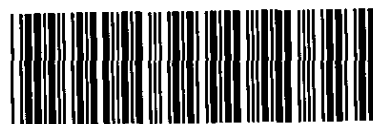


Company Registration No. 04995419 (England and Wales)

PARENT AAS FOR
UBER KIDS LIMITED
05496338

DEMON WEEKS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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DEMON TWEEKS LIMITED

COMPANY INFORMATION

Directors	K A Ankers Mr J Minshaw K Hayes Ms J Smith K A Ankers K Hayes
Secretary	Ms J Smith
Company number	04995419
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

DEMON TWEEKS LIMITED

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DEMON TWEEDS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report for the year ended 31 December 2016.

Fair review of the business

The group's business is primarily derived from four key sales channels - motorsport, road performance and styling, motorcycles and cycles. Motorsport is historically the group'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 group 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 group 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 group 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 group 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 group will then couple this with the development of customer retention through enhanced customer service and loyalty schemes.

The overall performance during 2016 was satisfactory considering the general economic climate. The group was able to maintain reasonable trading levels whilst controlling overheads.

The early signs for 2017 appear to indicate that general consumer confidence remains fragile. Though through enhancements to the group's website, e-retailing and networking initiatives we feel confident that 2017 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.

DEMON TWEEKS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Turnover and gross profit are as per the profit and loss account. Net profit before interest, tax, depreciation and amortisation was £3,527,412 (2015 £2,805,658)

On behalf of the board



Mr J Minshaw

Director

19/03/2017

DEMON TWEEKS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the group continued to be that of retailing of motor parts and accessories.

Directors

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

K A Ankers
Mr J Minshaw
K Hayes
Ms J Smith
K A Ankers
K Hayes

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

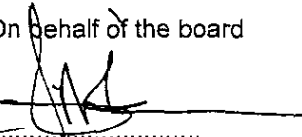
Auditor

In accordance with the company's articles, a resolution proposing that Afford Bond Holdings Limited be reappointed as auditor of the group 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 auditor of the company and group 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 auditor of the company and group is aware of that information.

On behalf of the board


.....
Mr J Minshaw
Director
19/05/2017
.....

DEMON WEEKS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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 group and company, 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

DEMON TWEEDS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DEMON TWEEDS LIMITED

We have audited the financial statements of Demon Tweeds Limited for the year ended 31 December 2016 set out on pages 7 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

DEMON WEEKS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DEMON WEEKS LIMITED

Matters on which we are required to report by exception

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

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



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

19 May 2017

Chartered Accountants
Statutory Auditor

31 Wellington Road
Nantwich
Cheshire
CW5 7ED

DEMON TWEEKS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	48,418,185	36,765,495
Cost of sales		(38,810,674)	(28,377,242)
Gross profit		9,607,511	8,388,253
Administrative expenses		(7,266,638)	(6,722,238)
Other operating income		55,000	55,000
Operating profit	4	2,395,873	1,721,015
Interest receivable and similar income	7	1,209	2,675
Interest payable and similar expenses	8	(46,439)	(53,896)
Profit before taxation		2,350,643	1,669,794
Taxation	9	(642,222)	(506,863)
Profit for the financial year		1,708,421	1,162,931

Profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

DEMON TWEEKS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
Profit for the year	1,708,421	1,162,931
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,708,421</u>	<u>1,162,931</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

DEMON TWEEKS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	10	6,568,093		7,388,093	
Other intangible assets	10	18,459		21,536	
Total intangible assets		6,586,552		7,409,629	
Tangible assets	11	8,767,070		6,618,649	
		15,353,622		14,028,278	
Current assets					
Stocks	14	7,048,421		5,530,338	
Debtors	15	1,078,327		864,035	
Cash at bank and in hand		150,031		98,345	
		8,276,779		6,492,718	
Creditors: amounts falling due within one year	16	(12,559,574)		(10,768,320)	
Net current liabilities		(4,282,795)		(4,275,602)	
Total assets less current liabilities		11,070,827		9,752,676	
Creditors: amounts falling due after more than one year	17	(1,696,370)		(2,136,370)	
Provisions for liabilities	19	(254,636)		(204,926)	
Net assets		9,119,821		7,411,380	
Capital and reserves					
Called up share capital	20	14,880		14,880	
Share premium account		6,145,040		6,145,040	
Profit and loss reserves		2,959,881		1,251,460	
Equity attributable to owners of the parent company		9,119,801		7,411,380	
Non-controlling interests		20		-	
		9,119,821		7,411,380	

The financial statements were approved by the board of directors and authorised for issue on 19/05/2017 and are signed on its behalf by:

Mr J Minshaw
Director

DEMON WEEKS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Investments	12	18,839,476		18,839,476	
Current assets					
Debtors	15	533,000		340,000	
Cash at bank and in hand		2,782		218	
		535,782		340,218	
Creditors: amounts falling due within one year	16	(340,961)		(4,249)	
Net current assets		194,821		335,969	
Total assets less current liabilities		19,034,297		19,175,445	
Creditors: amounts falling due after more than one year	17	(2,274,649)		(4,531,992)	
Net assets		16,759,648		14,643,453	
Capital and reserves					
Called up share capital	20	14,880		14,880	
Share premium account		6,145,040		6,145,040	
Profit and loss reserves		10,599,728		8,483,533	
Total equity		16,759,648		14,643,453	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,116,195 (2015 - £1,738,055 profit).

The financial statements were approved by the board of directors and authorised for issue on 19/05/2017 and are signed on its behalf by:

Mr J Minshaw
Director

Company Registration No. 04995419

DEMON TWEEDS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY **FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
Balance at 1 January 2015		14,880	6,145,040	88,529	6,248,449	-	6,248,449
Year ended 31 December 2015:							
Profit and total comprehensive income for the year		-	-	1,162,931	1,162,931	-	1,162,931
Balance at 31 December 2015		14,880	6,145,040	1,251,460	7,411,380	-	7,411,380
Year ended 31 December 2016:							
Profit and total comprehensive income for the year		-	-	1,708,421	1,708,421	-	1,708,421
Disposal of non-controlling interests		-	-	-	-	20	20
Balance at 31 December 2016		14,880	6,145,040	2,959,881	9,119,801	20	9,119,821

DEMON TWEEDS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2015		14,880	6,145,040	6,745,478	12,905,398
Year ended 31 December 2015:					
Profit and total comprehensive income for the year		-	-	1,738,055	1,738,055
Balance at 31 December 2015		14,880	6,145,040	8,483,533	14,643,453
Year ended 31 December 2016:					
Profit and total comprehensive income for the year		-	-	2,116,195	2,116,195
Balance at 31 December 2016		14,880	6,145,040	10,599,728	16,759,648

DEMON TWEEKS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	22	3,178,208		3,175,648	
Interest paid		(46,439)		(53,896)	
Income taxes paid		(300,698)		(564,789)	
Net cash inflow from operating activities		2,831,071		2,556,963	
Investing activities					
Purchase of tangible fixed assets		(2,562,420)		(2,504,394)	
Proceeds on disposal of tangible fixed assets		105,537		(22,482)	
Disposal of shares in subsidiary to non-controlling interest		20		-	
Interest received		1,209		2,675	
Net cash used in investing activities		(2,455,654)		(2,524,201)	
Financing activities					
Repayment of borrowings		-		(150,436)	
Repayment of bank loans		(440,000)		(440,000)	
Net cash used in financing activities		(440,000)		(590,436)	
Net decrease in cash and cash equivalents		(64,583)		(557,674)	
Cash and cash equivalents at beginning of year		(480,175)		77,499	
Cash and cash equivalents at end of year		(544,758)		(480,175)	
Relating to:					
Cash at bank and in hand		150,031		98,345	
Bank overdrafts included in creditors payable within one year		(694,789)		(578,520)	

DEMON TWEEDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Demon Tweeds Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Demon Tweeds Limited and all of its subsidiaries.

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 under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

DEMON TWEEDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Demon Tweeds Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

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 - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.6 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 if the fair value 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
-------------------	------------------------

1.7 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.

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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
Fixtures, fittings & equipment	15%-33% 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 recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

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

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

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

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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.

1.10 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.

1.11 Cash and cash equivalents

Cash and cash equivalents 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.

1.12 Financial instruments

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

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

Financial assets and liabilities are offset and 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.

DEMON TWEEDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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.

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 group 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 group after deducting all of its 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 receipts 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.

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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 group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

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

1.14 Taxation

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

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 group'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 if, and only if, there is 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.

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.15 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.

1.16 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

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

2 Judgements and key sources of estimation uncertainty

In the application of the group'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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

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

	2016 £	2015 £
Turnover		
Sale of goods	48,418,185	36,765,495
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	1,209	2,675
	<u> </u>	<u> </u>

DEMON TWEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

3 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	37,544,184	31,345,073
Europe	4,149,584	2,389,472
Rest of the World	6,724,417	3,030,950
	<u>48,418,185</u>	<u>36,765,495</u>

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	308,462	261,568
Amortisation of intangible assets	823,077	823,076
Cost of stocks recognised as an expense	34,098,087	25,034,204
Operating lease charges	70,658	79,678
	<u></u>	<u></u>

5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	<u>13,000</u>	<u>13,000</u>

6 Employees

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

	Group 2016 Number	2015 Number	Company 2016 Number	2015 Number
Sales	39	38	-	-
Administration	110	99	-	-
Management	25	20	-	-
	<u>174</u>	<u>157</u>	<u>-</u>	<u>-</u>

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Wages and salaries	4,791,937	4,520,847	-	-

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	566	1,476
Other interest income	643	1,199
Total income	1,209	2,675

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	566	1,476
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8 Interest payable and similar expenses

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	46,439	53,896

9 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	592,512	412,529
Deferred tax		
Origination and reversal of timing differences	49,710	94,334
Total tax charge	642,222	506,863

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

9 Taxation

(Continued)

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

	2016 £	2015 £
Profit before taxation	2,350,643	1,669,794
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	470,129	333,959
Tax effect of expenses that are not deductible in determining taxable profit	457	665
Effect of change in corporation tax rate	-	9,920
Amortisation on assets not qualifying for tax allowances	164,615	162,319
Under/(over) provided in prior years	7,021	-
Tax expense for the year	642,222	506,863

10 Intangible fixed assets

Group	Goodwill £	Development Costs £	Total £
Cost			
At 1 January 2016 and 31 December 2016	17,201,245	30,765	17,232,010
Amortisation and impairment			
At 1 January 2016	9,813,152	9,229	9,822,381
Amortisation charged for the year	820,000	3,077	823,077
At 31 December 2016	10,633,152	12,306	10,645,458
Carrying amount			
At 31 December 2016	6,568,093	18,459	6,586,552
At 31 December 2015	7,388,093	21,536	7,409,629

The company had no intangible fixed assets at 31 December 2016 or 31 December 2015.

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Tangible fixed assets

Group	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2016	5,114,935	1,581,848	786,461	803,092	8,286,336
Additions	1,315,564	106,320	530,727	609,809	2,562,420
Disposals	-	-	-	(105,537)	(105,537)
At 31 December 2016	6,430,499	1,688,168	1,317,188	1,307,364	10,743,219
Depreciation and impairment					
At 1 January 2016	167,302	888,742	567,563	44,080	1,667,687
Depreciation charged in the year	55,767	151,406	97,390	3,899	308,462
At 31 December 2016	223,069	1,040,148	664,953	47,979	1,976,149
Carrying amount					
At 31 December 2016	6,207,430	648,020	652,235	1,259,385	8,767,070
At 31 December 2015	4,947,633	693,106	218,898	759,012	6,618,649

The company had no tangible fixed assets at 31 December 2016 or 31 December 2015.

12 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	13	-	-	18,839,476	18,839,476

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
DT (Automotives) Limited	UK	Retail of motor parts	Ordinary	100.00
Kencourt Limited	UK	Retail of motor parts	Ordinary	100.00
Uber Kids Limited	UK	Retail of baby equipment	Ordinary	80.00

The financial statements of Uber Kids Limited and Kencourt Limited have not been audited as exemption from audit has been claimed by both companies under the Companies Act 2006 section 479A audit exemption for a subsidiary company.

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Finished goods and goods for resale	7,048,421	5,530,338	-	-

15 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	107,649	126,034	-	-
Corporation tax recoverable	-	103,910	-	-
Amounts due from subsidiary undertakings	-	-	533,000	340,000
Other debtors	252,211	144,609	-	-
Prepayments and accrued income	718,467	489,482	-	-
	1,078,327	864,035	533,000	340,000

16 Creditors: amounts falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	18	1,134,789	1,018,520	-	-
Trade creditors		5,948,756	4,844,349	-	-
Corporation tax payable		242,511	54,607	-	-
Other taxation and social security		228,348	176,205	-	-
Other creditors		4,848,904	4,527,379	336,712	-
Accruals and deferred income		156,266	147,260	4,249	4,249
		12,559,574	10,768,320	340,961	4,249

17 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	18	880,000	1,320,000	-	-
Other borrowings	18	816,370	816,370	816,370	816,370
Other creditors		-	-	1,458,279	3,715,622
		1,696,370	2,136,370	2,274,649	4,531,992

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

18 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	1,320,000	1,760,000	-	-
Bank overdrafts	694,789	578,520	-	-
Preference shares	450,000	450,000	450,000	450,000
Other loans	366,370	366,370	366,370	366,370
	<u>2,831,159</u>	<u>3,154,890</u>	<u>816,370</u>	<u>816,370</u>
Payable within one year	1,134,789	1,018,520	-	-
Payable after one year	<u>1,696,370</u>	<u>2,136,370</u>	<u>816,370</u>	<u>816,370</u>

Included in 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 £1,320,000 (2015 - £1,760,000) which is secured against the two properties.

At 31 December 2016 the company has in issue £366,370 Series A Loan Notes (2015 - £366,370).

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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:

	Liabilities 2016 £	Liabilities 2015 £
Group		
Accelerated capital allowances	<u>254,636</u>	<u>204,926</u>

The company has no deferred tax assets or liabilities.

	Group 2016 £	Company 2016 £
Movements in the year:		
Liability at 1 January 2016	204,926	-
Charge to profit or loss	49,710	-
Liability at 31 December 2016	<u>254,636</u>	<u>-</u>

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

20 Share capital

	Group and company	
	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
12,460 Ordinary A shares of £1 each	12,460	12,460
2,420 Ordinary B shares of £1 each	2,420	2,420
	<u>14,880</u>	<u>14,880</u>

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016	2015
	£	£
Aggregate compensation	<u>401,978</u>	<u>431,668</u>

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Purchase of goods	
	2016	2015
	£	£
Group		
Key management personnel	<u>436,712</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016	2015
	£	£
Group		
Key management personnel	<u>4,756,888</u>	<u>4,414,661</u>

No guarantees have been given or received.

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

22 Cash generated from group operations

	2016 £	2015 £
Profit for the year after tax	1,708,421	1,162,931
Adjustments for:		
Taxation charged	642,222	506,863
Finance costs	46,439	53,896
Investment income	(1,209)	(2,675)
Amortisation and impairment of intangible assets	823,077	823,076
Depreciation and impairment of tangible fixed assets	308,462	261,568
Movements in working capital:		
(Increase) in stocks	(1,518,083)	(1,026,428)
(Increase) in debtors	(318,202)	(849)
Increase in creditors	1,487,081	1,397,266
Cash generated from operations	3,178,208	3,175,648