuation

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including Glass' and CAP valuation guides. The directors maintain oversight of ageing stock profiles and a monthly review of any provision required is performed.

Property, plant and equipment assets

Property, plant and equipment are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows.

Incentives and other rebates from brand partners

The company receives income in the form of various incentives which are determined by its brand partners. The amount received is generally based on achieving specific objectives such as a specified sales volume, as well as other objectives including maintaining brand partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Objectives are generally set and measured on either a quarterly or annual basis.

Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned. This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain that the related target will be met. Where incentives are linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

The company may also receive contributions towards advertising, promotional and rent expenditure. Where such contributions are received they are recognised as a reduction in the related expenditure in the period to which they relate.

Turnover

Turnover from the sale of goods is recognised in the Income Statement, net of discounts and value added tax, when the significant risks and rewards of ownership have been transferred to the buyer. In general this occurs when vehicles or parts have been supplied or when a service has been completed.

Commission income is accounted for on a receivable basis.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	10% - 25% on cost
Improvements to property	-	Over the period of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Income Statement.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

Consignment vehicles that are regarded effectively as being under the control of the parent company due to the transfer of the risks and responsibilities, are included within stock on the balance sheet, although legal title has not passed to the company, in accordance with FRS 102. The corresponding liability is included within trade creditors and is secured directly on these vehicles.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Income Statement.

Taxation

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

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

Deferred tax

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

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

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

Pension costs and other post-retirement benefits

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

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Operating leases: lessee

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

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Finance costs

Finance costs are charged to the Income Statement 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.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 40 (2016 - 41).

4. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Interim	<u>120,000</u>	<u>120,000</u>

5. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Totals £
COST			
At 1 January 2017	452,050	369,717	821,767
Additions	<u>11,145</u>	<u>12,976</u>	<u>24,121</u>
At 31 December 2017	<u>463,195</u>	<u>382,693</u>	<u>845,888</u>
DEPRECIATION			
At 1 January 2017	71,012	231,297	302,309
Charge for year	<u>28,737</u>	<u>25,806</u>	<u>54,543</u>
At 31 December 2017	<u>99,749</u>	<u>257,103</u>	<u>356,852</u>
NET BOOK VALUE			
At 31 December 2017	<u>363,446</u>	<u>125,590</u>	<u>489,036</u>
At 31 December 2016	<u>381,038</u>	<u>138,420</u>	<u>519,458</u>

6. STOCKS

	2017 £	2016 £
Vehicles	2,854,476	3,181,738
Parts	<u>259,721</u>	<u>230,190</u>
	<u>3,114,197</u>	<u>3,411,928</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	156,305	144,167
Amounts owed by related undertaking	600,279	601,051
Other debtors	114,381	137,719
	<u>870,965</u>	<u>882,937</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts	594,876	455,397
Trade creditors	1,945,587	2,362,185
Taxation and social security	191,138	86,074
Other creditors	229,772	220,906
	<u>2,961,373</u>	<u>3,124,562</u>

The bank borrowings are secured by an unlimited debenture dated 19 November 1991 and a first legal charge dated 6 January 1982 over the freehold land and buildings at 1-5 and 7-8 Hollowtree Road, Barnstaple, Devon, and a first charge over the leasehold land and buildings at Newport Road, Barnstaple.

The vehicle funding creditor is included within trade creditors and is secured on the vehicles financed.

9. LEASING AGREEMENTS

At the year end the company has future lease payments under non-cancellable operating leases relating to land and buildings of £972,000 (2016: £1,053,000).

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2017	2016
Number:	Class:	Nominal value:	£	£
50,000	Ordinary	£1	50,000	50,000
4,287	Ordinary A	£1	4,287	4,287
			<u>54,287</u>	<u>54,287</u>

The two classes of shares have the same dividend and voting rights.

11. RESERVES

Retained earnings

This reserve includes all current and prior period retained profits and losses, less dividends paid.

12. PENSION COMMITMENTS

The company operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £8,827 (2016: £9,678).

13. CONTINGENT LIABILITIES

The company is party to an unlimited cross guarantee with County Garage (Barnstaple) Limited in respect to the bank borrowings. The contingent liability as at 31 December 2017 is £Nil (2016: £Nil).