

Company registration number
01341846

BCA Fleet Solutions 2 Limited
Report and Financial Statements
For the year ended 1 April 2018



BCA Fleet Solutions 2 Limited Report and Financial Statements

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BCA Fleet Solutions 2 Limited

Company information

Directors

T G Lampert
D J Seabridge

Company secretary

M R Letza

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
10 Bricket Road
St Albans
Hertfordshire
AL1 3JX

Registered office

Headway House
Crosby Way
Farnham
Surrey
GU9 7XG

Company registration number

01341846

BCA Fleet Solutions 2 Limited

Strategic report

For the year ended 1 April 2018

The Directors present their Strategic report on BCA Fleet Solutions 2 Limited (the 'Company') for the year ended 1 April 2018.

Principal activity

The Company's principal activity during the year continued to be that of the provision of rectification services on cars for the motor industry.

The Company is part of a group of companies that consists of BCA Marketplace plc and its subsidiaries (the 'Group').

Review of the business

The Company's profit for the year was £1.1m (year ended 2 April 2017: £0.6m).

As at 1 April 2018 the Company had net assets of £2.5m (2 April 2017: £2.5m) and net current assets of £1.7m (2 April 2017: £1.6m).

The performance in the year reflected the results of the efficiency improvement programme and capital investment that were initiated when the Company was acquired in 2016. Gross profit margin improved further as the Company continued to benefit from an increased level of buying power. Compared to the prior year profit has also benefitted from a change in taxation treatment.

These financial statements are prepared to 1 April 2018, a Sunday within seven days of 31 March, to align the accounting reference date with that of BCA Marketplace plc.

Principal risks and uncertainties

The Company's operations expose it to a variety of financial risks that include liquidity risk, operational risk and credit risk.

Financial risk management

The Company does not directly manage the financial risks. BCA Marketplace plc manages financial risk on a Group basis as described in the Strategic report of the BCA Marketplace plc Annual Report and Accounts.

Key performance indicators

Key performance indicators of the Company are revenue, adjusted EBITDA (earnings before interest, taxation, depreciation and amortisation, and significant or non-recurring items, as defined in the BCA Marketplace plc accounting policies) and the volume of vehicles processed. The volume of vehicles processed is the key driver of performance, which is then monitored against revenue and adjusted EBITDA to show how the volume is being converted into profit. They are monitored and reviewed at the segmental and Group level as described in the Strategic report of the BCA Marketplace plc Annual Report and Accounts.

This report was approved by the Board of Directors on 4 October 2018 and signed on its behalf.



T G Lampert
Director

BCA Fleet Solutions 2 Limited

Directors' report

For the year ended 1 April 2018

The Directors present their report and audited financial statements of the Company for the year ended 1 April 2018.

Future developments

The Directors expect the Company to continue to be profitable for the foreseeable future as the Company benefits from the complementary services of the Group and therefore continues to increase its level of activity and efficiency.

Dividends

During the year an interim dividend totalling £1.0m (year ended 2 April 2017: £nil) was proposed and paid. No final dividend is proposed (year ended 2 April 2017: £nil).

Financial risk management

The financial risks the Company is exposed to are set out in the Strategic report on page 2.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

T G Lampert
D J Seabridge
T Booth

Appointed 1 February 2018
Resigned 1 February 2018

Directors' indemnity

Throughout the year and up to the date of approval of the financial statements the Company, through a Group policy, provided an indemnity for its Directors and Officers. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The Directors 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.

BCA Fleet Solutions 2 Limited

Directors' report (continued) For the year ended 1 April 2018

Disclosure of information to the auditors

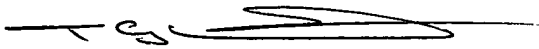
Each person who was a Director at the time this report was approved confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

This report was approved by the Board of Directors on 4 October 2018 and signed on its behalf.



T G Lampert
Director

BCA Fleet Solutions 2 Limited

Independent auditors' report to the members of BCA Fleet Solutions 2 Limited

Report on the audit of the financial statements

Opinion

In our opinion, BCA Fleet Solutions 2 Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 1 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 1 April 2018; the income statement and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

BCA Fleet Solutions 2 Limited

Independent auditors' report to the members of BCA Fleet Solutions 2 Limited (continued)

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 1 April 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they 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.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

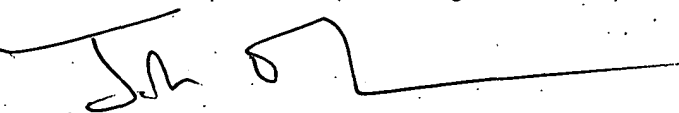
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



John Minards (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
4 October 2018

BCA Fleet Solutions 2 Limited

Income statement

	Note	Year ended 1 April 2018 £000	Year ended 2 April 2017 £000
Revenue		30,516	29,960
Cost of sales		(20,046)	(20,404)
Gross profit		10,470	9,556
Administrative expenses		(9,375)	(8,737)
Operating profit	4	1,095	819
Finance expense	6	(38)	(34)
Profit on ordinary activities before income tax		1,057	785
Income tax	7	31	(155)
Profit for the year		1,088	630

Statement of comprehensive income

The Company has no income other than that included in the results above and, therefore, no separate statement of comprehensive income has been presented.

BCA Fleet Solutions 2 Limited

Statement of changes in equity

	Share capital £000	Retained earnings £000	Total shareholder's funds £000
Balance as at 1 April 2016	450	1,381	1,831
Profit for the year	-	630	630
Total comprehensive income for the year	-	630	630
Balance as at 2 April 2017	450	2,011	2,461
Profit for the year	-	1,088	1,088
Total comprehensive income for the year	-	1,088	1,088
Dividends	-	(1,000)	(1,000)
Total transactions with owner recognised directly in equity	-	(1,000)	(1,000)
Balance as at 1 April 2018	450	2,099	2,549

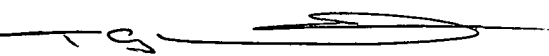
BCA Fleet Solutions 2 Limited

Balance sheet

	Note	As at 1 April 2018 £000	As at 2 April 2017 £000
Fixed assets			
Intangible assets	8	82	18
Property, plant and equipment	9	813	845
		895	863
Current assets			
Inventories	10	597	637
Trade and other receivables	11	8,023	8,141
Cash and cash equivalents		2,835	2,435
		11,455	11,213
Creditors: amounts falling due within one year	12	(9,801)	(9,615)
Net current assets		1,654	1,598
Net assets		2,549	2,461
Equity			
Share capital	14	450	450
Retained earnings		2,099	2,011
Total shareholder's funds		2,549	2,461

The notes on pages 10 to 21 are an integral part of these financial statements.

The financial statements on pages 7 to 21 were authorised for issue by the Board of Directors on 4 October 2018 and were signed on its behalf.



T G Lampert
Director

Company registration number: 01341846

BCA Fleet Solutions 2 Limited

Notes to the financial statements For the year ended 1 April 2018

1 General information

The Company is a private limited company limited by shares and is incorporated and domiciled in England and Wales. The address of the registered office is Headway House, Crosby Way, Farnham, Surrey, GU9 7XG.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 101, under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The following exemptions from the requirements of IFRS are being applied in the preparation of these financial statements, in accordance with FRS 101:

- The disclosure of the categories of financial instruments and the nature and extent of risks arising on these financial instruments;
- The requirement to disclose the valuation techniques applied to assets and liabilities held at fair value;
- The requirement to provide comparative information in respect of a reconciliation of the carrying amount of each class of tangible assets at the beginning of the period;
- The requirement to provide comparative information in respect of a reconciliation of the carrying amount of each class of intangible assets at the beginning of the period;
- The requirement to produce a third statement of financial position when applying a change in accounting policy, retrospective restatement or reclassification;
- The requirement for an explicit and unreserved statement of compliance with IFRSs;
- The requirement to disclose information relating to the Company's objectives, policies and processes for managing capital;
- The requirement to publish a statement of cash flows;
- The requirement to disclose the future impact of a new IFRS in issue but not effective at the reporting date;
- The requirement to disclose compensation for key management between short term employee benefits, post-employment benefits and other long term benefits; and
- The requirement to disclose related party transactions entered into between two or more, wholly owned, members of a group.

2.2 Going concern

The Company meets its day to day working capital requirements through its cash reserves and loans from the Group. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt a going concern basis in preparing its financial statements.

2.3 Changes in accounting policy and disclosures

No new standards, amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 1 April 2018, have had a material impact on the Company.

BCA Fleet Solutions 2 Limited

Notes to the financial statements For the year ended 1 April 2018

2 Summary of significant accounting policies (continued)

2.4 Intangible assets

Intangible assets comprise acquired computer software. These are carried at cost less accumulated amortisation and any recognised impairment loss.

Acquired computer software and software licences are capitalised and amortised on a straight-line basis over their useful lives.

Amortisation and impairment are charged to the income statement as administrative expenses in the period in which they arise. Amortisation is calculated on a straight-line basis from the date on which they are brought into use with useful lives as indicated below:

Software	3 - 7 years, or the licence term if shorter
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Amortisation period and methods are reviewed annually and adjusted if appropriate.

2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the assets' costs to their residual values over their estimated useful lives, as follows:

Land and buildings	50 years, or over the unexpired period of the lease on leasehold buildings if shorter
Fixtures, fittings and office equipment	4 years
Plant, machinery and equipment	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement. Depreciation is charged to the income statement as an administrative expense.

2.6 Impairment of non-financial assets

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

BCA Fleet Solutions 2 Limited

Notes to the financial statements For the year ended 1 April 2018

2 Summary of significant accounting policies (continued)

2.7 Inventories

Inventories, which principally comprise vehicle parts and consumables, are stated at the lower of cost and net realisable value. Cost is determined using the first in first out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventory is reviewed for impairment and a provision recorded where net realisable value has fallen below cost.

2.8 Financial assets

Classification

The Company classifies its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that arise principally through the provision of services to customers. They are initially recognised at fair value, and are subsequently stated at amortised cost using the effective interest method, where the impact is material. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. Loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty, default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable discounted at the assets' original effective interest rate.

For trade receivables, which are reported net of any provisions, such provisions are recorded in a separate provision account with the loss being recognised within operating costs in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

2.10 Financial liabilities

Financial liabilities are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

2.11 Share capital

Ordinary shares are classified as equity.

BCA Fleet Solutions 2 Limited

Notes to the financial statements For the year ended 1 April 2018

2 Summary of significant accounting policies (continued)

2.12 Current and deferred income tax

The tax credit for the year comprises current and deferred tax.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholder's funds, respectively.

The current tax charge is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to taxes payable in respect of previous periods. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of other assets or liabilities that affect neither accounting nor taxable profit other than in a business combination and differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services supplied, stated net of discounts, returns and value added taxes.

All of the Company's revenue is generated in the United Kingdom and is related to a single category of business, being services relating to vehicle remarketing.

The Company recognises revenue at the time services are provided.

2.14 Leases

The Company leases certain property, plant and equipment under operating leases. Under an operating lease substantially all of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the term of the lease.

BCA Fleet Solutions 2 Limited

Notes to the financial statements For the year ended 1 April 2018

2 Summary of significant accounting policies (continued)

2.15 Dividend distribution

Dividend distributions to the Company's shareholder are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholder.

2.16 Employee benefits

The Company operates a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Prior to the acquisition by the Group on 4 February 2016 the Company incurred pension costs in respect of contributions to the defined benefit pension scheme administered by Ramac Holdings (Tradings) Limited, a former group entity. The Company ceased to participate in the scheme on acquisition by the Group.

3 Critical accounting judgements and estimates

The preparation of the Company's financial statements requires the Directors and management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Accounting policies are reviewed annually for appropriateness. Estimates and judgements are evaluated continually and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates, with any changes arising being recognised in the period in which the change in estimate is made or the final result determined.

Certain of the Company's significant accounting policies are considered by the Directors to be critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements. These are discussed below:

Estimates

The Directors consider that the following estimates and assumptions are likely to have the most significant effect on the amounts recognised in these financial statements:

Useful economic lives of fixed assets

Both the annual amortisation charge for intangible assets and the depreciation charge for property, plant and equipment are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of trade and other receivables

The Company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

Judgements

There are no critical accounting judgements impacting these financial statements.

BCA Fleet Solutions 2 Limited

Notes to the financial statements For the year ended 1 April 2018

4 Operating profit

Operating profit is stated after charging/(crediting):

	Year ended 1 April 2018 £000	Year ended 2 April 2017 £000
Wages and salaries	5,325	5,763
Social security costs	520	505
Other pension costs	38	47
Staff costs	5,883	6,315
Depreciation of property, plant and equipment	406	328
Amortisation of intangible assets	22	-
Loss/(profit) on disposal of property, plant and equipment	4	(23)
Operating lease - land and buildings	1,925	1,948
Services provided by the Company's auditors - Fees payable for the audit	16	16

5 Employees and directors

Employees

The average monthly number of people (including Executive Directors) employed by the Company during the year was:

	Year ended 1 April 2018 Number	Year ended 2 April 2017 Number
By activity		
Production	133	152
Administration	61	42
Sales	2	-
	196	194

BCA Fleet Solutions 2 Limited

Notes to the financial statements For the year ended 1 April 2018

5 Employees and directors (continued)

Directors

The Directors' emoluments were as follows:

	Year ended 1 April 2018 £000	Year ended 2 April 2017 £000
Aggregate emoluments	208	324
Pension costs	12	6
	220	330

In the current year, total Directors' emoluments are also those of the highest paid Director.

The emoluments of one (year to 2 April 2017: one) Director were paid by BCA Marketplace plc, the ultimate parent company which makes no recharge to the Company. This Director is a director of BCA Marketplace plc and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, these financial statements include no emoluments in respect of this Director. The total emoluments are included in the aggregate of Directors' emoluments disclosed in the financial statements of BCA Marketplace plc.

The emoluments of one (year ended 2 April 2017: nil) Director were paid by Walon Limited, the immediate parent company, which makes no recharge to the Company. This Director is a director of a number of subsidiaries of the Group and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, these financial statements include no emoluments in respect of this Director. The total emoluments are included in the aggregate of Directors' emoluments disclosed in the financial statements of BCA Fleet Solutions Limited.

6 Finance expense

	Year ended 1 April 2018 £000	Year ended 2 April 2017 £000
Interest payable to Group undertakings	38	34

BCA Fleet Solutions 2 Limited

Notes to the financial statements For the year ended 1 April 2018

7 Income tax

Tax (credit)/charge included in the income statement

	Year ended 1 April 2018 £000	Year ended 2 April 2017 £000
Current tax:		
Group relief surrendered from Group undertakings for payment	-	132
Adjustments in respect of previous periods	-	74
Total current tax	-	206
Deferred tax:		
Origination and reversal of temporary differences	(24)	(7)
Adjustments in respect of previous periods	(7)	(44)
Total deferred tax	(31)	(51)
Income tax (credit)/charge on profit on ordinary activities	(31)	155

Income tax (credit)/charge for the year is lower (year ended 2 April 2017: lower) than the standard rate of corporation tax in the UK for the year ended 1 April 2018 of 19.0% (year ended 2 April 2017: 20.0%). The differences are explained below:

Income tax reconciliation	Year ended 1 April 2018 £000	Year ended 2 April 2017 £000
Profit on ordinary activities before income tax	1,057	785
Profit multiplied by the standard rate of tax in the UK of 19.0% (year ended 2 April 2017: 20.0%)	201	157
Effects of:		
Expenses not deductible for tax purposes	10	-
Group relief surrendered from Group undertakings	(237)	-
Unrecognised brought forward losses utilised	-	(35)
Impact of rate difference between deferred and current tax	2	-
Tax rate change	-	3
Adjustments in respect of previous periods	(7)	30
Tax (credit)/charge	(31)	155

The Finance Act 2015 reduced the UK main rate of corporation tax from 20.0% to 19.0% from 1 April 2017. The Finance Act 2016 contains provisions for a further reduction to the corporation tax main rate for the year starting 1 April 2020, setting the rate at 17.0%. Deferred tax balances have been valued accordingly.

In the current period, no payment was made for the surrender of losses from Group undertakings.

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Notes to the financial statements For the year ended 1 April 2018

8 Intangible assets

	Software £000
Cost	
As at 3 April 2017	22
Additions	86
As at 1 April 2018	108
Accumulated amortisation	
As at 3 April 2017	4
Charge for the year	22
As at 1 April 2018	26
Net book value	
As at 1 April 2018	82
As at 2 April 2017	18

9 Property, plant and equipment

	Land and buildings £000	Fixtures, fittings and office equipment £000	Plant, machinery and equipment £000	Total £000
Cost				
As at 3 April 2017	61	1,507	2,440	4,008
Additions	66	265	90	421
Disposals	-	(63)	-	(63)
Transfer to Group undertakings	-	(28)	-	(28)
As at 1 April 2018	127	1,681	2,530	4,338
Accumulated depreciation				
As at 3 April 2017	61	979	2,123	3,163
Charge for the year	3	181	222	406
Disposals	-	(39)	-	(39)
Transfer to Group undertakings	-	(5)	-	(5)
As at 1 April 2018	64	1,116	2,345	3,525
Net book value:				
As at 1 April 2018	63	565	185	813
As at 2 April 2017	-	528	317	845

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Notes to the financial statements For the year ended 1 April 2018

10 Inventories

	As at 1 April 2018 £000	As at 2 April 2017 £000
Raw materials and consumables	597	637

There is no significant difference between the replacement cost of inventories and their carrying amounts. Inventories are stated after provision for impairment of £nil (2 April 2017: £nil).

Inventories recognised as an expense and charged to the income statement during the year were £7.6m (year ended 2 April 2017: £11.7m).

11 Trade and other receivables

	As at 1 April 2018 £000	As at 2 April 2017 £000
Trade receivables	4,598	6,352
Amounts owed by Group undertakings	-	212
VAT receivable	39	-
Other receivables	15	-
Prepayments and accrued income	3,241	1,478
Deferred tax asset (note 13)	130	99
	8,023	8,141

Trade receivables are stated after provision for impairment of £49,000 (2 April 2017: £40,000).

Amounts owed by Group undertakings are unsecured, repayable on demand and do not bear interest.

12 Creditors: amounts falling due within one year

	As at 1 April 2018 £000	As at 2 April 2017 £000
Trade creditors	3,858	5,118
Amounts owed to Group undertakings	4,199	2,628
Taxation and social security	142	277
Other creditors	167	126
Accruals and deferred income	1,435	1,466
	9,801	9,615

Amounts owed to Group undertakings are unsecured, repayable on demand and bear interest at up to three month British pound sterling LIBOR ('LIBOR') plus 2.5% (2 April 2017: up to 5.0%) per annum.

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Notes to the financial statements For the year ended 1 April 2018

13 Deferred tax

	Depreciation in excess of capital allowances £000	Unrelieved tax losses £000	Total £000
As at 1 April 2016	48	-	48
Credited to the income statement	44	7	51
As at 2 April 2017	92	7	99
Credited to the income statement	31	-	31
As at 1 April 2018	123	7	130

14 Share capital

Authorised, allotted and fully paid

	Number	£000
Ordinary shares of £1 each		
As at 2 April 2017 and 1 April 2018	450,000	450

15 Dividends

During the year an interim dividend of £2.22 per share, totalling £1.0m, (year ended 2 April 2017: £nil), was proposed and paid. No final dividend is proposed (year ended 2 April 2017: £nil).

16 Contingent liabilities

The Company has entered into an agreement over various bank loans and overdrafts of certain Group undertakings and has granted as security a fixed and floating charge over all its present and future assets. At the year end the loans totalled £328.9m (2 April 2017: £347.6m) and the net overdraft totalled £nil (2 April 2017: £nil).

17 Capital and other commitments

The total future aggregate minimum lease payments under operating leases are as follows:

	As at 1 April 2018 £000	As at 2 April 2017 £000
Land and buildings:		
Within 1 year	1,939	1,948
Later than 1 year and not later than 5 years	7,027	7,792
Later than 5 years	4,559	5,877
Total operating lease commitments	13,525	15,617

BCA Fleet Solutions 2 Limited

Notes to the financial statements For the year ended 1 April 2018

18 Related party transactions

The Company has taken advantage of the exemption conferred by FRS 101 in paragraph 8(j) relating to IAS 24, the requirements to disclose related party transactions entered into between two or more, wholly owned, members of a group.

19 Ultimate controlling party

The Company's ultimate parent company and controlling party is BCA Marketplace plc which is the largest and smallest undertaking that consolidates these financial statements. The Company's immediate parent undertaking is Walon Limited.

Copies of the consolidated financial statements of BCA Marketplace plc are available from the Company Secretary, BCA Marketplace plc, Haversham House, Coronation Business Park, Kiln Road, Kempston Hardwick, Bedford, MK43 9PR.