

Registered number: 02634095

Luther Pendragon Limited

Financial statements

Information for filing with the registrar

For the Year Ended 31 December 2021

Balance Sheet
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	<u>169,717</u>	<u>208,698</u>
		169,717	208,698
Current assets			
Debtors: amounts falling due within one year	5	716,412	692,127
Cash at bank and in hand		<u>860,454</u>	<u>490,839</u>
		1,576,866	1,182,966
Creditors: amounts falling due within one year	6	<u>(998,915)</u>	<u>(941,162)</u>
Net current assets		577,951	241,804
Total assets less current liabilities		747,668	450,502
Creditors: amounts falling due after more than one year	7	(207,765)	(299,387)
Provisions for liabilities			
Deferred tax	9	<u>(9,216)</u>	<u>(12,859)</u>
		(9,216)	(12,859)
Net assets		530,687	138,256
Capital and reserves			
Called up share capital		2,137	2,137
Share premium account		4,243	4,243
Capital redemption reserve		26	26
Profit and loss account		<u>524,281</u>	<u>131,850</u>
		530,687	138,256

Balance Sheet (continued)
As at 31 December 2021

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
S Whale
Director

.....
S Maule
Director

Date: 31 August 2022

The notes on pages 3 to 11 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

1. General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

48 Gracechurch Street

London

EC3V 0EJ

United Kingdom

The financial statements are presented in sterling which is the functional currency of the company and are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. After making enquiries, the board of directors have adequate reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the fact that the company is profitable, generates positive cash flows and has the support of its bankers and the parent company's unsecured loan note holders.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

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

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short leasehold costs	-	Over the length of the lease
Fixtures and fittings	-	10/25/33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)

2.7 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.15 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

3. Employees

The average monthly number of employees, including directors, during the year was 19 (2020 - 19).

4. Tangible fixed assets

	Short leasehold costs £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2021	17,868	488,465	506,333
Additions	-	4,721	4,721
Disposals	-	(175)	(175)
At 31 December 2021	<u>17,868</u>	<u>493,011</u>	<u>510,879</u>
Depreciation			
At 1 January 2021	7,148	290,487	297,635
Charge for the year on owned assets	1,787	42,142	43,929
Disposals	-	(402)	(402)
At 31 December 2021	<u>8,935</u>	<u>332,227</u>	<u>341,162</u>
Net book value			
At 31 December 2021	<u>8,933</u>	<u>160,784</u>	<u>169,717</u>
At 31 December 2020	<u>10,720</u>	<u>197,978</u>	<u>208,698</u>

5. Debtors

	2021 £	2020 £
Trade debtors	372,758	305,461
Amounts owed by group undertakings	153,712	132,491
Other debtors	154,955	167,344
Prepayments and accrued income	34,987	86,831
	<u>716,412</u>	<u>692,127</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

6. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	654	597
Bank loans	50,000	-
Trade creditors	203,539	381,613
Amounts owed to group undertakings	20,110	20,110
Corporation tax	103,889	64,186
Other taxation and social security	205,228	237,188
Other creditors	20,401	80,364
Accruals and deferred income	395,094	157,104
	<u>998,915</u>	<u>941,162</u>

7. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	200,000	250,000
Other creditors	7,765	49,387
	<u>207,765</u>	<u>299,387</u>

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

Notes to the Financial Statements
For the Year Ended 31 December 2021

8. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	50,000	-
	<u>50,000</u>	<u>-</u>
Amounts falling due 1-2 years		
Bank loans	50,000	50,000
Amounts falling due 2-5 years		
Bank loans	150,000	150,000
Amounts falling due after more than 5 years		
Bank loans	-	50,000
	<u>250,000</u>	<u>250,000</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

9. Deferred taxation

	2021 £
At beginning of year	12,859
Charged to profit or loss	3,643
At end of year	9,216

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(10,045)	(14,867)
Pension surplus	829	2,008
	<u>(9,216)</u>	<u>(12,859)</u>

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £132,999 (2020 - £104,427). Contributions totalling £3,315 (2020 - £10,569) were payable to the fund at the balance sheet date and are included in creditors.

11. Related party transactions

Key management personnel

All directors' remuneration paid by the company during the year was done so under normal market conditions.

Luther Pendragon Holdings Limited

During the year the company provided an interest free loan to Luther Pendragon Holdings Limited and paid dividends of £nil (2020 - £354,000). At the balance sheet date the amount due from Luther Pendragon Holdings Limited was £153,712 (2020 - £132,491) due to Luther Pendragon Holdings Limited).

Linstock Communications Limited

Linstock Communications Limited was acquired during the prior year by the parent company Luther Pendragon Holdings Limited. As of 1 March 2020 the trade and assets were transferred to Luther Pendragon Limited. At the balance sheet date the amount due to Linstock Communications Limited was £20,110 (2020 - £20,110).

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

12. Controlling party

The company's immediate and ultimate parent is Luther Pendragon Holdings Limited, a company incorporated in England and Wales.

There is no one ultimate controlling party.

The company and its parent comprise a small group. The company has therefore taken advantage of the exemption provided by section 399 of the Companies Act 2006 not to prepare group financial statements.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.