

GROUP STRATEGIC REPORT, DIRECTOR'S REPORT AND  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016  
FOR  
PENTRAETH HOLDINGS LIMITED

TUESDAY



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PENTRAETH HOLDINGS LIMITED

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FOR THE YEAR ENDED 29 FEBRUARY 2016

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**PENTRAETH HOLDINGS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**DIRECTOR:** K W Jones

**SECRETARY:** P A Kirkham

**REGISTERED OFFICE:** Henffordd Garage  
Pentraeth Road  
Menai Bridge  
Anglesey  
LL59 5RW

**REGISTERED NUMBER:** 01968351 (England and Wales)

**SENIOR STATUTORY AUDITOR:** Barrie Buels

**PENTRAETH HOLDINGS LIMITED**  
**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

The director presents his strategic report of the company and the group for the year ended 29 February 2016

**REVIEW OF BUSINESS**

The focus during the year was on developing the existing dealerships together with expanding the bodyshop services

Market conditions have improved considerably, targets continue to be met and bodyshop is now at full capacity

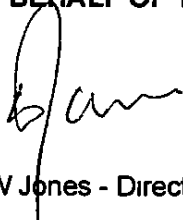
After negotiations during the year an additional dealership has been added in year end 2017 which will complement and not compete with existing franchises

It's expected that even after increased costs the groups profitability will increase in 2017

**KEY FINANCIAL HIGHLIGHTS ARE AS FOLLOWS**

	Y E 29 2 16	Y E 28 2 15	Y E 28 2 14
Turnover	17 4M	15 42M	12 95M
Gross profit margin	5%	6%	8%
Net profit after tax	70,936	70,260	207,649

**ON BEHALF OF THE BOARD:**



K W Jones - Director

24 November 2016

PENTRAETH HOLDINGS LIMITED  
DIRECTOR'S REPORT  
FOR THE YEAR ENDED 29 FEBRUARY 2016

The director presents his report with the financial statements of the company and the group for the year ended 29 February 2016

**PRINCIPAL ACTIVITY**

The principal activity of the group continued to be the operation of retail motor dealerships, selling new and used vehicles

**DIVIDENDS**

No dividends will be distributed for the year ended 29 February 2016

**DIRECTOR**

K W Jones held office during the whole of the period from 1 March 2015 to the date of this report

**FINANCIAL INSTRUMENTS**

The group's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, loans to the group and finance lease agreements. The main purpose of these instruments is to raise funds for and to finance operations

Due to the nature of the financial instruments used by the companies there is no exposure to price risk. The companies approach to managing other risks applicable to the financial instruments concerned is shown below

In respect of bank balances the liquidity is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest

In respect of loans these comprise bank loans and stocking loans from financial institutions. The interest rate on the loans from banks and other financial institutions is variable. Monthly capital repayments are fixed on bank loans. The companies manage the liquidity risk by ensuring there are sufficient funds to meet the payments

The group is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed in the same way as loans above

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered and the regular monitoring of amounts outstanding for both time and credit limits

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

**PENTRAETH HOLDINGS LIMITED**  
**DIRECTOR'S REPORT**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Group strategic report, the 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

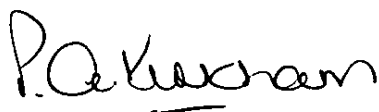
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, Crestmere Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



P A Kirkham - Secretary

24 November 2016

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
PENTRAETH HOLDINGS LIMITED**

We have audited the financial statements of Pentraeth Holdings Limited for the year ended 29 February 2016 on pages seven to thirty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

**Respective responsibilities of director and auditors**

As explained more fully in the Statement of director's responsibilities set out on page four, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 29 February 2016 and of the group's 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.

**Opinion on other matter prescribed by the Companies Act 2006**

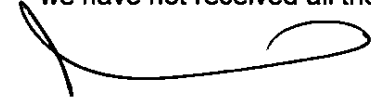
In our opinion the information given in the Group strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
PENTRAETH HOLDINGS LIMITED

**Matters on which we are required to report by exception**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Barrie Buels (Senior Statutory Auditor)

24 November 2016

Crestmere Limited



**PENTRAETH HOLDINGS LIMITED**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

	Notes	29 2 16 £	28 2 15 £
<b>TURNOVER</b>	3	17,424,441	15,420,000
Cost of sales		(16,628,762)	(14,557,736)
<b>GROSS PROFIT</b>		795,679	862,264
Administrative expenses		(654,934)	(711,136)
		140,745	151,128
Other operating income		-	26,271
<b>OPERATING PROFIT</b>	5	140,745	177,399
Interest payable and similar expenses	6	(39,499)	(77,772)
<b>PROFIT BEFORE TAXATION</b>		101,246	99,627
Tax on profit	7	(30,310)	(29,367)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		70,936	70,260
Profit attributable to Owners of the parent		70,936	70,260

The notes form part of these financial statements



**PENTRAETH HOLDINGS LIMITED**

**CONSOLIDATED OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

	Notes	29 2 16 £	28 2 15 £
<b>PROFIT FOR THE YEAR</b>		70,936	70,260
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>70,936</u>	<u>70,260</u>
Total comprehensive income attributable to Owners of the parent		<u>70,936</u>	<u>70,260</u>

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET**  
**29 FEBRUARY 2016**

	Notes	29 2 16 £	28 2 15 £
<b>FIXED ASSETS</b>			
Tangible assets	9	2,946,380	2,988,277
Investments	10	-	-
		<u>2,946,380</u>	<u>2,988,277</u>
<b>CURRENT ASSETS</b>			
Stocks	11	3,843,277	3,577,354
Debtors	12	289,276	180,239
Cash at bank		5,272	5,272
		<u>4,137,825</u>	<u>3,762,865</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(4,364,712)	(4,226,180)
<b>NET CURRENT LIABILITIES</b>		<u>(226,887)</u>	<u>(463,315)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,719,493	2,524,962
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(463,375)	(342,484)
<b>PROVISIONS FOR LIABILITIES</b>	18	(153,174)	(150,470)
<b>NET ASSETS</b>		<u>2,102,944</u>	<u>2,032,008</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	30,000	30,000
Revaluation reserve	20	514,454	514,454
Retained earnings	20	1,558,490	1,487,554
<b>SHAREHOLDERS' FUNDS</b>		<u>2,102,944</u>	<u>2,032,008</u>

The financial statements were approved by the director on 24 November 2016 and were signed by

  
K W Jones - Director

The notes form part of these financial statements



**PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER 01968351)**

**COMPANY BALANCE SHEET  
29 FEBRUARY 2016**

	Notes	29 2 16 £	28 2 15 £
<b>FIXED ASSETS</b>			
Tangible assets	9	2,823,485	2,856,696
Investments	10	700	700
		<u>2,824,185</u>	<u>2,857,396</u>
<b>CURRENT ASSETS</b>			
Debtors	12	65,054	1,788
Cash at bank		5,272	5,272
		<u>70,326</u>	<u>7,060</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(217,696)	(1,999,971)
<b>NET CURRENT LIABILITIES</b>		<u>(147,370)</u>	<u>(1,992,911)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,676,815	864,485
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(448,000)	(310,489)
<b>PROVISIONS FOR LIABILITIES</b>	18	(133,856)	(130,570)
<b>NET ASSETS</b>		<u>2,094,959</u>	<u>423,426</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	30,000	30,000
Revaluation reserve		514,454	514,454
Retained earnings		1,550,505	(121,028)
<b>SHAREHOLDERS' FUNDS</b>		<u>2,094,959</u>	<u>423,426</u>
 Company's profit/(loss) for the financial year		 <u>1,671,533</u>	 <u>(13,549)</u>

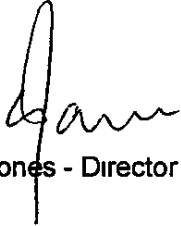
The notes form part of these financial statements



COMPANY BALANCE SHEET - continued  
29 FEBRUARY 2016

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

The financial statements were approved by the director on 24 X 1 2016 and were signed by

A handwritten signature in black ink, appearing to read 'K W Jones', written over the printed name.

K W Jones - Director

The notes form part of these financial statements



**PENTRAETH HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
<b>Balance at 1 March 2014</b>	30,000	1,417,294	514,454	1,961,748
<b>Changes in equity</b>				
Total comprehensive income	-	70,260	-	70,260
<b>Balance at 28 February 2015</b>	30,000	1,487,554	514,454	2,032,008
<b>Changes in equity</b>				
Total comprehensive income	-	70,936	-	70,936
<b>Balance at 29 February 2016</b>	30,000	1,558,490	514,454	2,102,944

The notes form part of these financial statements

**PENTRAETH HOLDINGS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
<b>Balance at 1 March 2014</b>	30,000	(107,479)	514,454	436,975
<b>Changes in equity</b>				
Total comprehensive income	-	(13,549)	-	(13,549)
<b>Balance at 28 February 2015</b>	30,000	(121,028)	514,454	423,426
<b>Changes in equity</b>				
Total comprehensive income	-	1,671,533	-	1,671,533
<b>Balance at 29 February 2016</b>	30,000	1,550,505	514,454	2,094,959

The notes form part of these financial statements

**PENTRAETH HOLDINGS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 29 FEBRUARY 2016**

	Notes	29 2 16 £	28 2 15 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	478,500	270,170
Interest paid		(39,499)	(77,772)
Tax paid		(24,606)	(73,378)
<b>Net cash from operating activities</b>		<u>414,395</u>	<u>119,020</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(34,061)	(37,720)
Sale of tangible fixed assets		-	1,500
<b>Net cash from investing activities</b>		<u>(34,061)</u>	<u>(36,220)</u>
<b>Cash flows from financing activities</b>			
New loans in year		640,000	50,000
Bank loan repayments in year		(504,489)	(122,926)
Other loan - Mazda repayments		(16,620)	(1,385)
Consignment stocking loans movement		(149,860)	86,729
Other stocking loans movement		(135,345)	(219,395)
<b>Net cash from financing activities</b>		<u>(166,314)</u>	<u>(206,977)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>214,020</u>	<u>(124,177)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(259,494)	(135,317)
<b>Cash and cash equivalents at end of year</b>	2	<u>(45,474)</u>	<u>(259,494)</u>

The notes form part of these financial statements

**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 29 FEBRUARY 2016**

**1 RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	29 2 16	28 2 15
	£	£
Profit before taxation	101,246	99,627
Depreciation charges	75,958	70,038
Profit on disposal of fixed assets	-	(1,500)
Finance costs	39,499	77,772
	<u>216,703</u>	<u>245,937</u>
Increase in stocks	(265,923)	(973,805)
(Increase)/decrease in trade and other debtors	(109,037)	74,702
Increase in trade and other creditors	636,757	923,336
	<u>478,500</u>	<u>270,170</u>
<b>Cash generated from operations</b>	<u><u>478,500</u></u>	<u><u>270,170</u></u>

**2 CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Consolidated cash flow statement in respect of cash and cash equivalents are in respect of these Balance sheet amounts

**Year ended 29 February 2016**

	29 2 16	1 3 15
	£	£
Cash and cash equivalents	5,272	5,272
Bank overdrafts	(50,746)	(264,766)
	<u>(45,474)</u>	<u>(259,494)</u>

**Year ended 28 February 2015**

	28 2 15	1 3 14
	£	£
Cash and cash equivalents	5,272	128,028
Bank overdrafts	(264,766)	(263,345)
	<u>(259,494)</u>	<u>(135,317)</u>

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2016

**1 STATUTORY INFORMATION**

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

**2 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

These financial statements for the year ended 29 February 2016 are the first financial statements of Pentraeth Holdings Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 March 2014.

The effect of transition to FRS 102 can be found on pages 31 to 33.

Pentraeth Holdings Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, financial instruments and remuneration of key management personnel.

**Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 29 February 2016. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 29 FEBRUARY 2016

**2 ACCOUNTING POLICIES - continued**

**Significant judgements and estimates**

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

**Used vehicle stock valuations**

Used vehicle stock is purchased from trade sources and private individuals. Used vehicle stock is a depreciating stock item and devalues monthly, making the estimated stock value uncertain. However, senior management review values of stock on an annual basis against trade valuation publications (Glass's Guide) and any possible overvaluations are corrected by reducing the stock value through the profit and loss accounts in the accounting period the over-valuation is identified.

The carrying value of used vehicle stock at the end of the year was £1,171,203 (2015 - £1,218,662).

**Valuation of property**

Freehold property is held at fair value which requires the director to use estimates in obtaining an appropriate valuation. Freehold properties are held in the accounts at £2,758,623 (2015 - £2,807,248) and as no readily ascertainable source for a fair value exists then he uses the services of independent professional valuers to assist in establishing an appropriate fair value for the accounts.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Sales of motor vehicles, parts and accessories are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Servicing revenue is recognised on the completion of the agreed work.

Commissions receivable for arranging vehicle finance and related insurance products are included within revenue. Commission is recognised when the vehicle is sold.

**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**2 ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

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

Freehold property	- 2% straight line on property
Short leasehold	- over the primary lease term
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

The group holds consignment stock vehicles which are registered as being effectively under the control of the company and are included within stock on the balance sheet as the group has the significant risks and rewards of ownership even though the legal title has not yet passed. Legal title does not pass to the group until the earlier of the group holding the vehicle for a specific period, adopting the vehicle by using it as a demonstrator vehicle, or selling the vehicle to a third party. The corresponding liability is included in short term creditors.

**Taxation**

Current tax is provided at the amounts expected to be paid (or recovered) using the tax rates applicable.

Deferred tax is recognised on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future exist at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that on the basis of all available evidence it can be regarded as more likely than not that there will be suitable taxable profits from which the reversals can be deducted.

Deferred tax is measured using tax rates enacted or substantially enacted at the balance sheet date that are expected to apply to the reversal of the timing difference.

**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**3 TURNOVER**

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

An analysis of turnover by class of business is given below

	29 2 16	28 2 15
	£	£
Vehicles	15,662,209	13,693,100
Parts	675,070	588,361
Servicing	460,231	540,437
Bodyshop	556,016	470,642
Commissions	70,915	27,067
Rent	-	100,393
	<u>17,424,441</u>	<u>15,420,000</u>

An analysis of turnover by geographical market is given below

	29 2 16	28 2 15
	£	£
United Kingdom	<u>17,424,441</u>	<u>15,420,000</u>
	<u>17,424,441</u>	<u>15,420,000</u>

**4 EMPLOYEES AND DIRECTORS**



**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

	29 2 16	28 2 15
	£	£
Wages and salaries	815,655	861,955
Social security costs	67,170	70,982
	<u>882,825</u>	<u>932,937</u>

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

	29 2 16	28 2 15
Administration and management	6	6
Servicing, parts and bodyshop	23	20
Sales	10	10
	<u>39</u>	<u>36</u>

	29 2 16	28 2 15
	£	£
Director's remuneration	<u>5,985</u>	<u>5,810</u>

Only the director is considered to be key management personnel

**5 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	29 2 16	28 2 15
	£	£
Depreciation - owned assets	75,958	70,038
Profit on disposal of fixed assets	-	(1,500)
Audit fees	<u>6,000</u>	<u>6,000</u>

**6 INTEREST PAYABLE AND SIMILAR EXPENSES**

	29 2 16	28 2 15
	£	£
Bank interest	39,499	19,456
Finance charges	-	58,316
	<u>39,499</u>	<u>77,772</u>

The finance charges of £58,316 in 2015 was vehicle stocking interest Vehicle stocking interest costs of £59,389 has been presented in cost of sales in 2016

**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**7 TAXATION**

**Analysis of the tax charge**

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

	29 2 16 £	28 2 15 £
Current tax		
UK corporation tax	28,000	25,000
Adjustment for prior years	(394)	(622)
	<hr/>	<hr/>
Total current tax	27,606	24,378
	<hr/>	<hr/>
Deferred tax	2,704	4,989
	<hr/>	<hr/>
Tax on profit	30,310	29,367
	<hr/> <hr/>	<hr/> <hr/>

**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

	29 2 16 £	28 2 15 £
Profit before tax	101,246	99,627
	<hr/>	<hr/>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	20,249	19,925
	<hr/>	<hr/>
Effects of		
Expenses not deductible for tax purposes	295	-
Depreciation in excess of capital allowances	9,929	9,970
Adjustments to tax charge in respect of previous periods	(394)	(622)
Other adjustments	231	94
	<hr/>	<hr/>
Total tax charge	30,310	29,367
	<hr/> <hr/>	<hr/> <hr/>

**8 INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income statement of the parent company is not presented as part of these financial statements

The company's profit for the year was £1,671,533 (2015 - £13,549 loss)

**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**9 TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST OR VALUATION</b>					
At 1 March 2015	2,885,000	51,000	617,234	266,250	3,819,484
Additions	-	-	13,001	21,060	34,061
At 29 February 2016	2,885,000	51,000	630,235	287,310	3,853,545
<b>DEPRECIATION</b>					
At 1 March 2015	77,752	11,330	490,767	251,358	831,207
Charge for year	48,625	1,020	20,920	5,393	75,958
At 29 February 2016	126,377	12,350	511,687	256,751	907,165
<b>NET BOOK VALUE</b>					
At 29 February 2016	2,758,623	38,650	118,548	30,559	2,946,380
At 28 February 2015	2,807,248	39,670	126,467	14,892	2,988,277

Included in freehold land and buildings is land costing £453,742 which is not depreciated

In July 2013 freehold land and buildings were revalued to a fair value of £2,885,000 by S Sawle Bsc (Hons) MRICS for Dafydd Hardy Estate Agents Limited. Without this revaluation the carrying value would be £2,115,555. The director is not aware of any material change in value since the revaluation was made.

Cost or valuation at 29 February 2016 is represented by

	Freehold property £	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2013	643,068	-	-	-	643,068
Cost	2,241,932	51,000	630,235	287,310	3,210,477
	2,885,000	51,000	630,235	287,310	3,853,545

**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**9 TANGIBLE FIXED ASSETS - continued**

**Company**

	Freehold property £	Short leasehold £	Fixtures and fittings £	Totals £
<b>COST OR VALUATION</b>				
At 1 March 2015	2,885,000	51,000	226,330	3,162,330
Additions	-	-	21,060	21,060
At 29 February 2016	2,885,000	51,000	247,390	3,183,390
<b>DEPRECIATION</b>				
At 1 March 2015	77,752	11,330	216,552	305,634
Charge for year	48,625	1,020	4,626	54,271
At 29 February 2016	126,377	12,350	221,178	359,905
<b>NET BOOK VALUE</b>				
At 29 February 2016	2,758,623	38,650	26,212	2,823,485
At 28 February 2015	2,807,248	39,670	9,778	2,856,696

Included in freehold land and buildings is land costing £453,742 which is not depreciated

In July 2013 freehold land and buildings were revalued to a fair value of £2,885,000 by S Sawle Bsc (Hons) MRICS for Dafydd Hardy Estate Agents Limited. Without this revaluation the carrying value would be £2,115,555. The director is not aware of any material change in value since the revaluation was made.

Cost or valuation at 29 February 2016 is represented by

	Freehold property £	Short leasehold £	Fixtures and fittings £	Totals £
Valuation in 2013	643,068	-	-	643,068
Cost	2,241,932	51,000	247,390	2,540,322
	2,885,000	51,000	247,390	3,183,390

**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**10 FIXED ASSET INVESTMENTS**

**Company**

Shares in  
group  
undertakings  
£

**COST**

At 1 March 2015  
and 29 February 2016

700

**NET BOOK VALUE**

At 29 February 2016

700

At 28 February 2015

700

The group or the company's investments at the Balance sheet date in the share capital of companies include the following

**Subsidiaries**

**Pentraeth Automotive Limited**

Registered office Henffordd Garage, Pentraeth Road, Menai Bridge, Anglesey, Wales, LL59 5RW  
Nature of business Garage proprietors

	% holding	29 2 16 £	28 2 15 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		8,085	(124,750)
Profit for the year		132,835	79,882

**Pentraeth Limited**

Registered office Henffordd Garage, Pentraeth Road, Menai Bridge, Anglesey, Wales, LL59 5RW  
Nature of business Dormant

	% holding	29 2 16 £	28 2 15 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		100	1,733,532
Profit for the year		5,220	3,927

**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**10 FIXED ASSET INVESTMENTS - continued**

**Pentraeth Automotive (Bangor) Limited**

Registered office Henffordd Garage, Pentraeth Road, Menai Bridge, Anglesey, Wales, LL59 5RW

Nature of business Dormant

	%		
Class of shares	holding		
Ordinary	100 00		
		29 2 16	28 2 15
		£	£
Aggregate capital and reserves		100	100
		<u>100</u>	<u>100</u>

**Pentraeth Automotive (Nefyn) Limited**

Registered office Henffordd Garage, Pentraeth Road, Menai Bridge, Anglesey, Wales, LL59 5RW

Nature of business Dormant

	%		
Class of shares	holding		
Ordinary	100 00		
		29 2 16	28 2 15
		£	£
Aggregate capital and reserves		100	100
		<u>100</u>	<u>100</u>

**Pentraeth Automotive (Llandudno) Limited**

Registered office Henffordd Garage, Pentraeth Road, Menai Bridge, Anglesey, Wales, LL59 5RW

Nature of business Dormant

	%		
Class of shares	holding		
Ordinary	100 00		
		29 2 16	28 2 15
		£	£
Aggregate capital and reserves		100	100
		<u>100</u>	<u>100</u>

**Pentraeth Automotive (Chester) Limited**

Registered office Henffordd Garage, Pentraeth Road, Menai Bridge, Anglesey, Wales, LL59 5RW

Nature of business Dormant

	%		
Class of shares	holding		
Ordinary	100 00		
		29 2 16	28 2 15
		£	£
Aggregate capital and reserves		100	100
		<u>100</u>	<u>100</u>

**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**10 FIXED ASSET INVESTMENTS - continued**

**Pentraeth (4x4) Limited**

Registered office Henffordd Garage, Pentraeth Road, Menai Bridge, Anglesey, Wales, LL59 5RW

Nature of business Dormant

	%		
Class of shares	holding		
Ordinary	100 00		
		29 2 16	28 2 15
		£	£
Aggregate capital and reserves		100	100
		<u>100</u>	<u>100</u>

**11 STOCKS**

	Group	
	29 2 16	28 2 15
	£	£
Stocks	2,067,785	1,652,002
Interest bearing consignment vehicles	1,775,492	1,925,352
	<u>3,843,277</u>	<u>3,577,354</u>

Interest bearing consignment vehicles are included in stocks. The related liabilities are included in short term creditors.

Stock recognised in cost of sales during the year as expenses was £16,097,582 (2015 - £14,069,238)

At the balance sheet date £150,556 (2015 - £285,901) of used vehicle stock was pledged as security for liabilities owed of the same amount.

**12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	29 2 16	28 2 15	29 2 16	28 2 15
	£	£	£	£
Trade debtors	274,848	113,375	-	-
Amounts owed by group undertakings	-	-	65,054	-
Other debtors	14,428	32,589	-	1,000
VAT	-	34,275	-	788
	<u>289,276</u>	<u>180,239</u>	<u>65,054</u>	<u>1,788</u>

**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	29 2 16	28 2 15	29 2 16	28 2 15
	£	£	£	£
Bank loans and overdrafts (see note 15)	178,746	394,766	208,312	136,622
Other loans (see note 15)	1,942,668	2,227,873	-	-
Trade creditors	2,013,803	1,306,751	-	-
Amounts owed to group undertakings	-	-	-	1,839,187
Corporation tax	28,000	25,000	-	9,000
Social security and other taxes	18,060	15,569	-	-
VAT	23,193	-	2,733	-
Other creditors and accruals	160,242	256,221	6,651	15,162
	<u>4,364,712</u>	<u>4,226,180</u>	<u>217,696</u>	<u>1,999,971</u>

**14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	29 2 16	28 2 15	29 2 16	28 2 15
	£	£	£	£
Bank loans (see note 15)	448,000	310,489	448,000	310,489
Other loans (see note 15)	15,375	31,995	-	-
	<u>463,375</u>	<u>342,484</u>	<u>448,000</u>	<u>310,489</u>

**15 LOANS**

An analysis of the maturity of loans is given below

	<b>Group</b>		<b>Company</b>	
	29 2 16	28 2 15	29 2 16	28 2 15
	£	£	£	£
Amounts falling due within one year or on demand				
Bank overdrafts	50,746	264,766	80,312	6,622
Bank loans	128,000	130,000	128,000	130,000
Other loan - Mazda	16,620	16,620	-	-
Consignment stocking loans	1,775,492	1,925,352	-	-
Other stocking loans	150,556	285,901	-	-
	<u>2,121,414</u>	<u>2,622,639</u>	<u>208,312</u>	<u>136,622</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	448,000	310,489	448,000	310,489
Other loans - 2-5 years	15,375	31,995	-	-
	<u>463,375</u>	<u>342,484</u>	<u>448,000</u>	<u>310,489</u>



**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**15 LOANS - continued**

**Company and group**

The bank loan figure consists of the following

A loan of £576,000 (2015 - £440,489) repayable in quarterly instalments with an interest rate of a 2.25% margin on the base rate. The loan is secured by way of a legal charge over the freehold land and buildings.

**Group**

Other loans include £31,995 (2015 - £48,615) repayable in monthly instalments to Mazda Wholesale Finance. The loan is unsecured and interest free.

**16 LEASING AGREEMENTS**

Minimum lease payments fall due as follows

**Group**

	Non-cancellable operating leases	
	29.2.16	28.2.15
	£	£
In more than five years	35,400	35,400

**17 SECURED DEBTS**

The following secured debts are included within creditors

	Group		Company	
	29.2.16	28.2.15	29.2.16	28.2.15
	£	£	£	£
Bank overdraft	50,746	264,766	80,312	6,622
Bank loans	576,000	440,489	576,000	440,489
Consignment stocking loans	1,775,492	1,925,352	-	-
Other stocking loans	150,556	285,901	-	-
	<u>2,552,794</u>	<u>2,916,508</u>	<u>656,312</u>	<u>447,111</u>

**18 PROVISIONS FOR LIABILITIES**

	Group		Company	
	29.2.16	28.2.15	29.2.16	28.2.15
	£	£	£	£
Deferred tax				
Accelerated capital allowances	24,560	21,856	5,242	1,956
Other timing differences	128,614	128,614	128,614	128,614
	<u>153,174</u>	<u>150,470</u>	<u>133,856</u>	<u>130,570</u>

**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**18 PROVISIONS FOR LIABILITIES - continued**

**Group**

	Deferred tax £
Balance at 1 March 2015	150,470
Credit to Income statement during year	2,704
	<hr/>
Balance at 29 February 2016	153,174
	<hr/>

**Company**

	Deferred tax £
Balance at 1 March 2015	130,570
Credit to Income statement during year	3,286
	<hr/>
Balance at 29 February 2016	133,856
	<hr/>

**19 CALLED UP SHARE CAPITAL**

Allotted, Number	issued and fully paid Class	Nominal value	29 2 16 £	28 2 15 £
24,000	Ordinary	£1	24,000	24,000
6,000	Ordinary B	£1	6,000	6,000
			<hr/>	<hr/>
			30,000	30,000
			<hr/>	<hr/>

**20 RESERVES**

**Group**

	Retained earnings £	Revaluation reserve £	Totals £
At 1 March 2015	1,487,554	514,454	2,002,008
Profit for the year	70,936		70,936
	<hr/>	<hr/>	<hr/>
At 29 February 2016	1,558,490	514,454	2,072,944
	<hr/>	<hr/>	<hr/>

**Company**

	Revaluation reserve £
At 1 March 2015 and 29 February 2016	514,454
	<hr/>

**PENTRAETH HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**20 RESERVES - continued**

**21 CONTINGENT LIABILITIES**

**Group**

The group has provided cross guarantees for other group companies in relation to their dealings in the normal course of business with motor manufacturers for the supply of new motor vehicles and in relation to security provided for their bankers and to finance companies for used car stocking facilities

**Company**

The company has provided cross guarantees for other group companies in relation to their dealings in the normal course of business with motor manufacturers for the supply of new motor vehicles and in relation to security provided for their bankers and to finance companies for used car stocking facilities

**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

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

The group paid rent of £35,400 (Y E 28 2 15 - £35,400) to the director for the use of land

During the year the following transactions took place with JGJ Motors, a business owned by the director's wife

	Y E 29 2 16	Y E 28 2 15
	£	£
Sales	1,295,861	811,243
Purchases	977,554	748,952
Debtor	NIL	NIL
Creditor	NIL	NIL

**23 ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is K W Jones, the sole director and sole shareholder

**24 EXEMPTION FROM AUDIT FOR INDIVIDUAL SUBSIDIARY COMPANIES**

The following subsidiary companies have claimed exemption from audit under Section 479A of the Companies Act 2006

Pentraeth Automotive Limited  
Pentraeth Limited  
Pentraeth Automotive (Bangor) Limited  
Pentraeth Automotive (Chester) Limited  
Pentraeth Automotive (Llandudno) Limited  
Pentraeth Automotive (Nefyn) Limited  
Pentraeth (4x4) Limited

**PENTRAETH HOLDINGS LIMITED**

**RECONCILIATION OF EQUITY**  
**1 MARCH 2014**  
**(DATE OF TRANSITION TO FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		3,020,595	-	3,020,595
<b>CURRENT ASSETS</b>				
Stocks		2,603,549	-	2,603,549
Debtors		254,941	-	254,941
Cash at bank		128,028	-	128,028
		2,986,518	-	2,986,518
<b>CREDITORS</b>				
Amounts falling due within one year		(3,466,469)	-	(3,466,469)
<b>NET CURRENT LIABILITIES</b>		(479,951)	-	(479,951)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,540,644	-	2,540,644
<b>CREDITORS</b>				
Amounts falling due after more than one year		(433,415)	-	(433,415)
<b>PROVISIONS FOR LIABILITIES</b>	A	(16,867)	(128,614)	(145,481)
<b>NET ASSETS</b>		2,090,362	(128,614)	1,961,748
<b>CAPITAL AND RESERVES</b>				
Called up share capital		30,000	-	30,000
Revaluation reserve	A	643,068	(128,614)	514,454
Retained earnings		1,417,294	-	1,417,294
<b>SHAREHOLDERS' FUNDS</b>		2,090,362	(128,614)	1,961,748
		2,090,362	(128,614)	1,961,748

The notes form part of these financial statements



**PENTRAETH HOLDINGS LIMITED**

**RECONCILIATION OF EQUITY - continued**  
**28 FEBRUARY 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		2,988,277	-	2,988,277
<b>CURRENT ASSETS</b>				
Stocks		3,577,354	-	3,577,354
Debtors		180,239	-	180,239
Cash at bank		5,272	-	5,272
		3,762,865	-	3,762,865
<b>CREDITORS</b>				
Amounts falling due within one year		(4,226,180)	-	(4,226,180)
<b>NET CURRENT LIABILITIES</b>		(463,315)	-	(463,315)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,524,962	-	2,524,962
<b>CREDITORS</b>				
Amounts falling due after more than one year		(342,484)	-	(342,484)
<b>PROVISIONS FOR LIABILITIES</b>	A	(21,856)	(128,614)	(150,470)
<b>NET ASSETS</b>		2,160,622	(128,614)	2,032,008
<b>CAPITAL AND RESERVES</b>				
Called up share capital		30,000	-	30,000
Revaluation reserve	A	643,068	(128,614)	514,454
Retained earnings		1,487,554	-	1,487,554
<b>SHAREHOLDERS' FUNDS</b>		2,160,622	(128,614)	2,032,008
		2,160,622	(128,614)	2,032,008

**Notes to the reconciliation of equity**

A Deferred tax was adjusted in respect of the revaluation of the property, reflecting differences between FRS19 and FRS102. The total effect was to increase the net liability at 1st March 2014 by £128,614. Any further movements in deferred tax since 1st March 2014 is considered immaterial.

The notes form part of these financial statements

**PENTRAETH HOLDINGS LIMITED**

**RECONCILIATION OF PROFIT  
FOR THE YEAR ENDED 28 FEBRUARY 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>TURNOVER</b>	15,420,000	-	15,420,000
Cost of sales	(14,557,736)	-	(14,557,736)
<b>GROSS PROFIT</b>	862,264	-	862,264
Administrative expenses	(711,136)	-	(711,136)
Other operating income	26,271	-	26,271
<b>OPERATING PROFIT</b>	177,399	-	177,399
Interest payable and similar expenses	(77,772)	-	(77,772)
<b>PROFIT BEFORE TAXATION</b>	99,627	-	99,627
Tax on profit	(29,367)	-	(29,367)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	70,260	-	70,260
Profit attributable to Owners of the parent			70,260

The notes form part of these financial statements