

GROUP STRATEGIC REPORT, DIRECTOR'S REPORT AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017
FOR
PENTRAETH HOLDINGS LIMITED

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PENTRAETH HOLDINGS LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Page
Company information	1
Group strategic report	2
Director's report	3
Report of the independent auditors	5
Consolidated income statement	7
Consolidated other comprehensive income	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated statement of changes in equity	12
Company statement of changes in equity	13
Consolidated cash flow statement	14
Notes to the consolidated cash flow statement	15
Notes to the consolidated financial statements	16
Consolidated trading and profit and loss account	31

PENTRAETH HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2017

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:	Catherine Elaine Davies

PENTRAETH HOLDINGS LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2017

The director presents his strategic report of the company and the group for the year ended 28 February 2017.

REVIEW OF BUSINESS

During the year the business focused on developing the bodyshop and aftersales services. A new commercial vehicle dealership was added to the group. A further car dealership was added after year end 2017 which compliments the existing franchises.

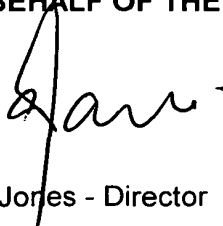
With good market conditions, there has been sustained growth in new and used car sales as well as all areas of aftersales services. All targets continue to be met.

The group is well positioned to manage any slowing in the UK car market.

KEY FINANCIAL HIGHLIGHTS ARE AS FOLLOWS

	Y.E. 28.02.17	Y.E. 29.02.16	Y.E. 28.02.15
Turnover	19.51M	17.42M	15.42M
Gross profit margin	5%	5%	6%
Net profit after tax	232,090	70,936	70,260

ON BEHALF OF THE BOARD:



K W Jones - Director

29 November 2017

PENTRAETH HOLDINGS LIMITED

DIRECTOR'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2017

The director presents his report with the financial statements of the company and the group for the year ended 28 February 2017.

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 28 February 2017.

DIRECTOR

K W Jones held office during the whole of the period from 1 March 2016 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 28 FEBRUARY 2017

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, J V Banks, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



P A Kirkham - Secretary

29 November 2017

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 28 February 2017 on pages seven to thirty. 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 28 February 2017 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, based on the work undertaken in the course of our audit, 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, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Group strategic report or the Director's report.

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.



Catherine Elaine Davies (Senior Statutory Auditor)

29 November 2017

J V Banks

PENTRAETH HOLDINGS LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Notes	28.2.17 £	29.2.16 £
TURNOVER	3	19,506,208	17,424,441
Cost of sales		(18,523,453)	(16,628,762)
GROSS PROFIT		982,755	795,679
Administrative expenses		(671,533)	(654,934)
		311,222	140,745
Other operating income		5,283	-
OPERATING PROFIT	5	316,505	140,745
Interest payable and similar expenses	6	(23,740)	(39,499)
PROFIT BEFORE TAXATION		292,765	101,246
Tax on profit	7	(60,675)	(30,310)
PROFIT FOR THE FINANCIAL YEAR		232,090	70,936
Profit attributable to: Owners of the parent		232,090	70,936

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2017

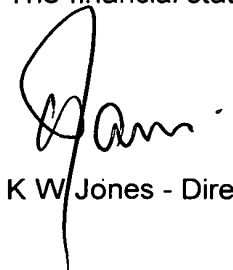
	Notes	28.2.17 £	29.2.16 £
PROFIT FOR THE YEAR		232,090	70,936
OTHER COMPREHENSIVE INCOME			
Property revaluation		(165,623)	-
Income tax relating to other comprehensive income		-	-
		<u> </u>	<u> </u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(165,623)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>66,467</u>	<u>70,936</u>
Total comprehensive income attributable to: Owners of the parent		<u>66,467</u>	<u>70,936</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
28 FEBRUARY 2017

	Notes	28.2.17 £	29.2.16 £
FIXED ASSETS			
Tangible assets	9	2,691,201	2,946,380
Investments	10	-	-
		<u>2,691,201</u>	<u>2,946,380</u>
CURRENT ASSETS			
Stocks	11	4,419,450	3,843,277
Debtors	12	339,928	289,276
Cash at bank		223,286	5,272
		<u>4,982,664</u>	<u>4,137,825</u>
CREDITORS			
Amounts falling due within one year	13	(5,104,373)	(4,364,712)
NET CURRENT LIABILITIES		<u>(121,709)</u>	<u>(226,887)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,569,492</u>	<u>2,719,493</u>
CREDITORS			
Amounts falling due after more than one year	14	(320,000)	(463,375)
PROVISIONS FOR LIABILITIES	18	<u>(80,081)</u>	<u>(153,174)</u>
NET ASSETS		<u><u>2,169,411</u></u>	<u><u>2,102,944</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	30,000	30,000
Revaluation reserve	20	348,831	514,454
Retained earnings	20	1,790,580	1,558,490
SHAREHOLDERS' FUNDS		<u><u>2,169,411</u></u>	<u><u>2,102,944</u></u>

The financial statements were approved by the director on 29 November 2017 and were signed by:



K W Jones - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
28 FEBRUARY 2017

	Notes	28.2.17 £	29.2.16 £
FIXED ASSETS			
Tangible assets	9	2,569,579	2,823,485
Investments	10	700	700
		<u>2,570,279</u>	<u>2,824,185</u>
CURRENT ASSETS			
Debtors	12	4,365	65,054
Cash at bank		5,272	5,272
		<u>9,637</u>	<u>70,326</u>
CREDITORS			
Amounts falling due within one year	13	(242,182)	(217,696)
NET CURRENT LIABILITIES		<u>(232,545)</u>	<u>(147,370)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,337,734</u>	<u>2,676,815</u>
CREDITORS			
Amounts falling due after more than one year	14	(320,000)	(448,000)
PROVISIONS FOR LIABILITIES	18	(60,070)	(133,856)
NET ASSETS		<u>1,957,664</u>	<u>2,094,959</u>
CAPITAL AND RESERVES			
Called up share capital	19	30,000	30,000
Revaluation reserve		348,831	514,454
Retained earnings		1,578,833	1,550,505
SHAREHOLDERS' FUNDS		<u>1,957,664</u>	<u>2,094,959</u>
Company's profit for the financial year		<u>28,328</u>	<u>1,671,533</u>

The notes form part of these financial statements

COMPANY BALANCE SHEET - continued
28 FEBRUARY 2017

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 29 November 2017 and were signed by:

A handwritten signature in black ink, appearing to read 'K Jones', with a long vertical line extending downwards from the end of the signature.

K W Jones - Director

PENTRAETH HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 March 2015	30,000	1,487,554	514,454	2,032,008
Changes in equity				
Total comprehensive income	-	70,936	-	70,936
Balance at 29 February 2016	30,000	1,558,490	514,454	2,102,944
Changes in equity				
Total comprehensive income	-	232,090	(165,623)	66,467
Balance at 28 February 2017	30,000	1,790,580	348,831	2,169,411

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 March 2015	30,000	(121,028)	514,454	423,426
Changes in equity				
Total comprehensive income	-	1,671,533	-	1,671,533
Balance at 29 February 2016	30,000	1,550,505	514,454	2,094,959
Changes in equity				
Total comprehensive income	-	28,328	(165,623)	(137,295)
Balance at 28 February 2017	30,000	1,578,833	348,831	1,957,664

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Notes	28.2.17 £	29.2.16 £
Cash flows from operating activities			
Cash generated from operations	1	456,417	478,500
Interest paid		(23,740)	(39,499)
Tax paid		(27,768)	(24,606)
Net cash from operating activities		<u>404,909</u>	<u>414,395</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(20,190)	(34,061)
Net cash from investing activities		<u>(20,190)</u>	<u>(34,061)</u>
Cash flows from financing activities			
New loans in year		-	640,000
Bank loan repayments in year		(128,000)	(504,489)
Other loan - Mazda repayments		(16,620)	(16,620)
Consignment stocking loans movement		(166,155)	(149,860)
Other stocking loans movement		194,816	(135,345)
Net cash from financing activities		<u>(115,959)</u>	<u>(166,314)</u>
Increase in cash and cash equivalents		<u>268,760</u>	<u>214,020</u>
Cash and cash equivalents at beginning of year	2	(45,474)	(259,494)
Cash and cash equivalents at end of year	2	<u><u>223,286</u></u>	<u><u>(45,474)</u></u>

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2017

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

	28.2.17	29.2.16
	£	£
Profit before taxation	292,765	101,246
Depreciation charges	36,746	75,958
Finance costs	23,740	39,499
	<hr/>	<hr/>
	353,251	216,703
Increase in stocks	(576,173)	(265,923)
Increase in trade and other debtors	(50,652)	(109,037)
Increase in trade and other creditors	729,991	636,757
	<hr/>	<hr/>
Cash generated from operations	<u><u>456,417</u></u>	<u><u>478,500</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 28 February 2017

	28.2.17	1.3.16
	£	£
Cash and cash equivalents	223,286	5,272
Bank overdrafts	-	(50,746)
	<hr/>	<hr/>
	<u><u>223,286</u></u>	<u><u>(45,474)</u></u>

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)
	<hr/>	<hr/>
	<u><u>(45,474)</u></u>	<u><u>(259,494)</u></u>

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

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.

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 28 February 2017. 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 28 FEBRUARY 2017

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 the year was £1,343,166 (2016 - £1,171,203)

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 £2,509,669 (2016 - £2,758,623) 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 28 FEBRUARY 2017

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

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

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:

	28.2.17 £	29.2.16 £
Vehicles	17,170,111	15,662,209
Parts	867,355	675,070
Servicing	513,893	460,231
Bodyshop	888,783	556,016
Commissions	66,066	70,915
	<u>19,506,208</u>	<u>17,424,441</u>

An analysis of turnover by geographical market is given below:

	28.2.17 £	29.2.16 £
United Kingdom	19,506,208	17,424,441
	<u>19,506,208</u>	<u>17,424,441</u>

4. EMPLOYEES AND DIRECTORS

	28.02.17 £	29.02.16 £
Wages and salaries	982,780	815,655
Social security costs	78,746	67,170
	<u>1,061,526</u>	<u>882,825</u>

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

	28.02.17	29.02.16
Administration and management	6	6
Servicing, parts and bodyshop	25	23
Sales	11	10
	<u>42</u>	<u>39</u>

	28.02.17 £	29.02.16 £
Director's remuneration	6,000	5,985

Only the director is considered to be key management personnel.

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

5. OPERATING PROFIT

The operating profit is stated after charging:

	28.2.17	29.2.16
	£	£
Depreciation - owned assets	36,746	75,958
Audit fees	6,000	6,000
	<u> </u>	<u> </u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	28.2.17	29.2.16
	£	£
Bank interest	23,740	39,499
	<u> </u>	<u> </u>

7. TAXATION

Analysis of the tax charge

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

	28.2.17	29.2.16
	£	£
Current tax:		
UK corporation tax	61,000	28,000
Adjustment for prior years	(232)	(394)
Total current tax	60,768	27,606
Deferred tax	(93)	2,704
Tax on profit	<u>60,675</u>	<u>30,310</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:

	28.2.17	29.2.16
	£	£
Profit before tax	<u>292,765</u>	<u>101,246</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	58,553	20,249
Effects of:		
Expenses not deductible for tax purposes	-	295
Depreciation in excess of capital allowances	2,271	9,929
Adjustments to tax charge in respect of previous periods	(232)	(394)
Other adjustments	83	231
Total tax charge	<u>60,675</u>	<u>30,310</u>

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

7. **TAXATION - continued**

Tax effects relating to effects of other comprehensive income

	Gross £	28.2.17 Tax £	Net £
Property revaluation	(165,623)	-	(165,623)

8. **INDIVIDUAL INCOME STATEMENT**

The company's profit for the year was £28,328 (2016 - £1,671,533)

9. **TANGIBLE FIXED ASSETS**

Group

	Freehold property £	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION					
At 1 March 2016	2,885,000	51,000	610,091	287,310	3,833,401
Additions	-	-	20,190	-	20,190
Revaluations	(365,000)	-	-	-	(365,000)
At 28 February 2017	2,520,000	51,000	630,281	287,310	3,488,591
DEPRECIATION					
At 1 March 2016	126,377	12,350	491,543	256,751	887,021
Charge for year	10,331	1,020	20,811	4,584	36,746
Revaluation adjustments	(126,377)	-	-	-	(126,377)
At 28 February 2017	10,331	13,370	512,354	261,335	797,390
NET BOOK VALUE					
At 28 February 2017	2,509,669	37,630	117,927	25,975	2,691,201
At 29 February 2016	2,758,623	38,650	118,548	30,559	2,946,380

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

In November 2016 freehold land and buildings were revalued to a fair value of £2,520,000 by David Baker Bsc (Hons) MRICS, RICS for Lambert Smith Hampton. Without this revaluation the carrying value would be £2,063,028. The director is not aware of any material change in value since the revaluation was made.

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

9. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 28 February 2017 is represented by:

	Freehold property £	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2007	599,281	-	-	-	599,281
Valuation in 2014	(664,523)	-	-	-	(664,523)
Valuation in 2017	(365,000)	-	-	-	(365,000)
Cost	2,950,242	51,000	630,281	287,310	3,918,833
	<u>2,520,000</u>	<u>51,000</u>	<u>630,281</u>	<u>287,310</u>	<u>3,488,591</u>

Company

	Freehold property £	Short leasehold £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 March 2016	2,885,000	51,000	247,390	3,183,390
Revaluations	(365,000)	-	-	(365,000)
At 28 February 2017	<u>2,520,000</u>	<u>51,000</u>	<u>247,390</u>	<u>2,818,390</u>
DEPRECIATION				
At 1 March 2016	126,377	12,350	221,178	359,905
Charge for year	10,331	1,020	3,932	15,283
Revaluation adjustments	(126,377)	-	-	(126,377)
At 28 February 2017	<u>10,331</u>	<u>13,370</u>	<u>225,110</u>	<u>248,811</u>
NET BOOK VALUE				
At 28 February 2017	<u>2,509,669</u>	<u>37,630</u>	<u>22,280</u>	<u>2,569,579</u>
At 29 February 2016	<u>2,758,623</u>	<u>38,650</u>	<u>26,212</u>	<u>2,823,485</u>

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

In November 2016 freehold land and buildings were revalued to a fair value of £2,520,000 by David Baker Bsc (Hons) MRICS, RICS for Lambert Smith Hampton. Without this revaluation the carrying value would be £2,063,028. The director is not aware of any material change in value since the revaluation was made.

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

9. TANGIBLE FIXED ASSETS - continued

Company

Cost or valuation at 28 February 2017 is represented by:

	Freehold property £	Short leasehold £	Fixtures and fittings £	Totals £
Valuation in 2007	599,281	-	-	599,281
Valuation in 2014	(664,523)	-	-	(664,523)
Valuation in 2017	(365,000)	-	-	(365,000)
Cost	2,950,242	51,000	247,390	3,248,632
	<u>2,520,000</u>	<u>51,000</u>	<u>247,390</u>	<u>2,818,390</u>

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 March 2016 and 28 February 2017	<u>700</u>
NET BOOK VALUE	
At 28 February 2017	<u>700</u>
At 29 February 2016	<u>700</u>

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	28.2.17 £	29.2.16 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		211,847	8,085
Profit for the year		<u>203,762</u>	<u>132,835</u>

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

10. **FIXED ASSET INVESTMENTS - continued**

Pentraeth Limited

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

Nature of business: Dormant

Class of shares:	% holding		
Ordinary	100.00		
		28.2.17	29.2.16
		£	£
Aggregate capital and reserves		100	100
Profit for the year		-	5,220
		<u> </u>	<u> </u>

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		
		28.2.17	29.2.16
		£	£
Aggregate capital and reserves		100	100
		<u> </u>	<u> </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		
		28.2.17	29.2.16
		£	£
Aggregate capital and reserves		100	100
		<u> </u>	<u> </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		
		28.2.17	29.2.16
		£	£
Aggregate capital and reserves		100	100
		<u> </u>	<u> </u>

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

10. FIXED ASSET INVESTMENTS - continued

Pentraeth Automotive (Chester) Limited

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

Nature of business: Dormant

Class of shares:	%		
Ordinary	holding		
	100.00		
		28.2.17	29.2.16
		£	£
Aggregate capital and reserves		100	100
		<u>100</u>	<u>100</u>

Pentraeth (4x4) Limited

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

Nature of business: Dormant

Class of shares:	%		
Ordinary	holding		
	100.00		
		28.2.17	29.2.16
		£	£
Aggregate capital and reserves		100	100
		<u>100</u>	<u>100</u>

11. STOCKS

	Group	
	28.2.17	29.2.16
	£	£
Stocks	2,810,113	2,067,785
Interest bearing consignment vehicles	1,609,337	1,775,492
	<u>4,419,450</u>	<u>3,843,277</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 £17,861,821 (2016 - £16,097,582).

At the balance sheet date £345,372 (2016 - £150,556) of used vehicle stock was pledged as security for liabilities owed of the same amount.

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	28.2.17	29.2.16	28.2.17	29.2.16
	£	£	£	£
Trade debtors	241,552	274,848	-	-
Amounts owed by group undertakings	-	-	-	65,054
Other debtors	9,869	14,428	4,365	-
VAT	88,507	-	-	-
	<u>339,928</u>	<u>289,276</u>	<u>4,365</u>	<u>65,054</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	28.2.17	29.2.16	28.2.17	29.2.16
	£	£	£	£
Bank loans and overdrafts (see note 15)	128,000	178,746	128,639	208,312
Other loans (see note 15)	1,970,084	1,942,668	-	-
Trade creditors	2,770,098	2,013,803	-	-
Amounts owed to group undertakings	-	-	98,325	-
Corporation tax	61,000	28,000	10,800	-
Social security and other taxes	22,745	18,060	-	-
VAT	-	23,193	2,712	2,733
Other creditors and accruals	152,446	160,242	1,706	6,651
	<u>5,104,373</u>	<u>4,364,712</u>	<u>242,182</u>	<u>217,696</u>

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

	Group		Company	
	28.2.17	29.2.16	28.2.17	29.2.16
	£	£	£	£
Bank loans (see note 15)	320,000	448,000	320,000	448,000
Other loans (see note 15)	-	15,375	-	-
	<u>320,000</u>	<u>463,375</u>	<u>320,000</u>	<u>448,000</u>

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	28.2.17	29.2.16	28.2.17	29.2.16
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	50,746	639	80,312
Bank loans	128,000	128,000	128,000	128,000
Other loan - Mazda	15,375	16,620	-	-
Consignment stocking loans	1,609,337	1,775,492	-	-
Other stocking loans	345,372	150,556	-	-
	<u>2,098,084</u>	<u>2,121,414</u>	<u>128,639</u>	<u>208,312</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	320,000	448,000	320,000	448,000
Other loans - 2-5 years	-	15,375	-	-
	<u>320,000</u>	<u>463,375</u>	<u>320,000</u>	<u>448,000</u>

Company and group

The bank loan figure consists of the following :

A loan of £448,000 (2016 - £576,000) 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 £15,375 (2016 - £31,995) 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	
	28.2.17	29.2.16
	£	£
In more than five years	<u>35,400</u>	<u>35,400</u>

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	28.2.17	29.2.16	28.2.17	29.2.16
	£	£	£	£
Bank overdraft	-	50,746	639	80,312
Bank loans	448,000	576,000	448,000	576,000
Consignment stocking loans	1,609,337	1,775,492	-	-
	<u>2,057,337</u>	<u>2,402,238</u>	<u>448,639</u>	<u>656,312</u>

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	28.2.17	29.2.16	28.2.17	29.2.16
	£	£	£	£
Deferred tax				
Accelerated capital allowances	24,467	24,560	4,456	5,242
Other timing differences	55,614	128,614	55,614	128,614
	<u>80,081</u>	<u>153,174</u>	<u>60,070</u>	<u>133,856</u>

Group

	Deferred tax £
Balance at 1 March 2016	153,174
Credit to Income statement during year	(73,093)
Balance at 28 February 2017	<u>80,081</u>

Company

	Deferred tax £
Balance at 1 March 2016	133,856
Credit to Income statement during year	(73,786)
Balance at 28 February 2017	<u>60,070</u>

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	28.2.17 £	29.2.16 £
24,000	Ordinary	£1	24,000	24,000
6,000	Ordinary B	£1	6,000	6,000
			<u>30,000</u>	<u>30,000</u>

20. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Totals £
At 1 March 2016	1,558,490	514,454	2,072,944
Profit for the year	232,090		232,090
Property revaluation	-	(165,623)	(165,623)
At 28 February 2017	<u>1,790,580</u>	<u>348,831</u>	<u>2,139,411</u>

Company

	Revaluation reserve £
At 1 March 2016	514,454
Property revaluation	(165,623)
At 28 February 2017	<u>348,831</u>

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.

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

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.29.02.16 - £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.28.02.17	Y.E.29.2.16
	£	£
Sales	1,193,165	1,295,861
Purchases	578,427	977,554
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