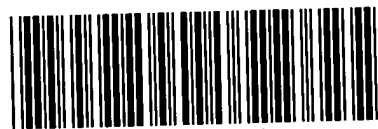


Company Registration No. 01049663 (England and Wales)

DT (AUTOMOTIVES) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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COMPANIES HOUSE

DT (AUTOMOTIVES) LIMITED

COMPANY INFORMATION

Directors	J G Minshaw K A Ankers K W Hayes J Smith C R Turner
Secretary	J Smith
Company number	01049663
Registered office	75 Ash Road South Wrexham Industrial Estate Wrexham LL13 9UG
Auditor	Afford Bond Holdings Limited 31 Wellington Road Nantwich Cheshire CW5 7ED
Bankers	Royal Bank of Scotland Leeds City Office 8 Park Row Leeds LS1 1QS

DT (AUTOMOTIVES) LIMITED

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DT (AUTOMOTIVES) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

The company's business is primarily derived from four key sales channels - motorsport, road performance and styling, motorcycles and cycles. Motorsport is historically the company's core activity and has provided the basic platform upon which the other sales channels have been developed.

The key routes to market for each sales channel are through a comprehensive catalogue generating both mail order and telephone sales. This is backed up by a website which is focused on developing internet sales. The company also generates sales via the ebay selling outlet and Amazon.

Principal risks and uncertainties

Across the broad range of products offered via the catalogue and the website, the company has few direct competitors. However, there are numerous smaller catalogue, internet companies and retail outlets which specialise in specific segments of the business. Management of this risk is by way of sales channel optimisation and customer retention initiatives discussed below.

The company continues to buy a major proportion of its stock from Europe, The Far East and the United States; consequently there is an ongoing exposure to both exchange gains and losses. The company has processes in place to manage the risk: there is no speculative buying of foreign currency and exchange rates are reviewed frequently.

Development and performance

The main objective for both the motorsport and the motorcycles sales channels are to look for initiatives which continue to grow this aspect of our business in terms of both turnover and gross margin. All divisions are expected to continue to show growth with the improved prominence on the internet.

The key strategies for growing the business are to have focused resource for each of the sales channels and to grow awareness through the continual development of the website and the implementation of e-retailing initiatives. The company will then couple this with the development of customer retention through enhanced customer service and loyalty schemes.

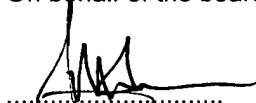
The overall performance during 2017 was satisfactory considering the general economic climate. The company was able to maintain reasonable trading levels whilst controlling overheads.

The early signs for 2018 appear to indicate that general consumer confidence remains fragile. Though through enhancements to the company's website, e-retailing and networking initiatives we feel confident that 2018 will again be a reasonable year. We hope to see continued growth in all areas of the business and are keen to see our new ranges develop further over the next few years.

Key performance indicators

The key performance indicators by which the directors manage and measure the business are turnover, gross profit and adjusted net profit before interest, tax, depreciation and amortisation. All three measures have improved in the period.

On behalf of the board



J G Minshaw

Director

27/9/18

DT (AUTOMOTIVES) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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

Principal activities

The principal activity of the company for the year was the retailing of motor parts and accessories. A review of the business is included within the strategic report.

Directors

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

J G Minshaw
K A Ankers
K W Hayes
J Smith
C R Turner

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £1,000,000. The directors do not recommend payment of a final dividend.

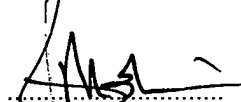
Auditor

Afford Bond Holdings Limited were appointed auditors to the company and in accordance with section 487(2) of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



J G Minshaw

Director

Date: 27/9/18

DT (AUTOMOTIVES) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- 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 company 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 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.

DT (AUTOMOTIVES) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DT (AUTOMOTIVES) LIMITED

Opinion

We have audited the financial statements of DT (Automotives) Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows 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 FRS 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 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 Auditor's *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 included in the annual report, other than the financial statements and our auditor's 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

DT (AUTOMOTIVES) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DT (AUTOMOTIVES) LIMITED

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 strategic report and 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, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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.

Auditor's 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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Paul Edwards FCGA CTA (Senior Statutory Auditor)
for and on behalf of Afford Bond Holdings Limited

Chartered Accountants
Statutory Auditor


.....

31 Wellington Road
Nantwich
Cheshire
CW5 7ED

DT (AUTOMOTIVES) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	47,735,521	42,996,864
Cost of sales		(38,279,902)	(34,061,057)
Gross profit		9,455,619	8,935,807
Administrative expenses		(7,393,792)	(6,427,743)
Other operating income		466,667	55,000
Operating profit	4	2,528,494	2,563,064
Interest receivable and similar income	7	11	101,092
Interest payable and similar expenses	8	(734,647)	(46,439)
Profit before taxation		1,793,858	2,617,717
Tax on profit	9	(289,308)	(534,504)
Profit for the financial year		1,504,550	2,083,213
Retained earnings brought forward		3,920,562	3,837,349
Dividends	10	(1,000,000)	(2,000,000)
Retained earnings carried forward		4,425,112	3,920,562

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

DT (AUTOMOTIVES) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	11		5,493		6,591
Tangible assets	12		11,236,426		8,767,070
			<u>11,241,919</u>		<u>8,773,661</u>
Current assets					
Stocks	14	7,708,897		7,048,421	
Debtors	15	1,660,001		2,511,445	
Cash at bank and in hand		7,610		5,324	
		<u>9,376,508</u>		<u>9,565,190</u>	
Creditors: amounts falling due within one year	16	(15,421,680)		(13,263,653)	
Net current liabilities			<u>(6,045,172)</u>		<u>(3,698,463)</u>
Total assets less current liabilities			<u>5,196,747</u>		<u>5,075,198</u>
Creditors: amounts falling due after more than one year	17		(440,000)		(880,000)
Provisions for liabilities	19		(311,635)		(254,636)
Net assets			<u><u>4,445,112</u></u>		<u><u>3,940,562</u></u>
Capital and reserves					
Called up share capital	22		20,000		20,000
Profit and loss reserves	23		4,425,112		3,920,562
Total equity			<u><u>4,445,112</u></u>		<u><u>3,940,562</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27/5/18 and are signed on its behalf by:


J G Minshaw
Director

Company Registration No. 01049663

DT (AUTOMOTIVES) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	26	5,173,652		5,014,471	
Interest paid		(734,647)		(46,439)	
Income taxes paid		(436,056)		(269,371)	
Net cash inflow from operating activities		4,002,949		4,698,661	
Investing activities					
Purchase of tangible fixed assets		(3,643,317)		(2,562,420)	
Proceeds on disposal of tangible fixed assets		305,000		85,000	
Interest received		11		1,007	
Other investment income received		-		100,085	
Net cash used in investing activities		(3,338,306)		(2,376,328)	
Financing activities					
Repayment of bank loans		(440,000)		(440,000)	
Dividends paid		(1,000,000)		(2,000,000)	
Net cash used in financing activities		(1,440,000)		(2,440,000)	
Net decrease in cash and cash equivalents		(775,357)		(117,667)	
Cash and cash equivalents at beginning of year		(689,465)		(571,798)	
Cash and cash equivalents at end of year		(1,464,822)		(689,465)	
Relating to:					
Cash at bank and in hand		7,610		5,324	
Bank overdrafts included in creditors payable within one year		(1,472,432)		(694,789)	

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

DT (Automotives) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 75 Ash Road South, Wrexham Industrial Estate, Wrexham, LL13 9UC.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development Costs

10 years straight line

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	50 years straight line
Plant and machinery	15% straight line
Computer equipment	25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash at bank and in hand

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

1.10 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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

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

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

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

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

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

The company operates an employee share ownership plan (ESOP) trust and has de facto control of the shares held by the trust and bears their benefits and risks. The company records assets and liabilities of the trust as its own. Consideration paid by the ESOP scheme for shares of the company is deducted from equity. Finance costs and administrative expenses incurred by the company in relation to the ESOP are recognised on an accruals basis.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

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

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

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 Turnover and other revenue

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

	2017 £	2016 £
Turnover analysed by class of business		
Sale of goods	47,735,521	42,996,864

	2017 £	2016 £
Other significant revenue		
Interest income	11	1,007

	2017 £	2016 £
Turnover analysed by geographical market		
United Kingdom	34,775,170	33,388,108
Europe	4,509,257	3,466,686
Rest of the world	8,451,094	6,142,070
	47,735,521	42,996,864

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	13,750	13,000
Depreciation of owned tangible fixed assets	352,795	308,462
(Profit)/loss on disposal of tangible fixed assets	(84,834)	20,537
Amortisation of intangible assets	1,098	1,099
Cost of stocks recognised as an expense	34,124,344	30,346,657
Operating lease charges	34,174	70,658

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Sales	41	39
Administration	121	110
Management	32	25
	<u>194</u>	<u>174</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	5,030,505	4,341,075
Social security costs	444,612	389,517
Pension costs	32,501	24,339
	<u>5,507,618</u>	<u>4,754,931</u>

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>329,076</u>	<u>401,978</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

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

	2017 £	2016 £
Remuneration for qualifying services	<u>134,059</u>	<u>152,689</u>

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	11	364
Other interest income	-	643
	<u>11</u>	<u>1,007</u>
Total interest revenue		
	11	1,007
Income from fixed asset investments		
Income from participating interests - associates	-	100,085
	<u>-</u>	<u>100,085</u>
Total income	<u>11</u>	<u>101,092</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	11	364
	<u>11</u>	<u>364</u>

8 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	46,992	46,439
Other finance costs:		
Other interest	687,655	-
	<u>734,647</u>	<u>46,439</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	232,706	484,794
Adjustments in respect of prior periods	2,883	-
	<u>235,589</u>	<u>484,794</u>
Total current tax		
	235,589	484,794
Deferred tax		
Origination and reversal of timing differences	53,719	49,710
	<u>53,719</u>	<u>49,710</u>
Total tax charge	<u>289,308</u>	<u>534,504</u>

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	1,793,858	2,617,717
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	340,833	523,543
Tax effect of expenses that are not deductible in determining taxable profit	400	457
Effect of change in corporation tax rate	2,981	-
Under/(over) provided in prior years	2,884	10,504
Deferred tax adjustments in respect of prior years	(57,790)	-
Taxation charge for the year	289,308	534,504

10 Dividends

	2017 £	2016 £
Interim paid	1,000,000	2,000,000

11 Intangible fixed assets

	Development Costs £
Cost	
At 1 January 2017 and 31 December 2017	10,985
Amortisation and impairment	
At 1 January 2017	4,394
Amortisation charged for the year	1,098
At 31 December 2017	5,492
Carrying amount	
At 31 December 2017	5,493
At 31 December 2016	6,591

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2017	6,430,499	1,688,168	1,317,188	1,301,364	10,737,219
Additions	1,600,912	147,376	526,954	1,368,075	3,643,317
Disposals	-	(333)	-	(815,000)	(815,333)
At 31 December 2017	8,031,411	1,835,211	1,844,142	1,854,439	13,565,203
Depreciation and impairment					
At 1 January 2017	223,069	1,040,149	664,952	47,979	1,976,149
Depreciation charged in the year	76,896	156,122	109,502	10,275	352,795
Eliminated in respect of disposals	-	(167)	-	-	(167)
At 31 December 2017	299,965	1,196,104	774,454	58,254	2,328,777
Carrying amount					
At 31 December 2017	7,731,446	639,107	1,069,688	1,796,185	11,236,426
At 31 December 2016	6,207,430	648,020	652,235	1,259,385	8,767,070

13 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	954,800	1,730,384
Carrying amount of financial liabilities		
Measured at amortised cost	14,906,783	13,851,179

14 Stocks

	2017 £	2016 £
Finished goods and goods for resale	7,708,897	7,048,421

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

15 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	328,484	266,319
Corporation tax recoverable	92,234	-
Amounts owed by group undertakings	615,541	1,458,278
Other debtors	10,775	70,381
Prepayments and accrued income	612,967	716,467
	<u>1,660,001</u>	<u>2,511,445</u>

16 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	18	1,912,432	1,134,789
Trade creditors		6,023,159	5,807,664
Amounts due to group undertakings		1,886,475	1,369,905
Corporation tax		-	111,513
Other taxation and social security		954,897	180,961
Other creditors		4,445,721	4,512,193
Accruals and deferred income		198,996	146,628
		<u>15,421,680</u>	<u>13,263,653</u>

17 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	18	<u>440,000</u>	<u>880,000</u>

18 Loans and overdrafts

	2017 £	2016 £
Bank loans	880,000	1,320,000
Bank overdrafts	1,472,432	694,789
	<u>2,352,432</u>	<u>2,014,789</u>
Payable within one year	1,912,432	1,134,789
Payable after one year	<u>440,000</u>	<u>880,000</u>

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

18 Loans and overdrafts (Continued)

Included within creditors is a mortgage taken out in respect of the purchase of 75 Ash Road South and 71 Clywedog Road, Wrexham in the amount of £880,000 (2016 - £1,320,000) which is secured against the two properties.

19 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	20	311,635	254,636

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
ACAs	311,635	254,636
Movements in the year:		2017 £
Liability at 1 January 2017		254,636
Charge to profit or loss		56,999
Liability at 31 December 2017		311,635

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

21 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	32,501	24,339

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

22 Share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 20,000 Ordinary of £1 each	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

23 Profit and loss reserves

	2017 £	2016 £
At the beginning of the year	3,920,562	3,837,349
Profit for the year	1,504,550	2,083,213
Dividends declared and paid in the year	(1,000,000)	(2,000,000)
At the end of the year	<u>4,425,112</u>	<u>3,920,562</u>

24 Related party transactions

The company has taken advantage of the exemption available to not disclose transactions with group companies.

25 Controlling party

The company's immediate and ultimate parent company is Demon Tweeks Limited.

The ultimate controlling party is J G Minshaw by virtue of his interest in Demon Tweeks Limited.

DT (AUTOMOTIVES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

26 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	1,504,550	2,083,213
Adjustments for:		
Taxation charged	289,308	534,504
Finance costs	734,647	46,439
Investment income	(11)	(101,092)
(Gain)/loss on disposal of tangible fixed assets	(84,834)	20,537
Amortisation and impairment of intangible assets	1,098	1,099
Depreciation and impairment of tangible fixed assets	352,795	308,462
Movements in working capital:		
(Increase) in stocks	(660,476)	(1,518,083)
Decrease in debtors	1,544,678	1,953,817
Increase in creditors	1,491,897	1,685,575
Cash generated from operations	<u>5,173,652</u>	<u>5,014,471</u>