

Jack Barclay Limited

**Annual report and unaudited financial statements
for the year ended 30 June 2023**

Registered Number 0719989



Jack Barclay Limited

Annual report for the year ended 30 June 2023

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Jack Barclay Limited

Directors and advisors for the year ended 30 June 2023

Directors

M Dalman
V K Choo
J Stone

Company secretary and registered office

D Grimston
Melton Court
Old Brompton Road
London
SW7 3TD

Banker

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Solicitor

Ellisons LLP
Headgate Court
Head Street
Colchester
Essex
CO1 1NP

Independent accountants

BDO LLP
Arcadia House
Maritime Walk
Southampton
SO14 3TL

Jack Barclay Limited

The Strategic report for the year ended 30 June 2023

Business review, principal activities and future outlook

The principal activity of the Company during the year was as an operator of Bentley and Lamborghini motor dealerships and it is also involved in the sale of Bugatti cars.

The profit for the year after taxation amounted to £2,427,000 (2022: £2,599,000), resulting from turnover of £110,929,000 (2022: £105,720,000). The Company had net assets at 30 June 2023 of £21,692,000 (2022: £19,265,000).

The directors are not currently aware of any future developments that are expected to have a material impact on the company.

Key Performance Indicators

The directors of Jack Barclay Limited manage the Company's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Jack Barclay Limited. The development, performance and position of H.R. Owen Plc, which includes the Company, is discussed in the Business Review of the Group's annual report which does not form part of this report.

Principal risks and uncertainties

As a subsidiary of H R Owen plc ("the Group"), the principal risks and uncertainties of the company are considered by the directors in the wider context of the Group. The management of the business and the execution of the Group's strategy are subject to several risks. These risks are formally reviewed by the Board and where appropriate, monitored and mitigated by suitable processes.

The recent geopolitical & economic events were added to principal risks during the year under review. The potential for a material cyber incident or data breach has increased.

Any business associated with the sale of cars is vulnerable to outside factors, both political and economic. Interest rate changes, supply chain risks, rising fuel costs and broader environmental concerns could all have an impact on a consumer's decision whether to buy a particular new or used car. In order to minimise the risk, our unique partnerships are spread across several luxury and sports car brands.

Other risks relate to the contractual relationships we have with several vehicle manufacturers and in particular our reliance on them continuing to supply a suitable mix of popular vehicle models at competitive prices. If this supply ceases or is restricted or over-supplied for any reason, it would clearly impact on our performance, especially in relation to new cars and in turn have an adverse effect on profitability. The risk is mitigated by the Group's spread of manufacturer relationships.

Possible future changes to the legislative framework governing the sale of new cars in the UK and the competition provided by cost-efficient internet-based brokers and sellers also pose risks to us. We have developed a significant online presence and continue to invest further in order to ensure exposure to these rapidly developing new avenues of sale. In the area of aftersales, any improvement in the reliability and durability of cars will reduce the need for servicing and repairs, and the threat of increased competition from the independent service and repair sector is now a permanent feature of the market. The Group's investment in maintaining close relationships with its customers aims to generate customer loyalty and mitigate the risk of aftersales work migrating to the independent sector.

Finally, the Group is dependent upon a few business-critical systems which, if interrupted for a significant period, would be likely to have a material effect on the smooth running of the Group's operational and financial systems. Several contingency plans and risk management strategies are already in place which aim to ensure that the Group could resume operations within an appropriate period.

Jack Barclay Limited

The Strategic report for the year ended 30 June 2023 (continued)

Going concern

The financial statements have been prepared on a going concern basis. The H R Owen plc Group, of which the company is a part, has prepared forecasts for the period of one year from the signing of the financial statements that consider all financial commitments -- such as capital expenditure commitments -- and available financing facilities.

The forecasts show that the Group has substantial cash headroom and undrawn facilities throughout the period and, as such, the directors consider that the Group has sufficient resources in order to meet its obligations as they fall due for a period of not less than twelve months from the date of issuing the financial statements.

By order of the board



D Grimston
Secretary

Date 25 March 2024

Jack Barclay Limited

Section 172 Statement for the year ended 30 June 2023

Section 172 of the Companies Act 2006 requires Directors to consider the interests of stakeholders and other matters in their decision making. The Board has a duty to promote the success of the Company for the benefit of its members having regard to the interests of our customers, our people, our relationship with our suppliers and the impact of our operations on the communities in which we operate, and to ensure that we maintain a reputation for high standards of business conduct.

Our key stakeholders are our customers and our people. Our suppliers, regulators, and the communities we operate in are also important stakeholder groups. All key Board decisions considers the impact on relevant stakeholders. Increasingly, stakeholders are looking to understand our performance across multiple areas from performance to products and services, governance, and workplace practices. The Board endeavours to gain an understanding of the perceptions and attitudes of each stakeholder group and the weight they give to different issues. Where the views of different stakeholder groups do not align, the Board must decide on the best course of action to promote the Company's long-term success.

Customers

Customers are at the heart of our business. We aim to deliver truly outstanding, customer experiences, ensuring great outcomes and value for money.

Customer satisfaction surveys are regularly undertaken by the Group's manufacturer partners. We also communicate via social media.

People

As a retail organisation, our people are key to our business. We want our people to feel engaged and empowered to deliver great outcomes for our customers and be healthier and happier themselves.

Engagement with our people takes place through face-to-face meetings, regular appraisals, team briefings, intranet, and regular updates from the CEO. Outstanding performance is recognised through "employee of the month" awards.

Regulators

The Company is regulated by the FCA and other relevant regulators. Regulators ultimately aim to protect customers and ensure that they receive high levels of care and are treated fairly. This clearly aligns with our strategy to put our customers front and centre.

Our regulators expect us to:

- have robust and effective processes and controls in place to mitigate risks to protect our customers.
- provide a high-quality and robust services.
- ensure we operate in a sustainable way.

Suppliers

Suppliers are critical to delivering a high-quality service to our customers, which include systems suppliers and suppliers of products. We look to secure excellent value for money, whilst minimising risk in our supply chain. We aim to treat our suppliers fairly and pay them within agreed timescales, holding ourselves to high standards of business conduct.

Communities and environment

We play an active role in the communities in which we operate and take care of the environment. We continue to evaluate the business risks and opportunities associated with climate change, closely managing our environmental impact and actively promoting positive environmental practices. We investment in apprenticeship programme to provide youth employment opportunities.

We launched a driver safety programme for our workforce.

Jack Barclay Limited

Directors' report for the year ended 30 June 2023

The directors present their annual report and the unaudited financial statements of the Company for the year ended 30 June 2023.

Results and dividends

The results for the year ended 30 June 2023 are set out in the Statement of Comprehensive Income on page 8.

The directors do not recommend the payment of a dividend for the year under review (2022: £Nil).

Directors

The directors of the Company who were in office during the year and up to the date of the signing of the financial statements are listed below:

M Dalman
V K Choo
J Stone

Risks associated with financial instruments

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

Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to retail customers, including outstanding receivables. The Company keeps all deposits with high street banks.

The Company has implemented policies that require appropriate credit checks on potential customers before sales over certain credit limits are made.

Liquidity risk and interest rate risk

The Company finances its operations through a mixture of retained reserves and borrowings. These borrowings comprise overdrafts, manufacturer and other vehicle stocking loans. Liquidity risk is managed by borrowing with a spread of maturity years. The Company has significant fluctuations in short-term borrowings due to industry specific factors. The Company mitigates any potential liquidity risk through maintaining substantial unutilised banking and used vehicle stocking loan facilities.

The Company is subject to interest rate risk on the borrowings. All borrowings are at floating rates. Any surplus cash balances are placed on overnight or short-term deposit on UK money markets.

The liquidity and interest rate risk is managed on behalf of the Company by its parent company.

Disclosures in parent company financial statements

The following disclosures are included in the financial statements of H R Owen plc:

Jack Barclay Limited

Directors' report for the year ended 30 June 2023 (continued)

Payment to suppliers

The Company agrees payment terms with its suppliers when it enters into binding purchase contracts. The Company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Company does not have a standard or code which deals specifically with the payment of suppliers.

The Company's average creditor payment period at 30 June 2023 was 21 days (2022: 23 days).

Post balance sheet events

There have been no post-balance sheet events since 30 June 2023.

Likely future developments in the business of the company

Information on likely future developments in the business of the company has been included in the Strategic Report on page 2.

Qualifying third party indemnity provisions

The Company has put in place qualifying third party indemnity provisions for the Directors of the Company.

By order of the board



D Grimston
Secretary

Date 25 March 2024

Jack Barclay Limited

Chartered accountants' report to the board of directors on the preparation of the unaudited financial statements of Jack Barclay Limited for the year ended 30 June 2023

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Jack Barclay Limited for the year ended 30 June 2023 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.


As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>

It is your duty to ensure that Jack Barclay Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Jack Barclay Limited. You consider that Jack Barclay Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Jack Barclay Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Use of our report

This report is made solely to the board of directors of Jack Barclay Limited, as a body, in accordance with the terms of our engagement letter dated 18 July 2023. Our work has been undertaken solely to prepare for your approval the accounts of Jack Barclay Limited and state those matters that we have agreed to state to the board of directors of Jack Barclay Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Jack Barclay Limited and its board of directors as a body for our work or for this report.

DocuSigned by:

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BDO LLP
Chartered Accountants
Southampton
UK

Date 26 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Jack Barclay Limited

Statement of comprehensive income for the year ended 30 June 2023

	Note	2023 £'000	2022 £'000
Turnover	4	110,929	105,720
Cost of sales		(94,129)	(88,878)
Gross profit		16,800	16,842
Net operating expenses	5	(12,428)	(12,756)
Profit on ordinary activities before interest and taxation		4,372	4,086
Interest payable and similar charges	8	(1,205)	(790)
Profit on ordinary activities before taxation	9	3,167	3,296
Tax charge on profit on ordinary activities	10	(740)	(697)
Profit on ordinary activities after taxation		2,427	2,599

The Company's results shown above all derive from continuing operations.

The Company has no other recognised gains and losses other than those included in the results above.

The notes on pages 11 to 24 form part of these financial statements.

Jack Barclay Limited

Balance sheet as at 30 June 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Right of use asset	11	9,105	12,484
Tangible assets	12	2,335	3,015
Deferred tax asset	18	138	164
		11,578	15,663
Current assets			
Stock	13	20,582	14,856
Debtors	14	36,609	32,076
Cash at bank and in hand		145	59
		57,336	46,991
Creditors: amounts falling due within one year	15	(38,793)	(31,933)
Net current assets		18,543	15,058
Total assets less current liabilities		30,121	30,721
Provisions	17	(47)	(157)
Creditors: amounts falling due after one year	16	(8,382)	(11,299)
Net assets		21,692	19,265
Capital and reserves			
Called up share capital	19	100	100
Retained earnings		21,592	19,165
Total shareholders' funds		21,692	19,265

The directors consider that the company is entitled to exemption from audit under section 479a of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the board of directors and authorised for issue on 25 March 2024.



V K Choo
Director
Jack Barclay Limited
Registered Number 0719989

The notes on pages 11 to 24 form part of these financial statements.

Jack Barclay Limited

Statement of changes in equity for the year ended 30 June 2023

	Share capital £'000	Retained earnings £'000	Total £'000
At 30 June 2021	100	16,566	16,666
Profit for the year	-	2,599	2,599
At 30 June 2022	100	19,165	19,265
Profit for the year	-	2,427	2,427
At 30 June 2023	100	21,592	21,692

The notes on pages 11 to 24 form part of these financial statements.

Jack Barclay Limited

Notes to the financial statements for the year ended 30 June 2023

1 General information

Jack Barclay Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the strategic report.

2 Principal accounting policies

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to each year presented, unless otherwise stated.

The financial statements have been prepared on a historical cost basis except where stated otherwise in the accounting policies. The presentation currency used is sterling and amounts have been presented in round thousands ("£000s").

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by international accounting standards in conformity with the requirements of the Companies Act 2006;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by H.R. Owen Plc.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of H.R. Owen Plc. These financial statements do not include certain disclosures in respect of:

- Financial Instruments; and
- Impairment of assets.

The financial statements of H.R. Owen Plc can be obtained as described in note 22.

Judgements and key areas of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the company's directors to exercise judgement in applying the company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

Jack Barclay Limited

Notes to the financial statements for the year ended 30 June 2023

Going Concern

The financial statements have been prepared on a going concern basis. The H R Owen plc Group, of which the company is a part, has prepared forecasts for the period of one year from the signing of these financial statements that consider all financial commitments – such as capital expenditure commitments – and available financing facilities.

The forecasts show that the Group has substantial cash headroom and undrawn facilities throughout the period and, as such, the directors consider that the Group has sufficient resources in order to meet its obligations as they fall due for a period of not less than twelve months from the date of issuing the financial statements.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated on a straight line basis so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. Estimated economic lives are reviewed yearly and adjusted as appropriate.

Fixtures, plant and equipment, which includes fixtures and fittings as well as office and computer equipment, is depreciated over an economic life of between three and ten years. Leasehold improvements are depreciated over the shorter of the remaining life of the relevant lease, and the estimated useful economic life of the improvements. Assets under construction are stated at historic cost but are not subject to depreciation until they are brought into use. They are then depreciated in accordance with the policy for the relevant asset category as described above.

Revenue from Contracts with Customers

In respect of vehicle revenues, the Group recognises revenue on the delivery of vehicles to customers, except where the vehicle handover has taken place and the vehicle is insured by the customer but held temporarily by H R Owen at the customer's request. As the delivery of the vehicle is deemed to be the point in time at which control of the vehicle transfers to the customer and the performance obligation is satisfied, this is in line with IFRS 15 as this is the point of revenue recognition and no additional performance obligations have been identified. In addition, there is no material impact of rights of return, contract modifications or variable consideration such that the measurement of revenue has also not been impacted. While customer deposits are received in advance of vehicle delivery, there is not considered to be a significant financing component on the basis that the deposits are considered to be for a purpose other than financing, being principally to secure access to limited supply and provide comfort to the customer that H R Owen will fulfil its performance obligations. Vehicle sales are fully paid at the point of delivery, except for sales to certain corporate customers on credit terms of up to 60 days.

Revenues on parts and accessory sales are similarly recognised on delivery to the customer, being the point in time that control is considered to pass to the customer. Servicing and bodyshop revenues are recognised over time with reference to the extent of the completion of the agreed work as informed by labour rates. As with vehicle sales, parts, accessories, servicing and bodyshop services are paid on delivery except in the instance of certain corporate customers on credit terms of up to 60 days.

Financial Instruments

The Company adopts a simplified approach using a provision matrix in the determination of lifetime expected credit losses. This approach takes into consideration both historic credit losses and future factors.

However, due to the fact that the Company requires finance to be in place for vehicle sales to individuals and has no history of significant bad debts, expected credit losses, beyond provision for credit impaired receivables, are not material.

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Notes to the financial statements for the year ended 30 June 2023

Leased assets

The Company recognises a right-of use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses and is then adjusted for certain remeasurements of the lease liability. Depreciation is recognised on a straight-line basis over the period of the lease the right-of-use asset is expected to be utilized.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease or, when this is not readily attainable, the Group's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and reduced by payments made. It is remeasured when there is a change in future lease payments arising from a change of index or rate, a variation in amounts payable following contractual rent reviews and changes in the assessment of whether an extension/termination option is reasonably certain to be exercised. Where lease contracts include renewal and termination options, judgement is applied to determine the lease term. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term and the subsequent recognition of the lease liability and right-of-use asset.

Where the Company has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued and expensed in profit or loss as the 'wear and tear' occurs.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost of vehicles and parts stocks represents the purchase price plus any additional costs incurred. Parts stock is accounted for on a first-in, first-out basis. Where necessary, provision is made for obsolete, slow moving and defective stock. Cars used for demonstration purposes are valued at cost less an appropriate charge for use.

Vehicles on consignment are included in stock when substantially all of the principal benefits and inherent risks rest with the Company. The corresponding liability, after deducting any deposits, is included under creditors, as manufacturers' vehicle stocking loans.

Financial assets

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised *within administrative expenses in the statement of comprehensive income*. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The company's loans and receivables comprise trade and other receivables.

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Notes to the financial statements for the year ended 30 June 2023

Financial liabilities

Other financial liabilities

Other financial liabilities include the following items:

- Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Commissions

Revenue in relation to commissions on vehicle sales as an agent and insurance sales as a broker are recognised when the commission are receivable and non-refundable, typically on the completion of the related transaction.

Taxation

The taxation charge for the year comprises both current and deferred tax. Taxation is recognised in the Income Statement or in other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable for the period along with adjustments for tax payable in respect of previous periods.

Deferred tax is provided for all deferred tax assets and liabilities using full provision accounting, when an event has taken place by the balance sheet date which gives rise to an increased or reduced tax liability in the future. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent that future taxable profits will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relates to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

Pension scheme arrangements

The Company operates a number of defined contribution pension schemes. The pension cost charge represents contributions payable to the funds in respect of the period.

Jack Barclay Limited

Notes to the financial statements for the year ended 30 June 2023

3 Critical accounting estimates and judgements

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Inventory valuations – the company holds significant inventories of used cars. Trade guides and other publications are used to assist in the assessment of the carrying values of these cars at the balance sheet date and provisions taken as necessary (see note 13).

4 Turnover

Turnover consists of the sales of motor vehicles, servicing and bodyshop work and parts and accessories, excluding value added tax. Turnover consists materially of sales made in the United Kingdom and arises from the Company's sole principal activity.

An analysis of turnover by class of business is as follows:

	2023 £'000	2022 £'000
Vehicles	89,396	84,422
Aftersales	21,533	21,298
	110,929	105,720

5 Net operating expenses

	2023 £'000	2022 £'000
Selling and distribution costs	6,647	5,910
Administration expenses	5,064	5,812
H.R. Owen Group management charges	717	1,035
Other operating income	-	(1)
Net operating expenses	12,428	12,756

6 Directors' emoluments

No director received any fees or other emoluments for their services to the Company during the year ended 30 June 2023 (2022: £Nil).

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Notes to the financial statements for the year ended 30 June 2023 (continued)

7 Employee information

The average monthly number of persons (including executive directors) employed by the Company during the period was:

	2023 Number	2022 Number
By Activity		
Selling and distribution	79	98
Administration	14	10
	93	108
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	4,935	4,675
Social security costs	596	526
Other pension costs (see note 21)	119	118
	5,650	5,319

8 Interest payable and similar charges

	2023 £'000	2022 £'000
On manufacturers' vehicle stocking loans	840	295
Lease interest	365	495
	1,205	790

Jack Barclay Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

9 Profit on ordinary activities before taxation

	2023 £'000	2022 £'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation charge for the year:		
- Right of Use Asset (note 11)	1,531	2,357
- Owned tangible fixed assets (note 12)	1,036	605
Remuneration receivable by the Company's auditors for the auditing of the Company's financial statements:	-	24

Fees paid to the Company's auditor, BDO LLP, for services other than the statutory audit of the Company are not disclosed in Jack Barclay Limited's accounts since the consolidated accounts of H.R. Owen Plc are required to disclose non-audit fees on a consolidated basis.

10 Tax on profit on ordinary activities

a) Analysis of charges for the year

	2023 £'000	2022 £'000
Current tax:		
UK corporation tax on profit for the year	816	680
Adjustment in respect of prior periods	(102)	16
Total current tax charge	714	696
Deferred tax (note 18):		
Origination and reversal of timing differences	(88)	2
Adjustments in respect of previous periods	114	(1)
Total deferred tax	26	1
Tax charge on profit on ordinary activities	740	697

Jack Barclay Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

10 Tax on profit on ordinary activities (continued)

b) Factors affecting the current tax charge for the year

The current credit for the accounting year is greater (2022: less) than the standard rate of corporation tax in the UK of 20.49% (2022: 19%). The difference is explained below:

	2023 £'000	2022 £'000
Profit on ordinary activities before taxation:	3,167	3,296
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 20.49% (2022: 19%)	649	626
Effect of:		
Fixed asset differences	86	33
Expenses not deductible for tax purposes	8	19
Adjustment in respect of prior periods	12	15
Other timing difference	(15)	4
Tax charge for the year (see note 10a)	740	697

The UK corporation tax rate was 20.49% in the year to 30 June 2023 and this rate has been used for the purposes of preparing the tax disclosures. Increases in the UK Corporation tax rate from 19% to 25% (effective from 1 April 2023) have been substantively enacted. The value of the deferred tax liability at the balance sheet date has been calculated using the applicable rate when the liabilities is expected to be realised.

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Notes to the financial statements for the year ended 30 June 2023 (continued)

11 Right-of-use assets

	Right of Use Asset £'000
Deemed cost	
At 1 July 2022	17,242
Disposals	(4,899)
At 30 June 2023	12,343
Accumulated depreciation	
At 1 July 2022	4,758
Charge for the year	1,531
Disposals	(3,051)
At 30 June 2023	3,238
Net book value	
At 30 June 2023	9,105
Net book value	
At 30 June 2022	12,484

Jack Barclay Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

12 Tangible assets

	Leasehold improvement £'000	Fixtures, plant and equipment £'000	Assets under construction £'000	Total £'000
Cost				
At 1 July 2022	5,904	3,012	62	8,978
Additions	-	356	-	356
Transfers	-	62	(62)	-
Disposals	-	(9)	-	(9)
At 30 June 2023	5,904	3,421	-	9,325
Accumulated depreciation				
At 1 July 2022	3,748	2,215	-	5,963
Charge for the year	788	248	-	1,036
Disposals	-	(9)	-	(9)
At 30 June 2023	4,536	2,454	-	6,990
Net book value				
At 30 June 2023	1,368	967	-	2,335
Net book value				
At 30 June 2022	2,156	797	62	3,015

13 Stock

	2023 £'000	2022 £'000
Vehicles stock	18,551	13,093
Parts and other stock	2,031	1,763
	20,582	14,856

As at 30 June 2023, all vehicles on consignment were held on the balance sheet (2022: all).
There is no material difference between the replacement cost of stocks and the amounts stated above.
Inventories charged as an expense in the year total £82,171,135 (2022: £76,812,334).

Jack Barclay Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

14 Debtors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade debtors	4,531	1,782
Amounts owed by Group undertakings	26,298	24,649
Other debtors	2,854	2,330
VAT recoverable	1,750	2,304
Prepayments and accrued income	1,176	1,011
	36,609	32,076

Amounts owed by Group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

15 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	5,494	5,715
Vehicle stocking loans	15,290	9,939
Amounts owed to Group undertakings	4,863	2,990
Other creditors	10,472	9,265
Other taxes and social security	624	623
Accruals and deferred income	780	790
Lease liabilities	1,270	2,611
	38,793	31,933

Vehicle stocking loans are secured by fixed and floating charges over the stocks of new consignment, used and demonstrator vehicles held. Vehicle stocking loans are at floating rates with interest rates incurred based on a margin over Finance House Base Rate of between ½% and 3.25%.

Amounts due to Group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

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Notes to the financial statements for the year ended 30 June 2023 (continued)

16 Lease liabilities

	Total 2023 £'000
Deemed liability	
At 1 July 2022	13,909
Additions	-
Interest charge for the year	365
Lease payments	(2,773)
Disposals	(1,849)
At 30 June 2023	9,652
Due in less than one year	1,270
Due after more than one year	8,382
At 30 June 2023	9,652

17 Provisions

The provision in both the current and prior years relates to dilapidation costs.

18 Deferred tax

Deferred tax is calculated in full on timing differences under the liability method using a tax rate of 25% (2022: 25%).

	2023 £'000	2022 £'000
Deferred tax asset		
Deferred tax comprises:		
Excess of capital allowances over depreciation	109	131
Other short term timing differences	29	33
	138	164
Movement during the year:	2023 £'000	
1 July 2022	164	
Amount charged to statement of profit and loss	(26)	
30 June 2023	138	

Jack Barclay Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

19 Called up share capital

	2023 £'000	2022 £'000
Allotted, called up and fully paid		
100,000 ordinary shares of £1 each	100	100

20 Contingent liabilities

Barclays Bank Plc holds unlimited guarantees by the Company in respect of amounts owing by H.R. Owen Plc, the holding company, and its subsidiaries. At 30 June 2023 the total amount outstanding to Barclays Bank Plc by H.R. Owen Plc and its subsidiaries in respect of bank term loans, mortgages and overdrafts was £Nil (2022: £Nil).

The company has provided guarantees to Lamborghini totalling £500,000 (2022: £Nil).

21 Pension obligations

Defined contribution schemes

Pension costs for the defined contribution schemes for the year ended 30 June 2023 totalled £119k (2022: £118k. Contributions, both employer and employee, amounting to £39k were outstanding at 30 June 2023 (2022: £Nil).

Defined benefit scheme

The H.R. Owen London Defined Benefit Pension Scheme is a defined benefit pension scheme operated by H.R. Owen Dealerships Limited, a fellow subsidiary of H.R. Owen Plc, on a pre-funded basis. The funding policy is to contribute such variable amounts as, on the advice of the Scheme's actuary, will achieve a 100% funding level on a projected salary basis. Actuarial assessments covering expense and contributions are carried out triennially by independent qualified actuaries, with the last such review being carried out as at 5 April 2023. The Scheme was closed to future accrual during 2013.

Further details of the Group defined benefit scheme are disclosed in note 27 of the Group consolidated financial statements, which are available as disclosed in note 22 below.

At 30 June 2023 the scheme had a pension asset of £6,444,000 (2022: asset of £4,736,000).

The total pension expense for the Company for the year ended 30 June 2023 was £Nil (2022: £Nil). A balance sheet accrual for contributions of £Nil exists at the year-end (2022: £Nil).

Jack Barclay Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

22 Ultimate parent company and controlling party

The immediate parent undertaking is H.R. Owen Plc, a company incorporated in England and Wales. The ultimate parent undertaking is Berjaya Corporation Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, Malaysia.

The largest group in which the results of the company are consolidated is that headed by Berjaya Corporation Berhad, incorporated in Malaysia. The consolidated accounts are available to the public and may be obtained from The Company Secretary, Berjaya Corporation Berhad, Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

The smallest group in which they are consolidated is that headed by H.R. Owen Plc, incorporated in England and Wales. The consolidated accounts are available to the public and may be obtained from The Company Secretary, H.R. Owen Plc, Melton Court, Old Brompton Road, London, SW7 3TD.