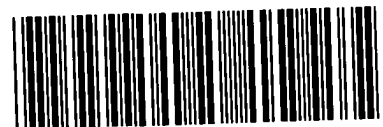


PARKERS MOTOR SERVICES (SYSTON) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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PARKERS MOTOR SERVICES (SYSTON) LIMITED

COMPANY INFORMATION

Directors	J M Parker W G Parker J W Parker P A Parker H Parker S Parker R D Parker
Company secretary	J M Parker
Registered number	01215528
Registered office	6 Foundry Square Belgrave Gate Leicester LE1 3WW
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 11 Merus Court Meridian Business Park Leicester LE19 1RJ
Bankers	Barclays Bank Plc Humberstone Gate Leicester LE1 1WA

PARKERS MOTOR SERVICES (SYSTON) LIMITED

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PARKERS MOTOR SERVICES (SYSTON) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The principal activity of the Company continued to be that of management and property investment. The principal activity of the subsidiary company, Parker Motor Services Limited, continued to be that of motor repairs, motor spares and accessories. The principal activity of the subsidiary company, A.E. Cook Limited continued to be that of providing freehold properties for group administrative purposes.

Business review

The directors consider the results for the year and the financial position of the Group at the year end to be satisfactory and in line with expectations.

The subsidiary companies have continued to perform well during the year. There has been continued growth in sales in Parker Motor Services Limited's core activity, with an increase in turnover of 9% to £30.8m, resulting in group profits after tax of £2.66m (2017 - £1.76m). The Group has continued to invest in and develop the business with the opening of a new branch in Daventry in December 2018. The directors are satisfied with the Group's overall performance and profitability in a continuingly competitive market.

Market conditions are expected to remain very competitive in the foreseeable future, however the directors remain committed to focusing on opportunities for the development and growth of the core activity in the subsidiary company, Parker Motor Services Limited, next year and to further increase profitability.

The key financial highlights are as follows:

	2018	2017
Turnover	£30,829,989	£28,151,682
Gross profit	£13,953,809	£12,280,674
Gross profit %	45.3%	43.6%
Profit for the year	£2,655,740	£1,759,862

Principal risks and uncertainties

The directors consider that the Group has similar potential risks to those faced by other companies in the sector.

Loss of key customers and suppliers

There is a risk over retaining the loyalty of key customers and suppliers. Considerable emphasis is devoted to maintaining service levels with customers and working closely with suppliers on logistical and quality issues to ensure that high levels of performance are achieved.

Credit risk

The inability of customers to pay amounts owing to the Group due to financial difficulties is a risk. To minimise this risk, the Group employs pro-active credit control techniques, such as applying appropriate credit limits and monitoring payment patterns and debt levels on a regular basis.

Economic risk

The risk of increased interest rates and inflation having an adverse impact on the market place, as well as the risk of unrealistic increases in labour and other costs impacting adversely on the competitiveness of the Group. These risks are mitigated by maintaining strict control over costs and continual monitoring of financial performance.

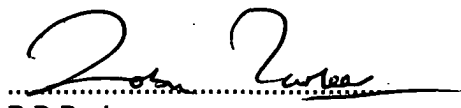
PARKERS MOTOR SERVICES (SYSTON) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Financial key performance indicators

The key performance indicators of the Group are turnover, gross margin and net profit all of which can be evidenced on the Profit and Loss Account. Turnover and gross margin are monitored daily by the directors and overall performance of the subsidiary companies is measured on a monthly basis through detailed management accounts.

This report was approved by the board and signed on its behalf.



**R D Parker
Director**

Date: 23/12/18

PARKERS MOTOR SERVICES (SYSTON) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

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; and
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £2,655,740 (2017 - £1,759,862).

During the year the directors recommended the payment of dividends amounting to £1,823,728 (2017 - £1,357,425).

Directors

The directors who served during the year were:

J M Parker
W G Parker
J W Parker
P A Parker
H Parker
S Parker
R D Parker

Future developments

The directors anticipate pressure on gross profit percentage to remain in the future. However, they are confident that the Group will continue its revenue growth through an increase in the customer base. They also look to take advantage of any available efficiency savings and to maintain tight controls over costs.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Financial instruments

The Group's principal financial instruments comprise of bank balances, trade creditors, trade debtors, loans to Parkers Investments LLP and loans to the Group from the directors and to Parker Motor Services Limited. The main purpose of these instruments is to raise funds for the Group's operations and to finance the Group's operations. The risk attached to these instruments is managed by ensuring that sufficient funds are available to meet amounts as they fall due. There is minimal risk attached to the directors' loan accounts as repayments of amounts due are at the discretion of the directors.

Employee involvement

Throughout the year the Group has continued to consult and discuss with employees on matters likely to affect their interests. This has been achieved through management meetings, bulletins and ad hoc reports.

Information is provided to employees in order to achieve a common awareness of financial and economic factors affecting the Group's performance.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies, having regard to their particular aptitudes and abilities.

In the event of employees becoming disabled, every effort is given to retrain them in order that their employment with the Company may continue.

It is the policy of the Company that training, career development and promotion opportunities should be available to all employees.

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.

Post balance sheet events

On the 26 June 2019, 100% of the share capital held in A.E. Cook Limited, a subsidiary of Parker Motor Services Limited, was sold to Parkers Investments LLP for £1.16m.

Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

This report was approved by the board and signed on its behalf.



**R D Parker
Director**

Date: 23/2/19

6 Foundry Square
Belgrave Gate
Leicester
LE1 3WW

PARKERS MOTOR SERVICES (SYSTON) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PARKERS MOTOR SERVICES (SYSTON) LIMITED

Opinion

We have audited the financial statements of Parkers Motor Services (Syston) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2018, which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent 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 included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PARKERS MOTOR SERVICES (SYSTON) LIMITED (CONTINUED)

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

We have nothing to report in this regard.

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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

PARKERS MOTOR SERVICES (SYSTON) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PARKERS MOTOR SERVICES (SYSTON) LIMITED (CONTINUED)

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

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 Auditors' Report.

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 an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alan Herbert FCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 25 Sept 2019

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	30,829,989	28,151,682
Cost of sales		(16,876,180)	(15,871,008)
Gross profit		13,953,809	12,280,674
Distribution costs		(709,523)	(657,802)
Administrative expenses		(10,037,765)	(9,585,226)
Other operating income	5	73,977	52,430
Operating profit	6	3,280,498	2,090,076
Income from fixed assets investments	10	122,637	122,666
Interest receivable and similar income	11	1,593	104
Interest payable and expenses	12	(103,289)	(107,470)
Profit before taxation		3,301,439	2,105,376
Tax on profit	13	(645,699)	(345,514)
Profit for the financial year		2,655,740	1,759,862
Total comprehensive income for the year		2,655,740	1,759,862
Profit for the year attributable to:			
Owners of the parent Company		2,655,740	1,759,862
		2,655,740	1,759,862
Total comprehensive income for the year attributable to:			
Owners of the parent Company		2,655,740	1,759,862
		2,655,740	1,759,862

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated profit and loss account.

The notes on pages 16 to 40 form part of these financial statements.

PARKERS MOTOR SERVICES (SYSTON) LIMITED
REGISTERED NUMBER: 01215528

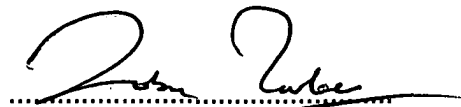
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	16	247,399	343,164
Tangible assets	17	2,677,429	2,531,590
Investments	18	1,270,784	1,270,784
		<u>4,195,612</u>	<u>4,145,538</u>
Current assets			
Stocks	19	5,942,947	5,634,076
Debtors: amounts falling due within one year	20	4,453,260	3,816,795
Cash at bank and in hand	21	97,042	151,940
		<u>10,493,249</u>	<u>9,602,811</u>
Creditors: amounts falling due within one year	22	(6,871,074)	(6,522,713)
Net current assets		<u>3,622,175</u>	<u>3,080,098</u>
Total assets less current liabilities		<u>7,817,787</u>	<u>7,225,636</u>
Creditors: amounts falling due after more than one year	23	(2,377,233)	(2,598,698)
Provisions for liabilities			
Deferred taxation	26	(36,613)	(55,009)
		<u>(36,613)</u>	<u>(55,009)</u>
Net assets		<u>5,403,941</u>	<u>4,571,929</u>
Capital and reserves			
Called up share capital	27	64,044	64,044
Profit and loss account	28	5,339,897	4,507,885
		<u>5,403,941</u>	<u>4,571,929</u>

PARKERS MOTOR SERVICES (SYSTON) LIMITED
REGISTERED NUMBER: 01215528

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

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



R D Parker
Director

Date: 20/2/19

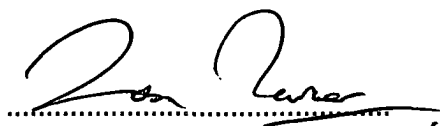
The notes on pages 16 to 40 form part of these financial statements.

PARKERS MOTOR SERVICES (SYSTON) LIMITED
REGISTERED NUMBER: 01215528

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	18	1,292,195	1,292,195
		<u>1,292,195</u>	<u>1,292,195</u>
Current assets			
Debtors: amounts falling due within one year	20	689,520	665,453
Cash at bank and in hand	21	556	966
		<u>690,076</u>	<u>666,419</u>
Creditors: amounts falling due within one year	22	(820,113)	(864,936)
Net current liabilities		<u>(130,037)</u>	<u>(198,517)</u>
Total assets less current liabilities		<u>1,162,158</u>	<u>1,093,678</u>
Net assets		<u><u>1,162,158</u></u>	<u><u>1,093,678</u></u>
Capital and reserves			
Called up share capital	27	64,044	64,044
Profit and loss account	28	1,098,114	1,029,634
		<u>1,162,158</u>	<u>1,093,678</u>

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



R D Parker
Director

Date: 23/5/19

The notes on pages 16 to 40 form part of these financial statements.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2018	64,044	4,507,885	4,571,929	4,571,929
Comprehensive income for the year				
Profit for the year	-	2,655,740	2,655,740	2,655,740
Contributions by and distributions to owners				
Dividends: Equity capital	-	(1,823,728)	(1,823,728)	(1,823,728)
Total transactions with owners	-	(1,823,728)	(1,823,728)	(1,823,728)
At 31 December 2018	64,044	5,339,897	5,403,941	5,403,941

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2017	64,044	4,105,448	4,169,492	4,169,492
Comprehensive income for the year				
Profit for the year	-	1,759,862	1,759,862	1,759,862
Contributions by and distributions to owners				
Dividends: Equity capital	-	(1,357,425)	(1,357,425)	(1,357,425)
Total transactions with owners	-	(1,357,425)	(1,357,425)	(1,357,425)
At 31 December 2017	64,044	4,507,885	4,571,929	4,571,929

The notes on pages 16 to 40 form part of these financial statements.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	64,044	1,029,634	1,093,678
Comprehensive income for the year			
Profit for the year	-	1,892,208	1,892,208
	<hr/>	<hr/>	<hr/>
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,823,728)	(1,823,728)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	(1,823,728)	(1,823,728)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	64,044	1,098,114	1,162,158
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	64,044	952,127	1,016,171
Comprehensive income for the year			
Profit for the year	-	1,434,932	1,434,932
	<hr/>	<hr/>	<hr/>
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,357,425)	(1,357,425)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	(1,357,425)	(1,357,425)
	<hr/>	<hr/>	<hr/>
At 31 December 2017	64,044	1,029,634	1,093,678
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 40 form part of these financial statements.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	2,655,740	1,759,862
Adjustments for:		
Amortisation of intangible assets	95,765	95,765
Depreciation of tangible assets	407,890	369,549
Loss/(profit) on disposal of tangible assets	28,674	(3,451)
Interest paid	103,289	107,470
Income from investments and interest received	(124,230)	(122,770)
Taxation charge	645,699	345,514
(Increase)/decrease in stocks	(308,871)	312,783
(Increase)/decrease in debtors	(636,465)	161,360
Increase/(decrease) in creditors	262,763	(764,407)
Corporation tax paid	(606,909)	(719,288)
Net cash generated from operating activities	2,523,345	1,542,387
Cash flows from investing activities		
Purchase of tangible fixed assets	(611,432)	(524,568)
Sale of tangible fixed assets	29,029	33,599
Interest received	1,593	104
Income from investments	122,637	122,666
Net cash from investing activities	(458,173)	(368,199)
Cash flows from financing activities		
Repayment of loans	(221,465)	(371,469)
Dividends paid	(1,823,728)	(1,357,425)
Interest paid	(103,289)	(107,470)
Net cash used in financing activities	(2,148,482)	(1,836,364)
Net (decrease) in cash and cash equivalents	(83,310)	(662,176)
Cash and cash equivalents at beginning of year	(870,642)	(208,466)
Cash and cash equivalents at the end of year	(953,952)	(870,642)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	97,042	151,940
Bank overdrafts	(1,050,994)	(1,022,582)
	(953,952)	(870,642)

The notes on pages 16 to 40 form part of these financial statements.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The entity is a private company limited by shares which is incorporated in England and Wales, registration number 01215528. The registered office is 6 Foundry Square, Belgrave Gate, Leicester, LE1 3WW.

The Company's principal activity during the year continued to be that of management and property investment. The principal activity of the subsidiary company, Parker Motor Services Limited, continued to be that of motor repairs, motor spares and accessories. The principal activity of the subsidiary company, A.E.Cook Limited, continued to be that of providing freehold properties for group administrative purposes.

2. Accounting policies

2.1 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.

After reviewing the Group's forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

The Group's functional and presentational currency is British Pound Sterling (£).

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 3).

2.2 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 Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is British Pound Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Profit and Loss Account within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Profit and Loss Account on a straight line basis over the lease term.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessor

Rental income from operating leases is credited to the Consolidated Profit and Loss Account on a straight line basis over the term of the relevant lease.

2.7 Interest income

Interest income is recognised in the Consolidated Profit and Loss Account using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Consolidated Profit and Loss Account 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.

2.9 Borrowing costs

All borrowing costs are recognised in the Consolidated Profit and Loss Account in the year in which they are incurred.

2.10 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 Profit and Loss Account 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.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account, 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.12 Intangible assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Consolidated Profit and Loss Account over its estimated economic life of 5 years.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- 2% on cost
Leasehold property improvements	- 5% or 20% on cost
Plant and machinery	- 20%, 25% or 33% on cost
Motor vehicles	- 25% on net book value
Fixtures, fittings and equipment	- 10% on cost

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 in the Consolidated Profit and Loss Account.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is computed on an average cost basis for each product line. Net realisable value is based on estimated selling price less the estimated cost of disposal.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.18 Creditors

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

2.19 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.20 Financial instruments

The Group only enters into basic financial instrument 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, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Profit and Loss Account.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.20 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.21 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 Profit and Loss Account 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 Consolidated Balance Sheet.

2.22 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 at an annual general meeting.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. Judgements 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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Stocks provisioning

The Group continues to purchase motor parts for resale. The directors consider the recoverability of the cost of stocks and any associated provisioning required. When calculating the stocks provision, the directors consider the nature and condition of the stocks, as well as applying assumptions around anticipated saleability.

(ii) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(iii) Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the age profile of debtors and historical experience.

4. Turnover

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

	2018 £	2017 £
Provision of motor repairs, motor spares and accessories	30,829,989	28,151,682
	<u>30,829,989</u>	<u>28,151,682</u>

All turnover arose within the United Kingdom.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Other operating income

	2018 £	2017 £
Rents receivable	73,977	52,430
	<u>73,977</u>	<u>52,430</u>

6. Operating profit

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

	2018 £	2017 £
Depreciation of tangible fixed assets	407,890	369,549
Loss/(profit) on disposal of tangible assets	28,674	(3,451)
Amortisation of intangible assets, including goodwill	95,765	95,765
Vehicle leasing operating lease rentals	81,625	87,352
Land and building operating lease rentals	373,183	331,775
Rentals received on operating leases	(72,747)	(50,800)
Defined contribution pension cost	322,215	607,525
	<u>322,215</u>	<u>607,525</u>

7. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	10,965	10,750

Fees payable to the Group's auditor and its associates in respect of:

The auditing of accounts of subsidiaries	23,930	22,400
All other non-audit services not included above	17,549	43,380
	<u>41,479</u>	<u>65,780</u>

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Employees

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	6,411,049	5,939,984	-	-
Social security costs	495,327	443,895	-	-
Cost of defined contribution scheme	322,215	607,525	-	-
	<u>7,228,591</u>	<u>6,991,404</u>	<u>-</u>	<u>-</u>

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

	2018 No.	2017 No.
Management and administration	22	23
Other	334	329
	<u>356</u>	<u>352</u>

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL)

9. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	100,428	99,743
Company contributions to defined contribution pension schemes	10,000	80,000
	<u>110,428</u>	<u>179,743</u>

During the year retirement benefits were accruing to 7 directors (2017 - 7) in respect of defined contribution pension schemes.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Income from investments

	2018	2017
	£	£
Income from fixed asset investments	122,637	122,666
	122,637	122,666

11. Interest receivable

	2018	2017
	£	£
Bank interest receivable	1,593	104
	1,593	104

12. Interest payable and similar expenses

	2018	2017
	£	£
Bank interest payable	50,316	50,625
Other loan interest payable	52,973	56,845
	103,289	107,470

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	664,032	431,545
Adjustments in respect of previous periods	63	(1,769)
Total current tax	664,095	429,776
Deferred tax		
Origination and reversal of timing differences	(18,396)	(84,262)
Total deferred tax	(18,396)	(84,262)
Taxation on profit on ordinary activities	645,699	345,514

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	3,301,439	2,105,376
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	627,273	405,285
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,307	3,266
Depreciation for the year in excess of capital allowances	7,809	1,296
Amortisation on goodwill on consolidation	18,195	18,435
Loss on disposal of fixed assets	5,448	4,665
Adjustments to tax charge in respect of prior periods	63	(1,769)
Other timing differences leading to an decrease in the tax charge	(18,396)	(84,262)
Other differences leading to a decrease in the tax charge	-	(1,402)
Total tax charge for the year	645,699	345,514

Factors that may affect future tax charges

Reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantially enacted on 16 March 2016. This will reduce the Group's future current tax charge accordingly. The deferred tax liability at 31 December 2018 has been calculated based on these rates.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Dividends

	2018 £	2017 £
Dividends paid on A ordinary shares	174,502	142,236
Dividends paid on B ordinary shares	244,561	146,559
Dividends paid on C ordinary shares	86,000	86,000
Dividends paid on D ordinary shares	123,000	123,000
Dividends paid on E ordinary shares	102,087	57,063
Dividends paid on F ordinary shares	100,977	58,438
Dividends paid on H ordinary shares	92,000	92,000
Dividends paid on I ordinary shares	92,000	92,000
Dividends paid on J ordinary shares	82,500	82,500
Dividends paid on K ordinary shares	121,571	76,562
Dividends paid on L ordinary shares	116,030	72,567
Dividends paid on M ordinary shares	56,500	56,500
Dividends paid on N ordinary shares	56,500	56,500
Dividends paid on Q ordinary shares	130,500	50,500
Dividends paid on R ordinary shares	122,500	82,500
Dividends paid on S ordinary shares	122,500	82,500
	<u>1,823,728</u>	<u>1,357,425</u>

15. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements. The profit after tax of the parent Company for the year was £1,892,208 (2017 - £1,434,932).

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. Intangible assets

Group

	Patents £	Goodwill £	Total £
Cost			
At 1 January 2018	4	1,368,827	1,368,831
At 31 December 2018	4	1,368,827	1,368,831
Amortisation			
At 1 January 2018	-	1,025,667	1,025,667
Charge for the year	-	95,765	95,765
At 31 December 2018	-	1,121,432	1,121,432
Net book value			
At 31 December 2018	4	247,395	247,399
At 31 December 2017	4	343,160	343,164

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

17. Tangible fixed assets

Group

	Freehold property £	Leasehold property improvements £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost or valuation						
At 1 January 2018	894,793	1,454,525	2,030,325	1,040,192	58,187	5,478,022
Additions	-	255,671	101,308	254,453	-	611,432
Disposals	-	-	(26,165)	(143,366)	-	(169,531)
At 31 December 2018	894,793	1,710,196	2,105,468	1,151,279	58,187	5,919,923
Depreciation						
At 1 January 2018	29,495	696,542	1,742,337	462,534	15,524	2,946,432
Charge for the year	20,785	95,947	116,155	173,278	1,725	407,890
Disposals	-	-	-	(111,828)	-	(111,828)
At 31 December 2018	50,280	792,489	1,858,492	523,984	17,249	3,242,494
Net book value						
At 31 December 2018	844,513	917,707	246,976	627,295	40,938	2,677,429
At 31 December 2017	865,298	757,983	287,988	577,658	42,663	2,531,590

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. Fixed asset investments

Group

	Investments in associated companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2018	1,270,451	280,333	1,550,784
At 31 December 2018	1,270,451	280,333	1,550,784
Impairment			
At 1 January 2018	-	280,000	280,000
At 31 December 2018	-	280,000	280,000
Net book value			
At 31 December 2018	1,270,451	333	1,270,784
At 31 December 2017	1,270,451	333	1,270,784

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	1,292,195
At 31 December 2018	1,292,195
Net book value	
At 31 December 2018	1,292,195
At 31 December 2017	1,292,195

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. Fixed asset investments (continued)**Direct subsidiary undertaking**

The following was a direct subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Parker Motor Services Limited	6 Foundry Square, Belgrave Gate, Leicester, LE1 3WW	Provision of motor repairs, motor spares and accessories.	Ordinary	99.99%

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves £	Profit £
Parker Motor Services Limited	4,041,032	2,199,965

Indirect subsidiary undertaking

The following was an indirect subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
A.E. Cook Limited	6 Foundry Square, Belgrave Gate, Leicester, LE1 3WW	Provision of freehold properties for group administrative purposes.	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves £	Profit £
A.E. Cook Limited	1,136,343	57,875

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. Stocks

	Group 2018 £	Group 2017 £
Goods for resale	5,942,947	5,634,076
	<u>5,942,947</u>	<u>5,634,076</u>

Stock recognised in cost of sales during the year as an expense was £16,876,180 (2017 - £15,870,855).

Impairment movements due to slow moving and obsolete stock amounting to £1,517 decrease (2017 - £300,413 decrease) were recognised in cost of sales during the year.

20. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	3,537,874	2,931,201	-	-
Amounts owed by group undertakings	-	-	605,190	664,117
Other debtors	713,791	698,254	84,330	1,336
Prepayments and accrued income	201,595	187,340	-	-
	<u>4,453,260</u>	<u>3,816,795</u>	<u>689,520</u>	<u>665,453</u>

21. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	97,042	151,940	556	966
Less: bank overdrafts	(1,050,994)	(1,022,582)	-	-
	<u>(953,952)</u>	<u>(870,642)</u>	<u>556</u>	<u>966</u>

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

22. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank overdrafts	1,050,994	1,022,582	-	-
Bank loans	221,467	221,467	-	-
Trade creditors	1,476,339	1,465,667	-	-
Corporation tax	296,110	238,924	20,611	20,694
Other taxation and social security	400,973	604,817	-	-
Other creditors	2,370,519	2,304,939	795,502	840,242
Accruals and deferred income	1,054,672	664,317	4,000	4,000
	6,871,074	6,522,713	820,113	864,936

Bank loans and overdrafts totalling £1,272,461 (2017 - £1,244,049) are secured under a fixed and floating charge debenture over the assets of the Group and by unlimited cross guarantee given by Parker Motor Services Limited, A.E. Cook Limited and Parkers Investments LLP.

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

	Group 2018 £	Group 2017 £
Bank loans	2,377,233	2,598,698
	2,377,233	2,598,698

Bank loans totalling £2,377,233 (2017 - £2,598,698) are secured under a fixed and floating charge debenture over the assets of the Group and by unlimited cross guarantee given by Parker Motor Services Limited, A.E. Cook Limited and Parkers Investments LLP.

Bank loans are being charged interest at rates of 2.15% above LIBOR. Repayments are being made in quarterly instalments.

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

24. Loans

Analysis of the maturity of loans is given below:

	Group 2018 £	Group 2017 £
Amounts falling due within one year		
Bank loans	221,467	221,467
Amounts falling due 1-2 years		
Bank loans	221,467	221,467
Amounts falling due 2-5 years		
Bank loans	2,155,766	2,377,231
	2,598,700	2,820,165

25. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	4,251,665	3,629,455	689,520	665,453
Financial liabilities				
Financial liabilities measured at amortised cost	(6,445,558)	(6,590,771)	(795,502)	(840,242)

Group financial assets measured at amortised cost comprise trade debtors of £3,537,874 (2017 - £2,931,201) and other debtors of £713,791 (2017 - £698,254). Company financial assets measured at amortised cost comprise amounts owed by Group undertakings of £605,190 (2017 - £664,117) and other debtors of £84,330 (2017 - £1,336).

Group financial liabilities measured at amortised cost comprise trade creditors of £1,476,339 (2017 - £1,465,667), other creditors of £2,370,519 (2017 - £2,304,939) and loans of £2,598,700 (2017 - £2,820,165). Company financial liabilities measured at amortised cost comprise other creditors of £795,502 (2017 - £840,242).

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

26. Deferred taxation

Group

	2018 £	2017 £
At beginning of year	55,009	139,271
Released to the Profit and Loss Account (note 13)	(18,396)	(84,262)
At end of year	36,613	55,009
	Group 2018 £	Group 2017 £
Accelerated capital allowances	36,613	55,009
	36,613	55,009

PARKERS MOTOR SERVICES (SYSTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

27. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
5,330 Ordinary shares of £1 each	5,330	5,330
10,644 Ordinary A shares of £1 each	10,644	10,644
10,644 Ordinary B shares of £1 each	10,644	10,644
30 Ordinary C shares of £1 each	30	30
30 Ordinary D shares of £1 each	30	30
5,289 Ordinary E shares of £1 each	5,289	5,289
5,289 Ordinary F shares of £1 each	5,289	5,289
5,288 Ordinary G shares of £1 each	5,288	5,288
40 Ordinary H shares of £1 each	40	40
40 Ordinary I shares of £1 each	40	40
40 Ordinary J shares of £1 each	40	40
5,328 Ordinary K shares of £1 each	5,328	5,328
5,328 Ordinary L shares of £1 each	5,328	5,328
30 Ordinary M shares of £1 each	30	30
30 Ordinary N shares of £1 each	30	30
60 Ordinary P shares of £1 each	60	60
5,302 Ordinary Q shares of £1 each	5,302	5,302
2,651 Ordinary R shares of £1 each	2,651	2,651
2,651 Ordinary S shares of £1 each	2,651	2,651
	64,044	64,044

The Ordinary, Ordinary A, B, C, D, E, F, G, H, I, J, K, L, M, N, P, Q, R and S shares rank pari passu in all respects except for the voting of dividends. Dividends may be voted to one class of share without the equivalent being voted to another class of share.

28. Reserves**Profit and loss account**

Includes all current and prior year retained profits and losses. All amounts are distributable.

29. Contingent liabilities

During 2016 the parent company entered into a cross guarantee in connection with the amounts borrowed from Barclays Bank Plc, between Parkers Motor Services (Syston) Limited, Parker Motor Services Limited, A.E. Cook Limited and Parkers Investments LLP. The potential liability under this guarantee at 31 December 2018 was £3,868,115 (2017 - £3,842,749).

PARKERS MOTOR SERVICES (SYSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

30. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund. During the year, pension contributions payable by the Group amounted to £322,215 (2017 - £607,525). There was a liability of £23,451 (2017 - £11,235) outstanding at the year end 31 December 2018.

31. Commitments under operating leases

At 31 December 2018 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	449,311	405,941
Later than 1 year and not later than 5 years	1,236,826	1,116,790
Later than 5 years	1,228,500	718,025
	<u>2,914,637</u>	<u>2,240,756</u>

At 31 December 2018 the Group had future minimum lease payments receivable under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	84,690	43,960
Later than 1 year and not later than 5 years	328,000	160,000
Later than 5 years	458,000	150,000
	<u>870,690</u>	<u>353,960</u>

PARKERS MOTOR SERVICES (SYSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

32. Related party transactions

The Company has taken advantage of the exemption available under FRS102 33.1A not to disclose transactions with wholly owned subsidiaries of the group.

Transactions and balances with related parties are as follows:

	2018 £	2017 £
Transaction and balances with related parties are as follows:		
Sales to key management personnel	14,657	11,900
Leasing from key management personnel	27,000	27,000
Dividends to key management personnel	1,235,228	768,925
Interest charged to the entity by key management personnel	52,973	56,728
Salary and pension to key management personnel	391,787	731,328
Loans due to key management personnel	1,561,173	1,445,220
Leasing from other related parties	544,688	506,354
Loans due from other related parties	707,651	693,224
Loans due to other related parties	795,502	840,242
Dividends to other related parties	588,500	588,500

33. Post balance sheet events

On the 26 June 2019, 100% of the share capital held in A.E. Cook Limited, a subsidiary of Parker Motor Services Limited, was sold to Parkers Investments LLP for £1.16m.

34. Controlling party

The Company has no ultimate controlling party in the current nor in the preceding year.