

**COMPANY REGISTRATION NUMBER: 00653461**

**Gravell's Limited**

**Financial Statements**

**31 December 2018**

**Gravell's Limited**

**Financial Statements**

**Year ended 31 December 2018**

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**Gravell's Limited**

**Officers and Professional Advisers**

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<b>Director</b>	Mr J Gravell
<b>Company secretary</b>	Mr J Gravell
<b>Registered office</b>	Service Centre Pembrey Road Kidwelly Carmarthenshire SA17 4TF
<b>Auditor</b>	James & Uzzell Ltd Chartered Certified Accountants & statutory auditor Axis 15, Axis Court Mallard Way Riverside Business Park Swansca SA7 0AJ

## Gravell's Limited

### Strategic Report

#### Year ended 31 December 2018

The director presents his strategic report for the year ended 31st December 2018. REVIEW OF BUSINESS The director undertakes a detailed analysis of the company's position during the year and at the year end using turnover and profitability as the key performance indicators as detailed below.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The company operates in a competitive market and has reliance on a very good reputation and providing a quality service. The company's trading activities are all within the United Kingdom and therefore it does not expose itself to fluctuating exchange rates. The principal risk facing the company is the strength of the UK economy and following from that the demand for its products. The company has maintained positive growth during the last twelve months through its ability to offer innovative and value added products and services to its new and existing customer base while maintaining a high standard of service. The company continues to invest in its underlying systems and constantly seeks to identify opportunities for growth. The company's performance is heavily influenced by the fortunes of the franchises it represents. Given the longstanding and successful relationship the company enjoys with each of its core franchises it is considered that such risks have to a large extent been mitigated.

#### DEVELOPMENT AND PERFORMANCE

The results for the year and the financial position at the year end was considered satisfactory by the director. The director continues to identify growth strategies and improve the efficiency of the business operations.

#### FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators are set out below:

	2018	2017	Variance
	£	£	
Turnover	76,794,585	73,707,292	3,087,293
Gross Profit	4,957,559	4,558,064	399,495
Gross Profit %	6.5%	6.2%	0.3%
Profit before tax	2,393,507	1,713,823	679,684
Profit before tax %	3.1%	2.3%	0.8%
Number of cars sold	6,593	6,546	47
Used vehicle turnover	28,436,960	24,175,390	4,261,570
New vehicle turnover	38,969,968	40,777,000	(1,807,032)

This report was approved by the board of directors on 16 August 2019 and signed on behalf of the board by:

Mr J Gravell

**Mr J Gravell**

Director

## **Gravell's Limited**

### **Director's Report**

#### **Year ended 31 December 2018**

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The director presents his report and the financial statements of the company for the year ended 31 December 2018 .

#### **DIRECTOR**

The director who served the company during the year was as follows:

Mr J Gravell

#### **DIVIDENDS**

Particulars of recommended dividends are detailed in note 13 to the financial statements.

#### **FUTURE DEVELOPMENTS**

The director aims to maintain the management policies which have resulted in the company's steady trading in recent years and continue to focus on sustained profitability and growth within its existing core franchise operations.

#### **FINANCIAL INSTRUMENTS**

The company operates a number of risk management policies designed to minimise it's exposure to financial risk.

##### **Liquidity and cash flow risk**

The company produces detailed monthly management accounts and forecasts, which enables the director to monitor the cash position and to ensure there is sufficient liquidity and cash flow to minimise the risk of the company being unable to pay its debts as they fall due.

##### **Credit risk**

The company operates a number of policies and controls to minimise credit risk. All customers are subject to a detailed credit review prior to any terms being agreed. The director must authorise any larger value contracts and the company will only conduct business with customers deemed to be credit worthy.

##### **Price risk**

The company actively manages price risk by agreeing terms with suppliers prior to entering into any transactions with customers.

#### **RESEARCH AND DEVELOPMENT**

The company has implemented a policy of investment in research and development in order to create a competitive position in the market

#### **DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT**

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

## **DIRECTOR'S RESPONSIBILITIES STATEMENT**

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations. Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the director is required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The director is 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. He is 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. **DISCLOSURE OF INFORMATION TO THE AUDITORS**

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 16 August 2019 and signed on behalf of the board by:

Mr J Gravell

**Mr J Gravell**

Director

## **Gravell's Limited**

### **Independent Auditor's Report to the Members of Gravell's Limited**

**Year ended 31 December 2018**

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#### **OPINION**

We have audited the financial statements of Gravell's Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

#### **BASIS FOR OPINION**

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

#### **CONCLUSIONS RELATING TO GOING CONCERN**

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

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **OTHER INFORMATION**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or - the financial statements are not in agreement with the accounting records and returns; or - certain disclosures of director's remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

### **RESPONSIBILITIES OF THE DIRECTOR**

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director. - Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. **USE OF OUR REPORT**



This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

ALISON JAYNE UZZELL FCCA

(Senior Statutory Auditor)

For and on behalf of

James & Uzzell Ltd

Chartered Certified Accountants & statutory auditor

Axis 15, Axis Court

Mallard Way

Riverside Business Park

Swansea

SA7 0AJ

16 August 2019

**Gravell's Limited****Statement of Comprehensive Income****Year ended 31 December 2018**

		<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>TURNOVER</b>	<b>4</b>	76,794,585	73,707,292
Cost of sales		71,837,026	69,149,228
		-----	-----
<b>GROSS PROFIT</b>		4,957,559	4,558,064
Administrative expenses		2,664,797	2,951,344
Other operating income	<b>5</b>	159,639	167,883
		-----	-----
<b>OPERATING PROFIT</b>	<b>6</b>	2,452,401	1,774,603
Other interest receivable and similar income	<b>10</b>	16,927	20,257
Interest payable and similar expenses	<b>11</b>	75,821	81,037
		-----	-----
<b>PROFIT BEFORE TAXATION</b>		2,393,507	1,713,823
Tax on profit	<b>12</b>	212,613	126,816
		-----	-----
<b>PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		2,180,894	1,587,007
		-----	-----

All the activities of the company are from continuing operations.

**Gravell's Limited**  
**Statement of Financial Position**  
**31 December 2018**

		<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Tangible assets	<b>14</b>	3,405,170	3,298,304
Investments	<b>15</b>	1,589,920	1,229,920
		-----	-----
		4,995,090	4,528,224
<b>CURRENT ASSETS</b>			
Stocks	<b>16</b>	7,806,470	8,323,978
Debtors	<b>17</b>	3,166,063	1,347,668
Cash at bank and in hand		1,479,925	1,043,272
		-----	-----
		12,452,458	10,714,918
<b>CREDITORS: amounts falling due within one year</b>	<b>18</b>	11,106,015	11,031,394
		-----	-----
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		1,346,443	( 316,476)
		-----	-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,341,533	4,211,748
<b>PROVISIONS</b>			
Taxation including deferred tax	<b>19</b>	391,516	385,098
		-----	-----
<b>NET ASSETS</b>		5,950,017	3,826,650
		-----	-----
<b>CAPITAL AND RESERVES</b>			
Called up share capital	<b>22</b>	225,000	225,000
Profit and loss account	<b>23</b>	5,725,017	3,601,650
		-----	-----
<b>SHAREHOLDERS FUNDS</b>		5,950,017	3,826,650
		-----	-----

These financial statements were approved by the board of directors and authorised for issue on 16 August 2019 , and are signed on behalf of the board by:

**Mr J Gravell**

Director

Company registration number: 00653461

**Gravell's Limited****Statement of Changes in Equity****Year ended 31 December 2018**

		Called up share capital	Profit and loss account	<b>Total</b>
		£	£	£
<b>AT 1 JANUARY 2017</b>		225,000	3,966,497	4,191,497
Profit for the year			1,587,007	1,587,007
		-----	-----	-----
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		—	1,587,007	1,587,007
Dividends paid and payable	<b>13</b>	—	( 1,951,854)	( 1,951,854)
		-----	-----	-----
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>		—	( 1,951,854)	( 1,951,854)
<b>AT 31 DECEMBER 2017</b>		225,000	3,601,650	3,826,650
Profit for the year			2,180,894	2,180,894
		-----	-----	-----
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		—	2,180,894	2,180,894
Dividends paid and payable	<b>13</b>	—	( 57,527)	( 57,527)
		----	-----	-----
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>		—	( 57,527)	( 57,527)
		-----	-----	-----
<b>AT 31 DECEMBER 2018</b>		225,000	5,725,017	5,950,017
		-----	-----	-----

# **Gravell's Limited**

## **Notes to the Financial Statements**

**Year ended 31 December 2018**

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### **1. GENERAL INFORMATION**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Service Centre, Pembrey Road, Kidwelly, Carmarthenshire, SA17 4TF.

### **2. STATEMENT OF COMPLIANCE**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

### **3. ACCOUNTING POLICIES**

#### **Basis of preparation**

Gravell's Limited is a limited company incorporated in the United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements. The nature of the company's operations and principal activities are those of a wholesale and retail motor dealer. The reporting period of these financial statements and its comparative period is twelve months. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £1. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### **Going concern**

The company meets its day-to-day working capital requirements through its bank facilities. After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company's forecasts and projections, taking account reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. Therefore the company continues to adopt the going concern basis in preparing its financial statements.

#### **Debtors and creditors receivable**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

#### **Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of JTG Holdings Limited which can be obtained from the registered office. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: (a) No cash flow statement has been presented for the company. (b) Key management personnel compensation has not been presented for the company.

**Employee benefits**

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**Judgements and key sources of estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are addressed below. Useful economic lives of tangible assets The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. Stock provisioning The company sells vehicles and is subject to consumer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability. Impairment of debtors The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Turnover from the sale of vehicles is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the vehicle. Interest income is recognised using the effective interest rate method. Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

## **Tax**

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

## **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

## **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

## **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	3 to 50 years
Motor Vehicles	-	1 to 4 years

## **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

**Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

**Provisions**

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**4. TURNOVER**

Turnover arises from:

	<b>2018</b>	2017
	<b>£</b>	£
Vehicle sales	67,406,928	64,952,390
Parts and service sales	6,290,827	5,844,208
Other sales	3,096,830	2,910,694
	-----	-----
	76,794,585	73,707,292
	-----	-----

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**5. OTHER OPERATING INCOME**

	<b>2018</b>	2017
	<b>£</b>	£
Other operating income	159,639	167,883
	-----	-----

**6. OPERATING PROFIT**

Operating profit or loss is stated after charging/crediting:

	<b>2018</b>	2017
	<b>£</b>	£
Depreciation of tangible assets	271,425	251,054
Gains on disposal of tangible assets	( 41,321)	( 53,987)
Impairment of trade debtors	(843)	4,562
Operating lease rentals	420,600	428,263
	-----	-----

**7. AUDITOR'S REMUNERATION**

	<b>2018</b>	2017
	<b>£</b>	£
Fees payable for the audit of the financial statements	22,750	21,685
	-----	-----



## 8. STAFF COSTS

The average number of persons employed by the company during the year, including the director, amounted to:

	2018	2017
	No.	No.
Production staff	73	69
Administrative staff	17	17
Number of sales staff	35	32
	----	----
	125	118
	----	----

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	1,901,025	1,802,918
Social security costs	248,655	228,211
Other pension costs	165,736	150,278
	-----	-----
	2,315,416	2,181,407

## 9. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	8,874	8,412
Company contributions to defined contribution pension plans	40,000	37,305
	-----	-----
	48,874	45,717
	-----	-----

The number of directors who accrued benefits under company pension plans was as follows:

	2018	2017
	No.	No.
Defined contribution plans	1	1
	----	----

## 10. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2018	2017
	£	£
Interest on cash and cash equivalents	16,927	20,257
	-----	-----

## 11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Interest on banks loans and overdrafts	—	2,549
Other interest payable and similar charges	75,821	78,488
	-----	-----
	75,821	81,037
	-----	-----

## 12. TAX ON PROFIT

Major components of tax expense

	2018	2017
	£	£
<b>Current tax:</b>		
UK current tax expense	206,195	142,778
Adjustments in respect of prior periods	—	( 52,005)
	-----	-----
Total current tax	206,195	90,773
	-----	-----

**Deferred tax:**

Origination and reversal of timing differences	6,418	36,043
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**Tax on profit**

212,613	126,816
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**Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19 % (2017: 19 %).

	2018	2017
	£	£
Profit on ordinary activities before taxation	2,393,507	1,713,823
Profit on ordinary activities by rate of tax	454,595	325,626
Adjustment to tax charge in respect of prior periods	—	( 52,005)
Effect of expenses not deductible for tax purposes	( 98,608)	( 61,558)
Effect of capital allowances and depreciation	( 60,271)	( 47,086)
Utilisation of tax losses	( 89,521)	( 76,033)
Rounding on tax charge	—	1,829
Deferred tax	6,418	36,043
Tax on profit	212,613	126,816

**13. DIVIDENDS**

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2018	2017
	£	£
Dividends paid	57,527	1,951,854

**14. TANGIBLE ASSETS**

	Plant and machinery	Motor vehicles	Total
	£	£	£
<b>Cost</b>			
At 1 January 2018	1,909,323	2,233,690	4,143,013
Additions	48,287	4,213,986	4,262,273
Disposals	( 222,488)	( 3,737,819)	( 3,960,307)
<b>At 31 December 2018</b>	<b>1,735,122</b>	<b>2,709,857</b>	<b>4,444,979</b>
<b>Depreciation</b>			
At 1 January 2018	695,393	149,316	844,709
Charge for the year	76,041	195,384	271,425
Disposals	—	( 76,325)	( 76,325)
<b>At 31 December 2018</b>	<b>771,434</b>	<b>268,375</b>	<b>1,039,809</b>
<b>Carrying amount</b>			
<b>At 31 December 2018</b>	<b>963,688</b>	<b>2,441,482</b>	<b>3,405,170</b>
At 31 December 2017	1,213,930	2,084,374	3,298,304

## 15. INVESTMENTS

	<b>Other investments other than loans £</b>
<b>Cost</b>	
At 1 January 2018	1,229,920
Additions	360,000
	-----
<b>At 31 December 2018</b>	<b>1,589,920</b>
	-----
<b>Impairment</b>	
At 1 January 2018 and 31 December 2018	—
	-----
<b>Carrying amount</b>	
<b>At 31 December 2018</b>	<b>1,589,920</b>
	-----
At 31 December 2017	1,229,920
	-----

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

### Collective Investments

Other investment are collective unit trust investments. These have an easily obtainable valuation and are therefore measured at fair value.

## 16. STOCKS

	<b>2018 £</b>	<b>2017 £</b>
Raw materials and consumables	117,250	147,919
Finished goods and goods for resale	7,689,220	8,176,059
	-----	-----
	<b>7,806,470</b>	<b>8,323,978</b>
	-----	-----

## 17. DEBTORS

	<b>2018 £</b>	<b>2017 £</b>
Trade debtors	544,567	218,535
Amounts owed by group undertakings	1,154,876	—
Other debtors	1,466,620	1,129,133
	-----	-----
	<b>3,166,063</b>	<b>1,347,668</b>
	-----	-----

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

## 18. CREDITORS: amounts falling due within one year

	<b>2018 £</b>	<b>2017 £</b>
Bank loans and overdrafts	—	59,513
Trade creditors	7,714,778	6,567,079
Accruals and deferred income	2,023,081	2,127,674
Corporation tax	206,195	142,778
Social security and other taxes	118,816	247,247
Other creditors	1,043,145	1,887,103
	-----	-----
	<b>11,106,015</b>	<b>11,031,394</b>
	-----	-----

The bank loan and overdraft is secured by a fixed and floating charge over the assets of the company, together with a group cross guarantee with JTG Holdings Limited (group parent) and JTG Enterprises Limited (fellow subsidiary). The bank loan is repayable over 3 years by monthly instalments bearing interest at 1.95% over the base rate. The aggregate of secured liabilities falling due within one year is £nil (2017: £59,513).

## 19. PROVISIONS

	<b>Deferred tax (note 20) £</b>
At 1 January 2018	385,098
Additions	6,418
	-----
<b>At 31 December 2018</b>	<b>391,516</b>
	-----

## 20. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	<b>2018 £</b>	<b>2017 £</b>
Included in provisions (note 19)	391,516	385,098
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The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>2018 £</b>	<b>2017 £</b>
Accelerated capital allowances	391,516	385,098
	-----	-----

The expected net reversal of deferred tax assets and liabilities in 2019 is £74,388. This primarily relates to the reversal of timing differences on capital allowances.

## 21. EMPLOYEE BENEFITS

### Defined contribution pension plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 125,736 (2017: £ 112,973 ).

## 22. CALLED UP SHARE CAPITAL

### Issued, called up and fully paid

	<b>2018</b>		<b>2017</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £ 1 each	225,000	225,000.00	225,000	225,000.00
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## 23. RESERVES

*Profit and loss account - This reserve records retained earnings and accumulated losses.*

## 24. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	64,000	88,000
Later than 1 year and not later than 5 years	80,000	144,000
	-----	-----
	144,000	232,000
	-----	-----

## 25. CONTINGENCIES

Both Gravell's Limited and JTG Enterprises Limited, a fellow group company, and JTG Holdings Limited, the holding company are party to a group cross guarantee in respect of the groups bank borrowings. At the year end the bank borrowings of JTG Enterprises Limited covered by the cross guarantee amounted to £178,890 (2017: £207,836). Gravell's Limited and JTG Holdings Limited are part of the same VAT group.

## 26. RELATED PARTY TRANSACTIONS

During the year the company entered into transactions with related parties as follows: Other related parties

	2018	2017
	£	£
Balance owing to related parties	264,438	287,340
Balance owing from related parties	—	311,158
Rent paid	170,000	170,000

No interest was charged on any of the outstanding amounts. At the year end, the director was owed £93,837 (2017: £72,431cr) from the company. No interest is being incurred on this balance. The director has given a personal guarantee of £250,000 to RCI Financial Services in respect of borrowings of the company. The director has also provided a personal guarantee of £400,000 to Hyundai Capital to cover all facilities provided. Exemption under Section 33.1A has been claimed to not disclose transactions for 100% group companies.

## 27. CONTROLLING PARTY

The company is controlled by Mr J Gravell, by virtue of his shareholding in JTG Holdings Limited, the ultimate parent company.

## 28. PARENT UNDERTAKINGS

The ultimate parent company is JTG Holdings Limited, a company registered in Great Britain.

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