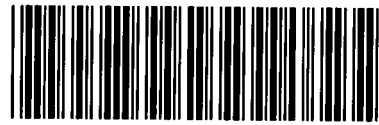


**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018
FOR
NORTH EAST TRUCK & VAN HOLDINGS LIMITED**

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FOR THE YEAR ENDED 31 JANUARY 2018**

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NORTH EAST TRUCK & VAN HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JANUARY 2018**

DIRECTORS:

Mr A W McDonald
Mr J W McDonald
Mr I T Hopkins

REGISTERED OFFICE:

Cowpen Bewley Road
Haverton Hill
Billingham
Cleveland
TS23 4EX

REGISTERED NUMBER:

09165153 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Central Square South
Orchard Street
Newcastle upon Tyne
Tyne and Wear
NE1 3AZ

BANKERS:

Lloyds Bank
4th Floor
102 Grey Street
Newcastle upon Tyne
NE1 6AG

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JANUARY 2018**

The directors present their strategic report of the Company and the Group for the year ended 31 January 2018.

REVIEW OF BUSINESS

The (loss)\profit on ordinary activities before taxation was £(186)k (Prior year: £210k).

The performance of the Group in the financial year has been hampered, in the main, by external factors outside of its control.

Despite this, the Group remains well placed to improve gross profits and further control costs in the coming years and the Directors are optimistic of improving results in the year ahead.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties associated with the business mainly centre on credit risk, and exposure to interest rates.

FINANCIAL RISK MANAGEMENT

The Group remains committed that its future expansion strategies should be achieved from cash generated by its operations.

The Group manages its exposure to interest rates by having facilities with varying providers on differing interest rate bases and thus spreading its risk accordingly.

As a matter of good business practice, the Group has taken steps to negotiate additional facilities which may be used if required to meet any expansion programmes over and above current strategies.

Other financial assets and liabilities are those generated from its trading activities and primarily comprise fixed assets, stocks, trade debtors and trade creditors.

Monitoring and control of trade debtors remains key and the Group undertakes credit assessments of its customers on a monthly basis to minimise exposure on extended credit where there is a likelihood of default. The Group ensures provision of such risk is maintained at historic rates.

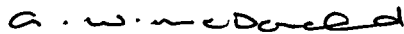
The Group believes that due to its investment in properties and stringent accounting policies, the market value of its fixed assets exceeds their net book value.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JANUARY 2018**

KEY PERFORMANCE INDICATORS

Although the Group has a number of different operations within its commercial dealerships, the Directors do not believe that any analysis of key performance indicators is necessary for an understanding of the business, which is managed by detailed business analysis and management accounts.

ON BEHALF OF THE BOARD:



Mr A W McDonald - Director

18 July 2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JANUARY 2018**

The directors present their report with the financial statements of the Company and the Group for the year ended 31 January 2018.

PRINCIPAL ACTIVITIES

The principal activities of the Group in the year under review were those typically associated with a commercial vehicle dealership. During the last financial year this involved the sale of both new and used vehicles, parts sales, servicing and maintenance, and the provision of specialist engineering and bodyshop activities.

The Group operates franchises with Iveco, Iveco Bus, Fiat Professional, MAN, LDV and Hino.

DIVIDENDS

No dividends will be distributed for the year ended 31 January 2018.

FUTURE DEVELOPMENTS

The Directors continue to be confident that the business will continue to perform to plan, with the cost base being carefully controlled and monitored to react immediately to any volume fluctuations.

DIRECTORS

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

Mr A W McDonald

Mr J W McDonald

Mr I T Hopkins

EMPLOYEES

The Group's policy is to discuss with employees, through team meetings and individual appraisals, all matters which are likely to affect the employees' interests.

Information on matters of concern to employees is provided through regular employee briefings. These seek to achieve a common awareness amongst employees of the financial and economic factors affecting the Group's performance.


The Group's policy is to give full and fair consideration to applications for employment from disabled persons, having regard for their particular attributes and abilities. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work as appropriate to their attributes and abilities.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JANUARY 2018**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:



Mr A W McDonald - Director

18 July 2018

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JANUARY 2018**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 and 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 102, 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 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 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and 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 group and company's auditors are aware of that information.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, North East Truck & Van Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 January 2018 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Group Strategic Report, Report of the Directors and Audited Consolidated Financial Statements (the "Annual Report"), which comprise: the group and parent company statements of financial position as at 31 January 2018; the consolidated statement of comprehensive income, the group statement of cash flows, and the group and parent company statements 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 group 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 group's and 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 group's and 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NORTH EAST TRUCK & VAN HOLDINGS LIMITED

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 Report of the Directors, 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.

STRATEGIC REPORT AND REPORT OF THE DIRECTORS

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 January 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 group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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 group's and 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 group or 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NORTH EAST TRUCK & VAN HOLDINGS LIMITED**

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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Michael Jeffrey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Newcastle upon Tyne

18 July 2018

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2018**

	Notes	2018 £'000	2017 £'000
TURNOVER	3	36,208	38,046
Cost of sales		<u>27,441</u>	<u>29,177</u>
GROSS PROFIT		8,767	8,869
Administrative expenses		<u>8,941</u>	<u>8,647</u>
		(174)	222
Other operating income		<u>123</u>	<u>134</u>
OPERATING (LOSS)/PROFIT	5	(51)	356
Interest payable and similar expenses	6	<u>135</u>	<u>146</u>
(LOSS)/PROFIT BEFORE TAXATION		(186)	210
Tax on (loss)/profit	7	<u>(16)</u>	<u>69</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(170)	141
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>(170)</u></u>	<u><u>141</u></u>
(Loss)/profit attributable to: Owners of the parent		<u><u>(170)</u></u>	<u><u>141</u></u>
Total comprehensive income attributable to: Owners of the parent		<u><u>(170)</u></u>	<u><u>141</u></u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 JANUARY 2018

	Notes	£'000	2018 £'000	£'000	2017 £'000
FIXED ASSETS					
Intangible assets	9		7		11
Tangible assets	10		6,299		6,429
Investments	11		<u>-</u>		<u>-</u>
			6,306		6,440
CURRENT ASSETS					
Stocks	12	15,922		15,581	
Debtors	13	3,917		4,335	
Cash in hand		<u>8</u>		<u>14</u>	
		19,847		19,930	
CREDITORS					
Amounts falling due within one year	14	<u>21,451</u>		<u>20,847</u>	
NET CURRENT LIABILITIES			<u>(1,604)</u>		<u>(917)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,702		5,523
CREDITORS					
Amounts falling due after more than one year	15		(3,414)		(4,058)
PROVISIONS FOR LIABILITIES	19		<u>(126)</u>		<u>(133)</u>
NET ASSETS			<u>1,162</u>		<u>1,332</u>

The notes form part of these financial statements

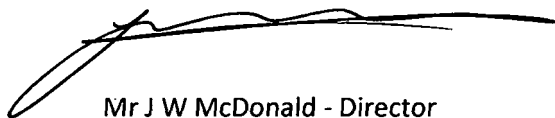
CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
31 JANUARY 2018

	Notes	£'000	2018 £'000	£'000	2017 £'000
CAPITAL AND RESERVES					
Called up share capital	20		-		-
Share premium	21		800		800
Retained earnings	21		<u>362</u>		<u>532</u>
SHAREHOLDERS' FUNDS			<u>1,162</u>		<u>1,332</u>

The financial statements were approved by the Board of Directors on 18 July 2018 and were signed on its behalf by:



Mr A W McDonald - Director



Mr J W McDonald - Director

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
31 JANUARY 2018

	Notes	£'000	2018 £'000	£'000	2017 £'000
FIXED ASSETS					
Intangible assets	9		7		11
Tangible assets	10		-		-
Investments	11		<u>5,074</u>		<u>5,074</u>
			5,081		5,085
CURRENT ASSETS					
Debtors	13	1		-	
Cash at bank		<u>-</u>		<u>1</u>	
		1		1	
CREDITORS					
Amounts falling due within one year	14	<u>2,315</u>		<u>2,009</u>	
NET CURRENT LIABILITIES			<u>(2,314)</u>		<u>(2,008)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,767		3,077
CREDITORS					
Amounts falling due after more than one year	15		<u>2,000</u>		<u>2,300</u>
NET ASSETS			<u>767</u>		<u>777</u>
CAPITAL AND RESERVES					
Called up share capital	20		-		-
Share premium			800		800
Retained earnings			<u>(33)</u>		<u>(23)</u>
SHAREHOLDERS' FUNDS			<u>767</u>		<u>777</u>
Company's loss for the financial year			<u>(10)</u>		<u>(19)</u>

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION - continued
31 JANUARY 2018

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

The financial statements were approved by the Board of Directors on 18 July 2018 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Mr J W McDonald', is written over a horizontal line.

Mr J W McDonald - Director

The notes form part of these financial statements

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

	Retained earnings £'000	Share premium £'000	Total equity £'000
Balance at 1 February 2016	391	800	1,191
Changes in equity			
Total comprehensive income	<u>141</u>	<u>-</u>	<u>141</u>
Balance at 31 January 2017	<u>532</u>	<u>800</u>	<u>1,332</u>
Changes in equity			
Total comprehensive income	<u>(170)</u>	<u>-</u>	<u>(170)</u>
Balance at 31 January 2018	<u><u>362</u></u>	<u><u>800</u></u>	<u><u>1,162</u></u>

The notes form part of these financial statements

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

	Retained earnings £'000	Share premium £'000	Total equity £'000
Balance at 1 February 2016	(4)	800	796
Changes in equity			
Total comprehensive income	<u>(19)</u>	<u>-</u>	<u>(19)</u>
Balance at 31 January 2017	<u>(23)</u>	<u>800</u>	<u>777</u>
Changes in equity			
Total comprehensive income	<u>(10)</u>	<u>-</u>	<u>(10)</u>
Balance at 31 January 2018	<u><u>(33)</u></u>	<u><u>800</u></u>	<u><u>767</u></u>

The notes form part of these financial statements

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

		2018	2017
	Notes	£'000	£'000
Cash flows from operating activities			
Cash generated from operations	24	1,494	278
Interest paid		(135)	(146)
Tax paid		<u>(63)</u>	<u>(83)</u>
Net cash from operating activities		<u>1,296</u>	<u>49</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(732)	(935)
Sale of tangible fixed assets		<u>592</u>	<u>842</u>
Net cash from investing activities		<u>(140)</u>	<u>(93)</u>
Cash flows from financing activities			
Loan repayments in year		(439)	(432)
Capital repayments in year		(743)	(818)
Loan note repayments in year		<u>(300)</u>	<u>(300)</u>
Net cash from financing activities		<u>(1,482)</u>	<u>(1,550)</u>
		<u> </u>	<u> </u>
Decrease in cash and cash equivalents		(326)	(1,594)
Cash and cash equivalents at beginning of year	25	(997)	597
		<u> </u>	<u> </u>
Cash and cash equivalents at end of year	25	<u>(1,323)</u>	<u>(997)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

1. STATUTORY INFORMATION

North East Truck & Van Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

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

Accounting policies have been consistently applied.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Estimates and judgements are continually evaluated and are based on both historical experience and other factors, including expectations of future events which are believed to be reasonable under the circumstances.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic life of those assets. These are re-assessed annually and amended when necessary to reflect current estimates, based on the economic utilisation and physical condition of the assets.

(ii) Inventory provisioning

The company holds used vehicles for resale. Such vehicles are held at cost less any provision for impairment. The calculation of any provision for impairment required judgement. Such provisions are calculated using management's best estimates of likely future selling prices on an individual vehicle by vehicle basis.

TURNOVER

Turnover, which excluded value added tax and trade discounts, represents the invoiced value of goods and services supplied to customers in the period. For vehicle sales, the risks and rewards of ownership are deemed to pass to the customer on issuance of invoice. Aftersales turnover is recognised on servicing sales upon completion of work, and parts sales upon dispatch of goods.

GOODWILL

Goodwill, being the amount paid in connection with the acquisition of a business in 0, is being amortised evenly over its estimated useful life of nil years.

INTANGIBLE ASSETS

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

2. ACCOUNTING POLICIES - continued

TANGIBLE FIXED ASSETS

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

Freehold property	- 2.5% on cost
Leasehold property	- over the term of the lease
Plant, machinery & vehicles	- 10.00% - 33.00% on cost
Fixtures, fittings, office & computer equipment	- 10.00% - 33.00% on cost

STOCKS

Stocks and work in progress are stated at the lesser of cost and net realisable value.

The cost of parts is determined on a weighted average basis and the cost of new and used vehicles is determined on an actual cost basis.

The value of work in progress includes an appropriate element of labour.

Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition.

Provision is made where necessary for obsolete, slow moving and defective stocks.

TAXATION

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

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

2. ACCOUNTING POLICIES - continued

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

The turnover and loss (2017 - profit) before taxation are attributable to the principal activities of the Group.

An analysis of turnover by class of business is given below:

	2018	2017
	£'000	£'000
Vehicle sales	18,145	19,710
Vehicle leasing	1,248	1,047
Parts & service sales	16,815	17,289
	<u>36,208</u>	<u>38,046</u>

An analysis of turnover by geographical market is given below:

	2018	2017
	£'000	£'000
United Kingdom	<u>36,208</u>	<u>38,046</u>
	<u>36,208</u>	<u>38,046</u>

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£'000	£'000
Wages and salaries	5,982	5,954
Social security costs	587	564
Other pension costs	60	57
	<u>6,629</u>	<u>6,575</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

4. EMPLOYEES AND DIRECTORS - continued

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

	2018	2017
Sales	16	14
Workshop & parts	188	194
Administration	24	24
	<u>228</u>	<u>232</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 228 (2017 - 232).

The directors did not receive any emoluments for their services to the Group during the year (Prior year: £nil).

5. OPERATING (LOSS)/PROFIT

The operating loss (2017 - operating profit) is stated after charging/(crediting):

	2018	2017
	£'000	£'000
Depreciation - owned assets	912	918
Profit on disposal of fixed assets	(2)	(115)
Goodwill amortisation	4	3
Auditors' remuneration	29	29
	<u>29</u>	<u>29</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£'000	£'000
Bank interest	51	23
Bank loan interest	9	22
Hire purchase interest	75	101
	<u>135</u>	<u>146</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

7. TAXATION**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax	(9)	63
Deferred tax	<u>(7)</u>	<u>6</u>
Tax on (loss)/profit	<u><u>(16)</u></u>	<u><u>69</u></u>

RECONCILIATION OF TOTAL TAX (CREDIT)/CHARGE INCLUDED IN PROFIT AND LOSS

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £'000	2017 £'000
(Loss)/profit before tax	<u>(186)</u>	<u>210</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	(35)	42
Effects of:		
Expenses not deductible for tax purposes	25	49
Capital allowances in excess of depreciation	-	(15)
Utilisation of tax losses	-	(13)
Origination and reversal of timing differences	1	6
Changes in Tax Rates	<u>(7)</u>	<u>-</u>
Total tax (credit)/charge	<u><u>(16)</u></u>	<u><u>69</u></u>

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of comprehensive income of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

9. INTANGIBLE ASSETS

Group

Goodwill
£'000

COST

At 1 February 2017
and 31 January 2018

18

AMORTISATION

At 1 February 2017
Amortisation for year

7

4

At 31 January 2018

11

NET BOOK VALUE

At 31 January 2018

7

At 31 January 2017

11

Company

Goodwill
£'000

COST

At 1 February 2017
and 31 January 2018

18

AMORTISATION

At 1 February 2017
Amortisation for year

7

4

At 31 January 2018

11

NET BOOK VALUE

At 31 January 2018

7

At 31 January 2017

11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

10. TANGIBLE ASSETS

Group

	Freehold property £'000	Leasehold property £'000	Plant, machinery & vehicles £'000	Fixtures, fittings, office & computer equipment £'000	Totals £'000
COST					
At 1 February 2017	6,845	40	4,500	1,290	12,675
Additions	109	-	1,167	96	1,372
Disposals	-	-	(932)	(1)	(933)
Reclassification/transfer	(132)	-	132	-	-
At 31 January 2018	<u>6,822</u>	<u>40</u>	<u>4,867</u>	<u>1,385</u>	<u>13,114</u>
DEPRECIATION					
At 1 February 2017	2,674	9	2,635	928	6,246
Charge for year	169	-	641	102	912
Dep'n on disposals	-	-	(342)	(1)	(343)
At 31 January 2018	<u>2,843</u>	<u>9</u>	<u>2,934</u>	<u>1,029</u>	<u>6,815</u>
NET BOOK VALUE					
At 31 January 2018	<u>3,979</u>	<u>31</u>	<u>1,933</u>	<u>356</u>	<u>6,299</u>
At 31 January 2017	<u>4,171</u>	<u>31</u>	<u>1,865</u>	<u>362</u>	<u>6,429</u>

Included in cost of land and buildings is freehold land of £276,373 (2017 - £276,373) which is not depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

11. INVESTMENTS

Company

Shares in
subsidiaries
£'000

COST

At 1 February 2017
and 31 January 2018

5,074

NET BOOK VALUE

At 31 January 2018

5,074

At 31 January 2017

5,074

The Group or the Company's investments at the Statement of financial position date in the share capital of companies include the following:

SUBSIDIARY

North East Truck & Van Limited

Registered office: Cowpen Bewley Road, Haverton Hill, Billingham, TS23 4EX

Nature of business: Commercial Vehicle Dealership

	%
Class of shares:	holding
£1 Ordinary	100.00

12. STOCKS

	Group	
	2018	2017
	£'000	£'000
Work in progress	392	482
New & used vehicle stocks	13,874	13,799
Parts stocks	<u>1,656</u>	<u>1,300</u>
	<u>15,922</u>	<u>15,581</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

13. DEBTORS

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade debtors	2,982	3,315	-	-
Other debtors	368	590	-	-
VAT	140	-	-	-
Deferred tax asset	-	-	1	-
Prepayments	427	430	-	-
	<u>3,917</u>	<u>4,335</u>	<u>1</u>	<u>-</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 16)	1,494	1,435	-	248
Other loans (see note 16)	300	300	300	300
Hire purchase contracts (see note 17)	462	431	-	-
Trade creditors	10,922	11,652	-	-
Amounts owed to group undertakings	-	-	2,015	1,461
Corporation tax	(9)	63	-	-
Social security and other taxes	150	145	-	-
VAT	-	405	-	-
Other creditors	4,905	4,713	-	-
Accruals and deferred income	3,227	1,703	-	-
	<u>21,451</u>	<u>20,847</u>	<u>2,315</u>	<u>2,009</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Bank loans (see note 16)	-	178	-	-
Other loans (see note 16)	2,000	2,300	2,000	2,300
Hire purchase contracts (see note 17)	926	1,060	-	-
Accruals and deferred income	488	520	-	-
	<u>3,414</u>	<u>4,058</u>	<u>2,000</u>	<u>2,300</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
Bank overdrafts	1,331	1,011	-	-
Bank loans	163	424	-	248
Loan notes	300	300	300	300
	<u>1,794</u>	<u>1,735</u>	<u>300</u>	<u>548</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	-	176	-	-
Loan notes - 1-2 years	400	300	400	300
	<u>400</u>	<u>476</u>	<u>400</u>	<u>300</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	-	2	-	-
Loan notes - 2-5 years	1,600	2,000	1,600	2,000
	<u>1,600</u>	<u>2,002</u>	<u>1,600</u>	<u>2,000</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	2018	2017
	£'000	£'000
Net obligations repayable:		
Within one year	462	431
Between one and five years	926	1,060
	<u>1,388</u>	<u>1,491</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

17. LEASING AGREEMENTS - continued**Group**

	Non-cancellable operating leases	
	2018	2017
	£'000	£'000
Within one year	179	174
Between one and five years	<u>689</u>	<u>24</u>
	<u>868</u>	<u>198</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2018	2017
	£'000	£'000
Bank overdrafts	1,331	1,011
Bank loans	<u>163</u>	<u>602</u>
	<u>1,494</u>	<u>1,613</u>

The bank loan is secured against the freehold land and buildings of the Group's Hull site, and bears interest at UK base rate plus 1.5%.

The bank overdraft is secured against the assets of the Group by way of a debenture.

19. PROVISIONS FOR LIABILITIES

	Group	
	2018	2017
	£'000	£'000
Deferred tax	<u>126</u>	<u>133</u>

Group

	Deferred tax £'000
Balance at 1 February 2017	133
Credit to Statement of comprehensive income during year	<u>(7)</u>
Balance at 31 January 2018	<u>126</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

19. PROVISIONS FOR LIABILITIES - continued**Company**

	Deferred tax £'000
Credit to Statement of comprehensive income during year	<u>(1)</u>
Balance at 31 January 2018	<u><u>(1)</u></u>

20. CALLED UP SHARE CAPITAL**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2018 £	2017 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

21. RESERVES**Group**

	Retained earnings £'000	Share premium £'000	Totals £'000
At 1 February 2017	532	800	1,332
Deficit for the year	<u>(170)</u>	<u>—</u>	<u>(170)</u>
At 31 January 2018	<u><u>362</u></u>	<u><u>800</u></u>	<u><u>1,162</u></u>

22. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with group undertakings.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

23. ULTIMATE CONTROLLING PARTY

The Directors do not consider there to be an ultimate controlling party of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018

24. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£'000	£'000
(Loss)/profit before taxation	(186)	210
Depreciation charges	916	921
Profit on disposal of fixed assets	(2)	(115)
Finance costs	<u>135</u>	<u>146</u>
	863	1,162
(Increase)/decrease in stocks	(341)	1,501
Decrease in trade and other debtors	418	1,320
Increase/(decrease) in trade and other creditors	<u>554</u>	<u>(3,705)</u>
Cash generated from operations	<u>1,494</u>	<u>278</u>

25. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated statement of cash flows in respect of cash and cash equivalents are in respect of these Statement of financial position amounts:

Year ended 31 January 2018

	31/1/18	1/2/17
	£'000	£'000
Cash and cash equivalents	8	14
Bank overdrafts	<u>(1,331)</u>	<u>(1,011)</u>
	<u>(1,323)</u>	<u>(997)</u>

Year ended 31 January 2017

	31/1/17	1/2/16
	£'000	£'000
Cash and cash equivalents	14	597
Bank overdrafts	<u>(1,011)</u>	<u>-</u>
	<u>(997)</u>	<u>597</u>