

**Strategic Report, Report of the Directors and**  
**Financial Statements for the Year Ended 31 December 2019**  
**for**  
**White Dove Garages Limited**

SATURDAY



\*A9K86T8Z\*

A21

19/12/2020

#251

COMPANIES HOUSE

ASE Audit LLP  
Statutory Auditors & Chartered Accountants  
Rowan Court  
Concord Business Park  
Manchester  
Greater Manchester  
M22 0RR

**Contents of the Financial Statements**  
**for the Year Ended 31 December 2019**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Statement of Comprehensive Income</b>	<b>7</b>
<b>Statement of Financial Position</b>	<b>8</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10</b>

**White Dove Garages Limited**

**Company Information**  
**for the Year Ended 31 December 2019**

**DIRECTORS:** R J Hughes  
M R Francis

**SECRETARY:** M R Francis

**REGISTERED OFFICE:** Hadfield Road  
Cardiff  
CF11 8WD

**REGISTERED NUMBER:** 00697848 (England and Wales)

**AUDITORS:** ASE Audit LLP  
Statutory Auditors & Chartered Accountants  
Rowan Court  
Concord Business Park  
Manchester  
Greater Manchester  
M22 0RR

Strategic Report  
for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

**REVIEW OF BUSINESS**

2019 saw the company enjoy a year of sustained trading free from major disruption.

Car sales volumes decreased by 4.9% however this was offset by workshop labour sales increasing by 23.3%. Parts sales also increased by 6.6%.

The directors are pleased with the result for 2019 and are confident of the continuing prospects for 2020.

**Key Performance Indicators**

Turnover for the year remained within 1% of that achieved in 2018. Return on Sales before taxation decreased slightly from 3.20% in 2018 to 3.02%. This is substantially above the national average for the franchises represented and the UK Motor Industry as a whole.

In addition to the financial performance significant progress was made in Customer Satisfaction Scores for both brands.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

**MANUFACTURERS SUPPLY OF NEW AND IMPROVED PRODUCTS**

The company is reliant on new vehicle products from its manufacturer partners. This exposes the company to risks in a number of areas as the company is dependent on its manufacturers / suppliers in respect of:

- availability of new vehicle products
- quality of new vehicle products
- pricing of new vehicle products

The directors are confident that future new products from its manufacturers / suppliers will continue to be competitively priced and high quality and therefore consider that this "manufacturer risk" is minimal. It is, in any case, mitigated by the other core business areas of the company, including used vehicle sales, parts sales and service work.

**COVID-19**

The outbreak of Covid-19 is a very significant humanitarian and economic event facing many countries and businesses. With the pandemic ongoing there continues to be supply chain disruption, reduced consumer confidence and disposable income, travel restrictions and the UK economy is now in recession.


In this period of enormous uncertainty it is extremely difficult to make future predictions but the directors consider that the impact of Covid-19 will ultimately pass. Given the widespread government-led support to businesses, including certain guidance to banks, certain risks are mitigated, however, the directors consider the risks and uncertainties can be mitigated by factors such as government support (eg furlough grants and rates relief).

**POSSIBLE IMPACT OF BREXIT**

The UK left the European Union on 31 January 2020 but its future relationship with the EU remains unclear and it is uncertain whether the UK will secure a free trade deal by the end of negotiations on the government imposed deadline of 31 December 2020.

In the event of "No Deal", imported cars would be taxed at 10% when they crossed the UK-EU border under World Trade Organisation rules, increasing the cost of such vehicles to consumers. This is likely to cause a fall in demand for new vehicles but used car volumes may increase. The UK economy may be negatively affected leading to lower consumer spending power, threatening both vehicle and aftersales revenue. There may also be short term supply chain delays due to longer customs checks and procedures at the UK borders. On a more positive note, the UK Government has stated that car parts imported from the EU would remain tariff free under "No Deal". The company is in discussion with its manufacturers on possible ways to mitigate these risks.

**ON BEHALF OF THE BOARD:**

  
.....  
M R Francis - Secretary

Date: 16/12/2020

**Report of the Directors**  
**for the Year Ended 31 December 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2019 (2018: £Nil).

**FUTURE DEVELOPMENTS**

The company was awarded the Suzuki franchise for Cardiff in early 2020. This exciting opportunity should increase turnover towards £50M and give additional throughput to aftersales.

The primary focus of the company has been to build up trading operations following the re-opening of the showroom on 22 June 2020 with the safety of all stakeholders being paramount. Staff members have been removed from furlough and designated back to work as the demand dictates.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

R J Hughes  
M R Francis

**FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES**

The company uses a number of financial instruments which include loans, cash and other various items such as trade debtors and trade creditors which arise directly from its operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The significant risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The directors review and agree policies for the management of each of these risks which are noted below. These policies are consistent with those from the previous year.

**INTEREST RATE RISK**

The company finances its operations through a mixture of bank and other external borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities. The Statement of Financial Position includes trade debtors and creditors which do not attract interest.

Given the current record low level of Bank of England base rates (0.1%), the directors consider that interest rate risk is low.

**LIQUIDITY RISK**

The company makes efforts to manage the financial risk by the monitoring of cashflow to ensure that the company is able to meet its foreseeable debts as they fall due and to invest any cash assets profitably.

**CREDIT RISK**

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited and therefore the principal credit risk arises from its trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. These credit limits are reviewed regularly by the directors together with the aged debtors and collection history.

**DISCLOSURE IN THE STRATEGIC REPORT**

The directors review of business, and their consideration of the risks and uncertainties surrounding the business may be found in the Strategic Report.

**Report of the Directors**  
**for the Year Ended 31 December 2019**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

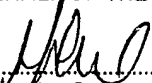
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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 company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, ASE Audit LLP, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

  
.....  
M R Francis - Secretary

Date: 16 12 2020

**Report of the Independent Auditors to the Members of**  
**White Dove Garages Limited**

**Opinion**

We have audited the financial statements of White Dove Garages Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

In our evaluation of the directors' conclusions on going concern, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least 12 months from the date when the financial statements were authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

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

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

**Report of the Independent Auditors to the Members of  
White Dove Garages Limited**

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

*ASE Audit LLP*

Beverley Richardson FCA (Senior Statutory Auditor)  
for and on behalf of ASE Audit LLP  
Statutory Auditors & Chartered Accountants  
Rowan Court  
Concord Business Park  
Manchester  
Greater Manchester  
M22 0RR

Date: 16/12/20



**Statement of Comprehensive Income**  
**for the Year Ended 31 December 2019**

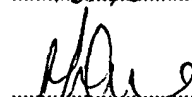
	Notes	2019 £	2018 £
<b>TURNOVER</b>	3	<b>36,695,860</b>	<b>36,626,845</b>
Cost of sales		<b>(32,480,206)</b>	<b>(32,435,575)</b>
<b>GROSS PROFIT</b>		<b>4,215,654</b>	<b>4,191,270</b>
Administrative expenses		<b>(2,977,567)</b>	<b>(2,914,165)</b>
<b>OPERATING PROFIT</b>	5	<b>1,238,087</b>	<b>1,277,105</b>
Interest payable and similar expenses	6	<b>(131,147)</b>	<b>(103,242)</b>
<b>PROFIT BEFORE TAXATION</b>		<b>1,106,940</b>	<b>1,173,863</b>
Tax on profit	7	<b>(224,048)</b>	<b>(235,377)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>882,892</b>	<b>938,486</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>882,892</b>	<b>938,486</b>

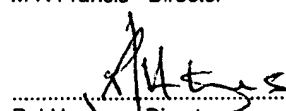
The notes form part of these financial statements

**Statement of Financial Position**  
**31 December 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	8	2,611,419	2,711,999
<b>CURRENT ASSETS</b>			
Stocks	9	4,869,511	4,355,036
Debtors	10	1,108,957	779,439
Cash at bank and in hand		1,612,241	1,230,673
		<u>7,590,709</u>	<u>6,365,148</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	(5,945,982)	(5,600,348)
<b>NET CURRENT ASSETS</b>		<u>1,644,727</u>	<u>764,800</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,256,146</u>	<u>3,476,799</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(516,667)	(616,667)
<b>PROVISIONS FOR LIABILITIES</b>	16	(26,855)	(30,400)
<b>NET ASSETS</b>		<u>3,712,624</u>	<u>2,829,732</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	10,000	10,000
Retained earnings	18	3,702,624	2,819,732
<b>SHAREHOLDERS' FUNDS</b>		<u>3,712,624</u>	<u>2,829,732</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16.10.2020 and were signed on its behalf by:

  
M R Francis - Director

  
R J Hughes - Director

**Statement of Changes in Equity**  
**for the Year Ended 31 December 2019**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2018</b>	10,000	1,881,246	1,891,246
<b>Changes in equity</b>			
Total comprehensive income	-	938,486	938,486
<b>Balance at 31 December 2018</b>	10,000	2,819,732	2,829,732
<b>Changes in equity</b>			
Total comprehensive income	-	882,892	882,892
<b>Balance at 31 December 2019</b>	10,000	3,702,624	3,712,624

The notes form part of these financial statements

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2019**

**1. STATUTORY INFORMATION**

White Dove Garages Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is included on the Statement of Financial Position.

The registered office and principal place of business is Hadfield Road, Cardiff, CF11 8WD.

The presentation currency of the financial statements is Pound Sterling (£).

The principal activity of the company in the year under review was that of the operation of motor dealerships involving the sale, maintenance and repair of motor vehicles and the supply of related parts and accessories.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

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.

The company has adopted the changes to FRS 102 following the triennial review of the standard in December 2017. In the Financial Statements, this adoption has not affected reported profit or net assets, but certain disclosures only.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see below).

**Going concern**

Covid-19 has caused, and will continue to cause, widespread economic disruption but its impact will hopefully be temporary. The directors have considered cash flow and facilities and are confident that the company will be able to meet its debts as they fall due for the period of 12 months after the approval of these financial statements. There is also a multi lateral cross guarantee in respect of the bank balances. Accordingly, the financial statements have been prepared on a going concern basis.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the Consolidated Financial Statements of White Dove Securities Limited as at 31 December 2019 and these Financial Statements may be obtained from Companies House.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**2. ACCOUNTING POLICIES - continued**

**Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

**Consignment stock**

Vehicles held on consignment have been included in 'vehicle stock' within 'stocks' on the basis that the company has determined that it holds the significant risks and rewards attached to these vehicles.

**Stock valuation**

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including Glass' and CAP valuation guides. The directors maintain oversight of ageing stock profiles and a quarterly review of any provision required is performed.

**Property, plant and equipment assets**

Property, plant and equipment are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows.

**Incentives and other rebates from brand partners**

The company receives income in the form of various incentives which are determined by the brand partners. The amount received is generally based on achieving specific objectives such as a specified sales volume, as well as other objectives including maintaining brand partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Incentives are set and measured on a monthly, quarterly or annual basis.

Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned. This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain that the related target will be met. Where incentives are linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

The company may also receive contributions towards advertising and promotional expenditure. Where such contributions are received they are recognised as a reduction in the related expenditure in the period to which they relate.

**Turnover**

Turnover from the sale of goods is recognised in the Statement of Comprehensive Income, net of discounts and value added tax, when the significant risks and rewards of ownership have been transferred to the buyer. In general this occurs when vehicles or parts have been supplied or when a service has been completed.

Commission income is recognised on a receivable basis.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life as follows:

Leasehold property	- 2% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on cost

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

**Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

**Consignment stock**

Consignment vehicles are regarded as being under the control of the company when significant risks and responsibilities of ownership are deemed to have passed to the company in accordance with FRS 102. These values are included within stocks on the Statement of Financial Position, although legal title has not passed to the company. The corresponding liability is included as new vehicle funding and is secured directly on these vehicles.

**Taxation**

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

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.

**Leasing commitments**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**2. ACCOUNTING POLICIES - continued**

**Pensions**

**Defined contribution pension plan**

The company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. The amounts not paid are shown in accruals in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds,

**Financial instruments**

The company only has basic financial instruments, which are recognised at amortised cost.

**Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

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

	2019 £	2018 £
Sale of goods	35,191,207	35,290,662
Rendering of services	1,051,956	875,949
Commissions received	452,697	460,234
	<u>36,695,860</u>	<u>36,626,845</u>

All turnover arose in the UK.

**4. EMPLOYEES AND DIRECTORS**

	2019 £	2018 £
Wages and salaries	1,538,619	1,466,817
Social security costs	160,362	152,679
Other pension costs	29,867	16,483
	<u>1,728,848</u>	<u>1,635,979</u>

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

	2019	2018
Administration	19	19
Sales and workshop	28	26
	<u>47</u>	<u>45</u>

	2019 £	2018 £
Directors' remuneration	-	-

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	2019	2018
	£	£
Other operating leases	48,333	42,687
Depreciation - owned assets	129,760	115,137
Auditors' remuneration	9,600	9,600
Auditors' remuneration for non audit work	2,400	2,400
	<u>229,093</u>	<u>270,224</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019	2018
	£	£
Bank interest	-	173
Other loan interest	23,874	27,434
Stocking loan interest	107,273	75,635
	<u>131,147</u>	<u>103,242</u>

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	227,593	218,055
Under provision in prior year	-	(94)
Total current tax	<u>227,593</u>	<u>217,961</u>
Deferred tax	(3,545)	17,416
Tax on profit	<u>224,048</u>	<u>235,377</u>

**Reconciliation of total tax 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:

	2019	2018
	£	£
Profit before tax	<u>1,106,940</u>	<u>1,173,863</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	210,319	223,034
Effects of:		
Expenses not deductible for tax purposes	-	1,928
Adjustments to tax charge in respect of previous periods	-	(94)
Depreciation on non qualifying assets	14,094	12,492
Revenue in capital	(365)	-
Group relief	-	(1,983)
Total tax charge	<u>224,048</u>	<u>235,377</u>



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**8. TANGIBLE FIXED ASSETS**

	Leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2019	3,155,013	322,403	718,947	26,339	4,222,702
Additions	17,468	11,712	-	-	29,180
At 31 December 2019	3,172,481	334,115	718,947	26,339	4,251,882
<b>DEPRECIATION</b>					
At 1 January 2019	838,104	220,264	425,996	26,339	1,510,703
Charge for year	76,054	12,350	41,356	-	129,760
At 31 December 2019	914,158	232,614	467,352	26,339	1,640,463
<b>NET BOOK VALUE</b>					
At 31 December 2019	2,258,323	101,501	251,595	-	2,611,419
At 31 December 2018	2,316,909	102,139	292,951	-	2,711,999

All fixed assets are pledged as security for the bank overdraft facility and other loans.

**9. STOCKS**

	2019 £	2018 £
Vehicle stock	4,784,494	4,300,580
Parts and accessories	85,017	54,456
	<u>4,869,511</u>	<u>4,355,036</u>

The movement on the vehicle and parts stock provisions in the year were:-

	2019 £	2018 £
Balance at 1 January	30,951	34,194
Provided in year	24,792	10,562
Reversed in year	(6,250)	(13,805)
Balance at 31 December	<u>49,493</u>	<u>30,951</u>

All stock is pledged as security for the vehicle funding and the bank facilities.

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Trade debtors	915,014	536,066
Amounts owed by group undertakings	-	128
Other debtors	139,209	192,967
Prepayments	54,734	50,278
	<u>1,108,957</u>	<u>779,439</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Other loan (see note 13)	100,000	100,000
Trade creditors	4,786,277	4,256,080
Amounts owed to group undertakings	-	300,000
Corporation tax	125,070	119,666
Social security and other taxes	29,712	36,413
VAT	365,683	218,879
Accruals	539,240	569,310
	<u>5,945,982</u>	<u>5,600,348</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019	2018
	£	£
Other loan (see note 13)	<u>516,667</u>	<u>616,667</u>

**13. LOANS**

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Other loan	<u>100,000</u>	<u>100,000</u>
Amounts falling due between one and two years:		
Other loan	<u>100,000</u>	<u>100,000</u>
Amounts falling due between two and five years:		
Other loan	<u>300,000</u>	<u>300,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Other loan	<u>116,667</u>	<u>216,667</u>

The other loan relates to a VW Bank loan which attracts interest at 2.56% above the relevant Funding Rate. The loan is repayable by monthly instalments.

**14. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	60,000	48,333
Between one and five years	240,000	240,000
In more than five years	1,699,583	1,759,583
	<u>1,999,583</u>	<u>2,047,916</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**15. SECURED DEBTS**

The following secured debts are included within creditors:

	2019 £	2018 £
Other loan	616,667	716,667
Vehicle funding	5,511,742	4,474,846
	<u>6,128,409</u>	<u>5,191,513</u>

The other loan is secured by way of a debenture and a legal charge over White Dove Garages Limited, White Dove Motor Services Limited and White Dove Securities Limited. Also by legal mortgage over White Dove Securities Limited.

Vehicle funding is secured against the vehicles to which it relates.

**16. PROVISIONS FOR LIABILITIES**

	2019 £	2018 £
Deferred tax	<u>26,855</u>	<u>30,400</u>
		<b>Deferred tax</b>
		£
Balance at 1 January 2019		30,400
Credit to Statement of Comprehensive Income during year		(3,545)
Balance at 31 December 2019		<u>26,855</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	28,063	30,702
Short term timing differences	(1,208)	(302)
	<u>26,855</u>	<u>30,400</u>

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£	£
10,000	Ordinary	1	<u>10,000</u>	<u>10,000</u>

**18. RESERVES**

**Retained earnings reserve**

This reserve includes all current and prior period retained profits and losses, less dividends paid.

**19. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions during the year totalled £29,867 (2018: £16,483).

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**20. CONTINGENT LIABILITIES**

HSBC Bank Plc holds an unlimited multilateral guarantee over the assets of White Dove Garages Limited, White Dove Motor Services Limited, White Dove Contracts Limited, White Dove Securities Limited and Basetheme Limited. At the reporting date the total contingent liability was £Nil (2018: £Nil).

**21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

During the year the company sold vehicles in the sum of £182,880 (2018: £Nil) and purchased vehicles in the sum of £130,330 (2018: £Nil) to and from directors.

**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 wholly owned subsidiaries within the group.

Debtors and creditors due within one year include amounts due to and from other group companies.

**23. POST BALANCE SHEET EVENTS**

In response to the global Covid-19 pandemic the UK Government announced immediate lockdown measures on 23 March 2020. The company responded to this by closing the business. The workshop reopened as an essential service on 11 May 2020 with a skeleton staff.

Reopening of Sales operations was controlled by the regulations of the devolved Welsh Government which permitted the showrooms to reopen on 22 June 2020. A further firebreak closure of showrooms then took place for 17 days from 23 October 2020. Despite the Covid-19 threat and the resultant economic turmoil our focus has not changed, and will not change, unless further unforeseen disruption unfolds.

After the lockdown restrictions were introduced the company utilised various measures to ensure that the company's cash resources and facilities were maintained as positively as possible. These measures included the furloughing of staff, the deferral of the Q1 VAT payment and a CBILS loan from HSBC.

**24. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

White Dove Securities Limited is regarded by the directors as being the company's ultimate parent company, by virtue of holding 100% of the issued share capital of the company.

The ultimate controlling party during the year under review and the preceding year was R J Hughes, by virtue of holding 75% of the issued share capital in the parent company, White Dove Securities Limited.