

GROUP STRATEGIC REPORT, DIRECTOR'S REPORT AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017
FOR
PENTRAETH HOLDINGS LIMITED



PENTRAETH HOLDINGS LIMITED

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FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

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PENTRAETH HOLDINGS LIMITED

COMPANY INFORMATION
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 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 PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

The director presents his strategic report of the company and the group for the period 1 March 2017 to 31 December 2017.

REVIEW OF BUSINESS

With a general slowing in the UK car market during this period, the business has still met manufacturers targets.

Costs have been incurred in the setup of the commercial vehicle dealership and another new car dealership. These new brands are still establishing themselves in the local area.

Aftersales services will continue to be a key focus of the business going forward.

KEY FINANCIAL HIGHLIGHTS ARE AS FOLLOWS

	Period 1.3.17 to 31.12.17	Y.E. 28.2.17	Y.E. 29.2.16
Turnover	18.21M	19.51M	17.42M
Gross profit margin	4%	5%	5%
Net profit after tax	94,143	232,090	70,936

ON BEHALF OF THE BOARD:



Director

28 September 2018

PENTRAETH HOLDINGS LIMITED

DIRECTOR'S REPORT
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

The director presents his report with the financial statements of the company and the group for the period 1 March 2017 to 31 December 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 period ended 31 December 2017.

EVENTS SINCE THE END OF THE PERIOD

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

DIRECTOR

K W Jones held office during the whole of the period from 1 March 2017 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 PERIOD 1 MARCH 2017 TO 31 DECEMBER 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.

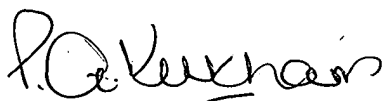
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

28 September 2018

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

Opinion

We have audited the financial statements of Pentraeth Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2017 which comprise the Consolidated income statement, Consolidated other comprehensive income, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated cash flow statement and Notes to the consolidated cash flow statement, Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2017 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Group strategic report and the Director's report, but does not include the financial statements and our Report of the auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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
- the Group strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Director's report.

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.

Responsibilities of director

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, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Catherine Elaine Davies (Senior Statutory Auditor)

28 September 2018

J V Banks

PENTRAETH HOLDINGS LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

	Notes	Period 1.3.17 to 31.12.17 £	Year Ended 28.2.17 £
TURNOVER	3	18,221,343	19,506,208
Cost of sales		(17,436,372)	(18,523,453)
GROSS PROFIT		784,971	982,755
Administrative expenses		(695,939)	(671,533)
		89,032	311,222
Other operating income		44,125	5,283
OPERATING PROFIT	5	133,157	316,505
Interest payable and similar expenses	6	(12,787)	(23,740)
PROFIT BEFORE TAXATION		120,370	292,765
Tax on profit	7	(26,227)	(60,675)
PROFIT FOR THE FINANCIAL PERIOD		94,143	232,090
Profit attributable to: Owners of the parent		94,143	232,090

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

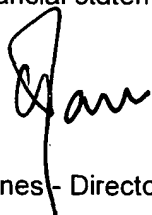
Notes	Period 1.3.17 to 31.12.17 £	Year Ended 28.2.17 £
PROFIT FOR THE PERIOD	94,143	232,090
OTHER COMPREHENSIVE INCOME		
Property revaluation	-	(165,623)
Income tax relating to other comprehensive income	-	-
	<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	-	(165,623)
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	94,143	66,467
	<hr/>	<hr/>
Total comprehensive income attributable to: Owners of the parent	94,143	66,467
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The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2017

	Notes	31.12.17 £	28.2.17 £
FIXED ASSETS			
Tangible assets	9	2,649,044	2,691,201
Investments	10	-	-
		<u>2,649,044</u>	<u>2,691,201</u>
CURRENT ASSETS			
Stocks	11	3,786,511	4,419,450
Debtors	12	275,265	339,928
Cash at bank and in hand		14,123	223,286
		<u>4,075,899</u>	<u>4,982,664</u>
CREDITORS			
Amounts falling due within one year	13	(4,145,999)	(5,104,373)
NET CURRENT LIABILITIES		<u>(70,100)</u>	<u>(121,709)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,578,944</u>	<u>2,569,492</u>
CREDITORS			
Amounts falling due after more than one year	14	(240,000)	(320,000)
PROVISIONS FOR LIABILITIES	18	<u>(75,390)</u>	<u>(80,081)</u>
NET ASSETS		<u>2,263,554</u>	<u>2,169,411</u>
CAPITAL AND RESERVES			
Called up share capital	19	30,000	30,000
Revaluation reserve	20	348,831	348,831
Retained earnings	20	1,884,723	1,790,580
SHAREHOLDERS' FUNDS		<u>2,263,554</u>	<u>2,169,411</u>

The financial statements were approved by the director on 28 September 2018 and were signed by:



K W Jones - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 DECEMBER 2017

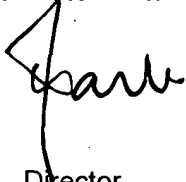
	Notes	31.12.17 £	28.2.17 £
FIXED ASSETS			
Tangible assets	9	2,531,506	2,569,579
Investments	10	700	700
		<u>2,532,206</u>	<u>2,570,279</u>
CURRENT ASSETS			
Debtors	12	5,511	4,365
Cash at bank		5,272	5,272
		<u>10,783</u>	<u>9,637</u>
CREDITORS			
Amounts falling due within one year	13	(277,966)	(242,182)
NET CURRENT LIABILITIES		<u>(267,183)</u>	<u>(232,545)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,265,023</u>	<u>2,337,734</u>
CREDITORS			
Amounts falling due after more than one year	14	(240,000)	(320,000)
PROVISIONS FOR LIABILITIES	18	(56,537)	(60,070)
NET ASSETS		<u>1,968,486</u>	<u>1,957,664</u>
CAPITAL AND RESERVES			
Called up share capital	19	30,000	30,000
Revaluation reserve		348,831	348,831
Retained earnings		1,589,655	1,578,833
SHAREHOLDERS' FUNDS		<u>1,968,486</u>	<u>1,957,664</u>
Company's profit for the financial year		<u>10,822</u>	<u>28,328</u>

The notes form part of these financial statements

COMPANY BALANCE SHEET - continued
31 DECEMBER 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 28 September 2018 and were signed by:

A handwritten signature in black ink, appearing to read 'K W Jones', is written over a vertical line that extends from the text 'K W Jones - Director' below it.

K W Jones - Director

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 March 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
Changes in equity				
Total comprehensive income	-	94,143	-	94,143
Balance at 31 December 2017	30,000	1,884,723	348,831	2,263,554

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 March 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
Changes in equity				
Total comprehensive income	-	10,822	-	10,822
Balance at 31 December 2017	30,000	1,589,655	348,831	1,968,486

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

	Notes	Period 1.3.17 to 31.12.17 £	Year Ended 28.2.17 £
Cash flows from operating activities			
Cash generated from operations	1	348,233	456,417
Interest paid		(12,787)	(23,740)
Tax paid		(60,918)	(27,768)
Net cash from operating activities		<u>274,528</u>	<u>404,909</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(12,707)</u>	<u>(20,190)</u>
Net cash from investing activities		<u>(12,707)</u>	<u>(20,190)</u>
Cash flows from financing activities			
Bank loan repayments in year		(128,000)	(128,000)
Amount introduced by directors		2,551	-
Other loan - Mazda repayments		(13,850)	(16,620)
Consignment stocking loans movement		(473,325)	(166,155)
Other stocking loans movement		19,808	194,816
Net cash from financing activities		<u>(592,816)</u>	<u>(115,959)</u>
(Decrease)/increase in cash and cash equivalents		<u>(330,995)</u>	<u>268,760</u>
Cash and cash equivalents at beginning of period	2	<u>223,286</u>	<u>(45,474)</u>
Cash and cash equivalents at end of period	2	<u><u>(107,709)</u></u>	<u><u>223,286</u></u>

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

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

	Period 1.3.17 to 31.12.17 £	Year Ended 28.2.17 £
Profit before taxation	120,370	292,765
Depreciation charges	54,864	36,746
Finance costs	12,787	23,740
	<u>188,021</u>	<u>353,251</u>
Decrease/(increase) in stocks	632,939	(576,173)
Decrease/(increase) in trade and other debtors	64,663	(50,652)
(Decrease)/increase in trade and other creditors	(537,390)	729,991
	<u>348,233</u>	<u>456,417</u>
Cash generated from operations	<u><u>348,233</u></u>	<u><u>456,417</u></u>

2. CASH AND CASH EQUIVALENTS

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

Period ended 31 December 2017

	31.12.17 £	1.3.17 £
Cash and cash equivalents	14,123	223,286
Bank overdrafts	(121,832)	-
	<u>(107,709)</u>	<u>223,286</u>

Year ended 28 February 2017

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

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 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 31 December 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 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 (Glasses 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 period end was £1,833,442 (28.2.17-£1,343,166)

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 £2,475,231 (28.2.17-£2,509,669) 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 PERIOD 1 MARCH 2017 TO 31 DECEMBER 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 period 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 period 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 PERIOD 1 MARCH 2017 TO 31 DECEMBER 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:

	Period 1.3.17 to 31.12.17 £	Year Ended 28.2.17 £
Vehicles	15,955,341	17,170,111
Parts	888,796	867,355
Servicing	472,308	513,893
Bodyshop	828,427	888,783
Commissions	58,165	66,066
Rent	18,306	-
	<u>18,221,343</u>	<u>19,506,208</u>

An analysis of turnover by geographical market is given below:

	Period 1.3.17 to 31.12.17 £	Year Ended 28.2.17 £
United Kingdom	18,221,343	19,506,208
	<u>18,221,343</u>	<u>19,506,208</u>

4. **EMPLOYEES AND DIRECTORS**

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

	Period 1.3.17 to 31.12.17 £	Year Ended 28.2.17 £
Wages and salaries	950,952	982,780
Social security costs	77,356	78,746
	<u>1,028,308</u>	<u>1,061,526</u>

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

	Period 1.3.17 to 31.12.17	Year Ended 28.2.17
Administration and management	5	6
Servicing, parts and bodyshop	26	25
Sales	19	11
	<u>50</u>	<u>42</u>

	Period 1.3.17 to 31.12.17 £	Year Ended 28.2.17 £
Director's remuneration	5,000	6,000

Only the director is considered to be key management personnel.

5. OPERATING PROFIT

The operating profit is stated after charging:

	Period 1.3.17 to 31.12.17 £	Year Ended 28.2.17 £
Depreciation - owned assets	54,864	36,746
Audit fees	6,000	6,000

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 1.3.17 to 31.12.17 £	Year Ended 28.2.17 £
Bank interest	12,787	23,740

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

7. TAXATION

Analysis of the tax charge

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

	Period 1.3.17 to 31.12.17 £	Year Ended 28.2.17 £
Current tax:		
UK corporation tax	31,000	61,000
Adjustment for prior years	(82)	(232)
Total current tax	30,918	60,768
Deferred tax	(4,691)	(93)
Tax on profit	26,227	60,675

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.3.17 to 31.12.17 £	Year Ended 28.2.17 £
Profit before tax	120,370	292,765
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	22,870	58,553
Effects of:		
Depreciation in excess of capital allowances	2,870	2,271
Adjustments to tax charge in respect of previous periods	(83)	(232)
Other adjustments	570	83
Total tax charge	26,227	60,675

Tax effects relating to effects of other comprehensive income

There were no tax effects for the period ended 31 December 2017.

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

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

8. INDIVIDUAL INCOME STATEMENT

The company's profit for the period 1.3.17 to 31.12.17 was £10,822 (Y.E.28.2.17 - £28,328)

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION					
At 1 March 2017	2,520,000	51,000	630,281	287,310	3,488,591
Additions	-	-	12,707	-	12,707
At 31 December 2017	2,520,000	51,000	642,988	287,310	3,501,298
DEPRECIATION					
At 1 March 2017	10,331	13,370	512,354	261,335	797,390
Charge for period	34,438	850	16,329	3,247	54,864
At 31 December 2017	44,769	14,220	528,683	264,582	852,254
NET BOOK VALUE					
At 31 December 2017	2,475,231	36,780	114,305	22,728	2,649,044
At 28 February 2017	2,509,669	37,630	117,927	25,975	2,691,201

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 £2,021,420. The director is not aware of any material change in value since the revaluation was made.

Cost or valuation at 31 December 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	642,988	287,310	3,931,540
	2,520,000	51,000	642,988	287,310	3,501,298

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

9. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Short leasehold £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 March 2017				
and 31 December 2017	2,520,000	51,000	247,390	2,818,390
DEPRECIATION				
At 1 March 2017	10,331	13,370	225,110	248,811
Charge for period	34,438	850	2,785	38,073
At 31 December 2017	44,769	14,220	227,895	286,884
NET BOOK VALUE				
At 31 December 2017	2,475,231	36,780	19,495	2,531,506
At 28 February 2017	2,509,669	37,630	22,280	2,569,579

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 £2,021,420. The director is not aware of any material change in value since the revaluation was made.

Cost or valuation at 31 December 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
	2,520,000	51,000	247,390	2,818,390

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

10. **FIXED ASSET INVESTMENTS**

Company

Shares in
group
undertakings
£

COST

At 1 March 2017
and 31 December 2017

700

NET BOOK VALUE

At 31 December 2017

700

At 28 February 2017

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

	%		
Class of shares:	holding		
Ordinary	100.00	31.12.17	28.2.17
		£	£
Aggregate capital and reserves		295,168	211,847
Profit for the period/year		83,321	203,762
		<u> </u>	<u> </u>

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	31.12.17	28.2.17
		£	£
Aggregate capital and reserves		100	100
		<u> </u>	<u> </u>

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

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		
		31.12.17	28.2.17
		£	£
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		
		31.12.17	28.2.17
		£	£
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		
		31.12.17	28.2.17
		£	£
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		
		31.12.17	28.2.17
		£	£
Aggregate capital and reserves		100	100
		<u>100</u>	<u>100</u>

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

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		
		31.12.17	28.2.17
		£	£
Aggregate capital and reserves		100	100
		<u>100</u>	<u>100</u>

11. STOCKS

	Group	
	31.12.17	28.2.17
	£	£
Stocks	2,650,499	2,810,113
Interest bearing consignment vehicles	1,136,012	1,609,337
	<u>3,786,511</u>	<u>4,419,450</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 period as expenses was £16,835,915 (Y.E.28.2.17 - £17,861,821).

At the balance sheet date £365,180 (28.2.17 - £345,372) 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	
	31.12.17	28.2.17	31.12.17	28.2.17
	£	£	£	£
Trade debtors	234,659	241,552	-	-
Other debtors	40,606	9,869	5,511	4,365
VAT	-	88,507	-	-
	<u>275,265</u>	<u>339,928</u>	<u>5,511</u>	<u>4,365</u>

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.17	28.2.17	31.12.17	28.2.17
	£	£	£	£
Bank loans and overdrafts (see note 15)	201,832	128,000	80,000	128,639
Other loans (see note 15)	1,502,717	1,970,084	-	-
Trade creditors	2,235,925	2,770,098	-	-
Amounts owed to group undertakings	-	-	163,066	98,325
Corporation tax	31,000	61,000	11,000	10,800
Social security and other taxes	25,082	22,745	-	-
VAT	46,571	-	349	2,712
Other creditors and accruals	100,321	152,446	21,000	1,706
Directors' current accounts	2,551	-	2,551	-
	<u>4,145,999</u>	<u>5,104,373</u>	<u>277,966</u>	<u>242,182</u>

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

	Group		Company	
	31.12.17	28.2.17	31.12.17	28.2.17
	£	£	£	£
Bank loans (see note 15)	<u>240,000</u>	<u>320,000</u>	<u>240,000</u>	<u>320,000</u>

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.12.17	28.2.17	31.12.17	28.2.17
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	121,832	-	-	639
Bank loans	80,000	128,000	80,000	128,000
Other loan - Mazda	1,525	15,375	-	-
Consignment stocking loans	1,136,012	1,609,337	-	-
Other stocking loans	365,180	345,372	-	-
	<u>1,704,549</u>	<u>2,098,084</u>	<u>80,000</u>	<u>128,639</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>240,000</u>	<u>320,000</u>	<u>240,000</u>	<u>320,000</u>

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

15. LOANS - continued

Company and group

The bank loan figure consists of the following :

A loan of £320,000 (28.2.17 - £448,000) 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 and a debenture over the whole assets of the company.

Group

Other loans include £1,525 (28.2.17 - £15,375) 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	
	31.12.17	28.2.17
	£	£
In more than five years	35,400	35,400

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.12.17	28.2.17	31.12.17	28.2.17
	£	£	£	£
Bank overdraft	121,832	-	-	639
Bank loans	320,000	448,000	320,000	448,000
Consignment stocking loans	1,136,012	1,609,337	-	-
	<u>1,577,844</u>	<u>2,057,337</u>	<u>320,000</u>	<u>448,639</u>

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.12.17	28.2.17	31.12.17	28.2.17
	£	£	£	£
Deferred tax				
Accelerated capital allowances	22,557	24,467	3,704	4,456
Other timing differences	52,833	55,614	52,833	55,614
	<u>75,390</u>	<u>80,081</u>	<u>56,537</u>	<u>60,070</u>

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

18. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 March 2017	80,081
Credit to Income statement during period	(4,691)
	<hr/>
Balance at 31 December 2017	75,390
	<hr/> <hr/>

Company

	Deferred tax £
Balance at 1 March 2017	60,070
Provided during period	(3,533)
	<hr/>
Balance at 31 December 2017	56,537
	<hr/> <hr/>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.17 £	28.2.17 £
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/>	<hr/> <hr/>

20. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Totals £
At 1 March 2017	1,790,580	348,831	2,139,411
Profit for the period	94,143		94,143
	<hr/>	<hr/>	<hr/>
At 31 December 2017	1,884,723	348,831	2,233,554
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Company

	Revaluation reserve £
At 1 March 2017 and 31 December 2017	348,831
	<hr/> <hr/>

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

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 director's loan £2,551 (28.2.17 - £Nil) is included in creditors falling due within one year.

The group paid rent of £35,400 (Y.E.28.2.17 - £35,400) to the director for the use of land.

During the period the following transactions took place with JGJ Motors, a business owned in partnership by the director and his wife :

	Period 1.3.17 to 31.12.17	Y.E.28.2.17
	£	£
Sales	1,261,798	1,193,165
Purchases	1,168,633	578,427
Debtor	NIL	NIL
Creditor	31,145	NIL

23. **POST BALANCE SHEET EVENTS**

The following subsidiary companies were dissolved on 20 March 2018

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

24. **ULTIMATE CONTROLLING PARTY**

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

PENTRAETH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

25. 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

**CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017**

	Period 1.3.17 to 31.12.17		Year Ended 28.2.17	
	£	£	£	£
Turnover				
New and used vehicles	15,754,171		16,953,302	
Vehicle commissions	58,165		66,066	
Vehicle bonuses	201,170		216,809	
Parts	888,796		867,355	
Service	472,308		513,893	
Bodyshop	828,427		888,783	
Rent	18,306		-	
		18,221,343		19,506,208
Cost of sales				
Vehicle cost of sales	14,977,711		16,049,535	
Vehicle salaries	337,908		354,193	
Preparation costs	209,272		237,805	
Vehicles other costs	46,989		56,283	
Parts cost of sales	671,608		641,054	
Parts salaries	42,696		51,019	
Parts other costs	10,158		9,081	
Service cost of sales	166,492		124,113	
Service salaries	152,374		191,681	
Service other costs	106,148		86,759	
Bodyshop cost of sales	432,174		466,972	
Bodyshop salaries	67,479		64,739	
Bodyshop other costs	215,363		190,219	
		17,436,372		18,523,453
GROSS PROFIT		784,971		982,755
Other income				
Sundry income		44,125		5,283
		829,096		988,038
Expenditure				
Rent	35,400		35,400	
Rates and water	82,931		84,259	
Insurance	39,986		40,260	
Light and heat	36,875		67,785	
Directors' salaries	5,000		6,000	
Wages	101,644		113,293	
Pensions	5,151		-	
Telephone	17,083		7,012	
Post and stationery	5,552		8,756	
Advertising	71,496		74,644	
Motor and travelling expenses	80,183		57,418	
Repairs and maintenance	23,808		21,221	
Carried forward	505,109	829,096	516,048	988,038

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PENTRAETH HOLDINGS LIMITED

CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017

	Period		Year Ended	
	1.3.17 to 31.12.17		28.2.17	
	£	£	£	£
Brought forward	505,109	829,096	516,048	988,038
Computer costs	73,645		63,251	
Sundry expenses	10,530		17,519	
Deficit on recharged expenses	-		(12,457)	
Accountancy	15,000		18,000	
Bank charges	25,037		17,864	
Legal and professional fees	2,254		6,147	
Auditors' remuneration	6,000		6,000	
Bad debts	3,500		2,415	
Depreciation of tangible fixed assets	54,864		36,746	
		695,939		671,533
		133,157		316,505
Finance costs				
Bank interest		12,787		23,740
NET PROFIT		120,370		292,765

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