

REGISTERED NUMBER: 01968351 (England and Wales)

GROUP STRATEGIC REPORT, DIRECTORS' REPORT AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
PENTRAETH HOLDINGS LIMITED

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CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Page
Company information	1
Group strategic report	2
Directors' report	4
Report of the independent auditors	6
Consolidated income statement	10
Consolidated balance sheet	11
Company balance sheet	12
Consolidated statement of changes in equity	14
Company statement of changes in equity	15
Consolidated cash flow statement	16
Notes to the consolidated cash flow statement	17
Notes to the consolidated financial statements	19

PENTRAETH HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS: K W Jones
J G Jones
W M 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

INDEPENDENT AUDITORS: J V Banks
Chartered Accountants and Statutory Auditors
Banks House
Paradise Street
Rhyl
Denbighshire
LL18 3LW

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report of the company and the group for the year ended 31 December 2021.

REVIEW OF BUSINESS

Year end 31/12/21 Review

Trading activities were impacted by the Covid pandemic early in the year with a partial lockdown until early April.

Despite this we had a very good year.

The number of units sold was lower than usual however this was more than compensated by the increase in the margins. This was due mainly to the global lack of availability of cars

A knock on effect of the pandemic was that customers in the main had done their research and the selling process was quicker and easier.

Towards the end of the year we felt the effects of the well documented supply problem when some models became scarce however customers understood this and were willing to wait .

During the year Izuzu and Subaru franchises joined the group .

Aftersales and Bodyshop continued to be a good source of revenue throughout the year.

With the help of a government grant a transformer has been installed on site to substantially increase our electric capacity. This has enabled us to install a bank of electric vehicle chargers in anticipation of the gradual move from internal combustion engines to electric vehicles.

Post year end review

The lack of availability of new cars has intensified during 2022 , however the fact it has affected all brands means customers are not inclined to go elsewhere . Also our brands seem to be in a better position stock wise than other brands.

We have compensated for the lack of new cars by increasing the level of used stock.

Staffing levels have returned to pre pandemic levels.

MG

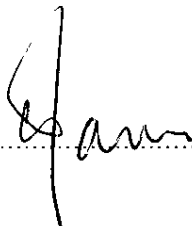
From March 2022 we stopped being an MG dealer. This was on an amicable basis and has enabled us to concentrate on our other brands.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

KEY FINANCIAL HIGHLIGHTS ARE AS FOLLOWS

	Y.E.31.12.21	Y.E.31.12.20	Y.E. 31.12.19
Turnover	17.2M	16.9M	21.0M
Gross profit margin	5%	2%	4%
Net profit after tax	173,965	14,455	13,696

ON BEHALF OF THE BOARD:


.....
Director

Date: 28/09/2022

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

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

DIVIDENDS

An interim dividend of 8.334p per share was paid on the Ordinary £1 shares on 31 March 2021. No dividends were paid on the Ordinary B £1 shares.

The total distribution of dividends for the year ended 31 December 2021 will be £2,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

K W Jones

J G Jones

W M Jones

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.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

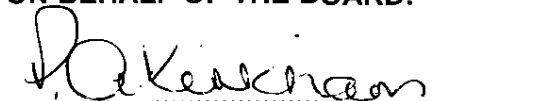
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each director 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

Date: 28/09/2022

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 year ended 31 December 2021 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 2021 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.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group strategic report and the Directors' 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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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

Opinions 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 Directors' 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 Directors' 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 Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities set out on page five, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental (including Waste Electrical and Electronic Equipment recycling (WEEE) Regulations 2013) and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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)
for and on behalf of J V Banks
Chartered Accountants and Statutory Auditors
Banks House
Paradise Street
Rhyl
Denbighshire
LL18 3LW

Date:28/09/2022.....

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

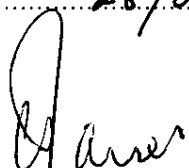
	Notes	31.12.21 £	31.12.20 £
TURNOVER	3	17,169,647	16,858,550
Cost of sales		(16,267,897)	(16,476,572)
GROSS PROFIT		901,750	381,978
Administrative expenses		(806,143)	(782,991)
		95,607	(401,013)
Other operating income		153,322	435,722
OPERATING PROFIT	5	248,929	34,709
Interest payable and similar expenses	6	(2,917)	(6,743)
PROFIT BEFORE TAXATION		246,012	27,966
Tax on profit	7	(72,047)	(13,511)
PROFIT FOR THE FINANCIAL YEAR		173,965	14,455

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2021

	Notes	31.12.21 £	31.12.20 £
FIXED ASSETS			
Intangible assets	10	20,000	20,000
Tangible assets	11	2,893,284	2,826,209
Investments	12	-	-
		<u>2,913,284</u>	<u>2,846,209</u>
CURRENT ASSETS			
Stocks	13	2,589,752	3,150,490
Debtors	14	176,383	170,145
Cash at bank		-	254,571
		<u>2,766,135</u>	<u>3,575,206</u>
CREDITORS			
Amounts falling due within one year	15	(2,992,112)	(3,950,209)
NET CURRENT LIABILITIES		<u>(225,977)</u>	<u>(375,003)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,687,307</u>	<u>2,471,206</u>
CREDITORS			
Amounts falling due after more than one year	16	(70,800)	(48,000)
PROVISIONS FOR LIABILITIES	20	(45,735)	(24,399)
NET ASSETS		<u>2,570,772</u>	<u>2,398,807</u>
CAPITAL AND RESERVES			
Called up share capital	21	30,000	30,000
Revaluation reserve	22	401,664	401,664
Retained earnings	22	2,139,108	1,967,143
SHAREHOLDERS' FUNDS		<u>2,570,772</u>	<u>2,398,807</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28/09/2022 and were signed on its behalf by:


.....
K W Jones - Director

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

COMPANY BALANCE SHEET
31 DECEMBER 2021

	Notes	31.12.21 £	31.12.20 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	2,654,474	2,699,669
Investments	12	300	300
		<u>2,654,774</u>	<u>2,699,969</u>
CURRENT ASSETS			
Debtors	14	1,545	9,000
Cash at bank		-	2,950
		<u>1,545</u>	<u>11,950</u>
CREDITORS			
Amounts falling due within one year	15	(631,925)	(633,465)
NET CURRENT LIABILITIES		<u>(630,380)</u>	<u>(621,515)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,024,394	2,078,454
CREDITORS			
Amounts falling due after more than one year	16	-	(48,000)
PROVISIONS FOR LIABILITIES	20	(1,934)	(2,275)
NET ASSETS		<u>2,022,460</u>	<u>2,028,179</u>
CAPITAL AND RESERVES			
Called up share capital	21	30,000	30,000
Revaluation reserve		401,664	401,664
Retained earnings		1,590,796	1,596,515
SHAREHOLDERS' FUNDS		<u>2,022,460</u>	<u>2,028,179</u>
Company's (loss)/profit for the financial year		<u>(3,720)</u>	<u>3,786</u>

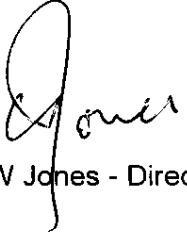
The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

COMPANY BALANCE SHEET - continued
31 DECEMBER 2021

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

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2022 and were signed on its behalf by:

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

K W Jones - Director

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2020	30,000	1,952,688	401,664	2,384,352
Changes in equity				
Total comprehensive income	-	14,455	-	14,455
Balance at 31 December 2020	30,000	1,967,143	401,664	2,398,807
Changes in equity				
Dividends	-	(2,000)	-	(2,000)
Total comprehensive income	-	173,965	-	173,965
Balance at 31 December 2021	30,000	2,139,108	401,664	2,570,772

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2020	30,000	1,592,729	401,664	2,024,393
Changes in equity				
Total comprehensive income	-	3,786	-	3,786
Balance at 31 December 2020	<u>30,000</u>	<u>1,596,515</u>	<u>401,664</u>	<u>2,028,179</u>
Changes in equity				
Dividends	-	(2,000)	-	(2,000)
Total comprehensive income	-	(3,720)	-	(3,720)
Balance at 31 December 2021	<u>30,000</u>	<u>1,590,795</u>	<u>401,664</u>	<u>2,022,459</u>

The notes form part of these financial statements

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	31.12.21 £	31.12.20 £
Cash flows from operating activities			
Cash generated from operations	1	(76,870)	742,129
Interest paid		(2,917)	(6,743)
Tax paid		(14,311)	(15,437)
Net cash from operating activities		<u>(94,098)</u>	<u>719,949</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(162,491)</u>	<u>(270,557)</u>
Net cash from investing activities		<u>(162,491)</u>	<u>(270,557)</u>
Cash flows from financing activities			
Bank loan repayments in year		(64,000)	(64,000)
Amount introduced by directors		-	213,435
Amount withdrawn by directors		(241,315)	-
Consignment stocking loans movement		(310,697)	28,857
Other stocking loans movement		264,560	(266,160)
Equity dividends paid		<u>(2,000)</u>	<u>-</u>
Net cash from financing activities		<u>(353,452)</u>	<u>(87,868)</u>
(Decrease)/increase in cash and cash equivalents		<u>(610,041)</u>	<u>361,524</u>
Cash and cash equivalents at beginning of year	2	254,571	(106,953)
Cash and cash equivalents at end of year	2	<u><u>(355,470)</u></u>	<u><u>254,571</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

	31.12.21	31.12.20
	£	£
Profit before taxation	246,012	27,966
Depreciation charges	95,416	67,841
Finance costs	2,917	6,743
	<u>344,345</u>	<u>102,550</u>
Decrease in stocks	560,738	722,101
(Increase)/decrease in trade and other debtors	(6,238)	145,133
Decrease in trade and other creditors	(975,715)	(227,655)
Cash generated from operations	<u>(76,870)</u>	<u>742,129</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:

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	-	254,571
Bank overdrafts	(355,470)	-
	<u>(355,470)</u>	<u>254,571</u>

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	254,571	241
Bank overdrafts	-	(107,194)
	<u>254,571</u>	<u>(106,953)</u>

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank	254,571	(254,571)	-
Bank overdrafts	-	(355,470)	(355,470)
	<u>254,571</u>	<u>(610,041)</u>	<u>(355,470)</u>
Debt			
Debts falling due within 1 year	(743,088)	62,137	(680,951)
Debts falling due after 1 year	(48,000)	48,000	-
	<u>(791,088)</u>	<u>110,137</u>	<u>(680,951)</u>
Total	<u>(536,517)</u>	<u>(499,904)</u>	<u>(1,036,421)</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021. 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 YEAR ENDED 31 DECEMBER 2021

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 (Clean Cap Valuation) 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 year end was £1,588,307 (31.12.20 - £1,304,794)

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 £2,611,597 (31.12.20 - £2,653,976) 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.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

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	- 20% on cost and 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance

Government grants

Grants are accounted for under the accrual model and are credited to deferred revenue.

Grants towards capital expenditure are released to the profit & loss account over the expected useful life of the assets.

Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred furthermore, grants which becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in income in the period in which it becomes receivable.

Government grants in respect of Covid-19 have been treated as revenue grants.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. **ACCOUNTING POLICIES - continued**

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.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Revenue recognition

Income represents revenue earned under a wide variety of contracts to provide services and supply goods. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts.

Revenue is generally recognised as contract activity progress so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

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:

	31.12.21	31.12.20
	£	£
Vehicles	14,602,592	14,772,315
Parts	967,957	815,201
Servicing	670,310	616,759
Bodyshop	856,655	580,566
Commissions	58,990	55,031
Rent	13,143	18,678
	<u>17,169,647</u>	<u>16,858,550</u>

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

3. **TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	31.12.21 £	31.12.20 £
United Kingdom	17,169,647	16,858,550
	<u>17,169,647</u>	<u>16,858,550</u>

4. **EMPLOYEES AND DIRECTORS**

	31.12.21 £	31.12.20 £
Wages and salaries	1,088,742	1,167,873
Social security costs	95,407	102,953
	<u>1,184,149</u>	<u>1,270,826</u>

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

	31.12.21	31.12.20
Administration and management	5	6
Servicing, parts and bodyshop	21	25
Sales	16	16
	<u>42</u>	<u>47</u>

	31.12.21 £	31.12.20 £
Directors remuneration	95,234	82,573

Only the director K. W. Jones is considered to be key management personnel.

5. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.21 £	31.12.20 £
Depreciation - owned assets	95,416	67,841
Audit fees	6,800	9,000
	<u></u>	<u></u>

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.21	31.12.20
	£	£
Bank interest	2,417	6,743
Finance charges	500	-
	<u>2,917</u>	<u>6,743</u>

7. **TAXATION**

Analysis of the tax charge

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

	31.12.21	31.12.20
	£	£
Current tax:		
UK corporation tax	50,700	14,300
Adjustment for prior years	11	(63)
	<u>50,711</u>	<u>14,237</u>
Total current tax	50,711	14,237
Deferred tax	21,336	(726)
	<u>72,047</u>	<u>13,511</u>
Tax on profit		

UK corporation tax has been charged at 19%.

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:

	31.12.21	31.12.20
	£	£
Profit before tax	<u>246,012</u>	<u>27,966</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	46,742	5,314
Effects of:		
Income not taxable for tax purposes	(4,484)	-
Depreciation in excess of capital allowances	29,532	8,245
Adjustments to tax charge in respect of previous periods	11	(63)
Other adjustments	246	15
	<u>72,047</u>	<u>13,511</u>
Total tax charge		

8. **INDIVIDUAL INCOME STATEMENT**

The company's (loss) profit for the year was (£3,720) loss (31.12.20 - £3,786 profit)

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

9. **DIVIDENDS**

	31.12.21 £	31.12.20 £
Ordinary shares of £1 each		
Interim	2,000	-

10. **INTANGIBLE FIXED ASSETS**

Group

COST

At 1 January 2021		Number plates £
and 31 December 2021		20,000

NET BOOK VALUE

At 31 December 2021	20,000
At 31 December 2020	20,000

11. **TANGIBLE FIXED ASSETS**

Group

	Freehold property £	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION					
At 1 January 2021	2,824,827	51,000	708,949	300,662	3,885,438
Additions	-	-	143,787	18,704	162,491
At 31 December 2021	2,824,827	51,000	852,736	319,366	4,047,929
DEPRECIATION					
At 1 January 2021	170,851	17,280	595,667	275,431	1,059,229
Charge for year	42,379	1,020	45,427	6,590	95,416
At 31 December 2021	213,230	18,300	641,094	282,021	1,154,645
NET BOOK VALUE					
At 31 December 2021	2,611,597	32,700	211,642	37,345	2,893,284
At 31 December 2020	2,653,976	33,720	113,282	25,231	2,826,209

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. **TANGIBLE FIXED ASSETS - continued**

Group

Included in freehold land and buildings is land costing £705,895 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 £2,123,368. The director is not aware of any material change in value since the revaluation was made.

Cost or valuation at 31 December 2021 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	3,255,069	51,000	852,736	319,366	4,478,171
	<u>2,824,827</u>	<u>51,000</u>	<u>852,736</u>	<u>319,366</u>	<u>4,047,929</u>

Company

	Freehold property £	Short leasehold £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 January 2021 and 31 December 2021	<u>2,824,827</u>	<u>51,000</u>	<u>247,390</u>	<u>3,123,217</u>
DEPRECIATION				
At 1 January 2021	170,851	17,280	235,417	423,548
Charge for year	<u>42,379</u>	<u>1,020</u>	<u>1,796</u>	<u>45,195</u>
At 31 December 2021	<u>213,230</u>	<u>18,300</u>	<u>237,213</u>	<u>468,743</u>
NET BOOK VALUE				
At 31 December 2021	<u>2,611,597</u>	<u>32,700</u>	<u>10,177</u>	<u>2,654,474</u>
At 31 December 2020	<u>2,653,976</u>	<u>33,720</u>	<u>11,973</u>	<u>2,699,669</u>

Included in freehold land and buildings is land costing £705,895 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 £2,123,368. The directors are not aware of any material change in value since the revaluation was made.

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. **TANGIBLE FIXED ASSETS - continued**

Company

Cost or valuation at 31 December 2021 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	3,255,069	51,000	247,390	3,553,459
	<u>2,824,827</u>	<u>51,000</u>	<u>247,390</u>	<u>3,123,217</u>

12. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertaking £
COST	
At 1 January 2021 and 31 December 2021	<u>300</u>
NET BOOK VALUE	
At 31 December 2021	<u>300</u>
At 31 December 2020	<u>300</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	31.12.21 £	31.12.20 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		548,412	370,727
Profit for the year		<u>177,685</u>	<u>10,668</u>

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

12. **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		
		31.12.21	31.12.20
		£	£
Aggregate capital and reserves		100	100

North Wales Kia Limited

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

Class of shares:	% holding		
Ordinary	100.00		
		31.12.21	31.12.20
		£	£
Aggregate capital and reserves		100	100

13. **STOCKS**

	Group	
	31.12.21	31.12.20
	£	£
Stocks	2,384,941	2,634,982
Interest bearing consignment vehicles	204,811	515,508
	<u>2,589,752</u>	<u>3,150,490</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 £15,654,249 (31.12.20 - £15,709,024)

At the balance sheet date £428,140 (31.12.20 - £163,580) of used vehicle stock was pledged as security for liabilities owed of the same amount.

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Trade debtors	146,817	133,712	-	-
Other debtors	17,124	32,681	-	9,000
Debit balances in purchase ledger	12,442	3,752	-	-
VAT	-	-	1,545	-
	<u>176,383</u>	<u>170,145</u>	<u>1,545</u>	<u>9,000</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Bank loans and overdrafts (see note 17)	403,470	64,000	48,943	64,000
Other loans (see note 17)	632,951	679,088	-	-
Trade creditors	1,573,557	2,503,700	19,272	4,825
Amounts owed to group undertakings	-	-	527,839	274,143
Corporation tax	50,700	14,300	9,700	11,500
Social security and other taxes	25,150	24,734	100	-
VAT	145,597	146,558	-	5,011
Other creditors and accruals	97,014	120,011	2,400	9,000
Credit balances in sales ledger	16,402	14,832	-	-
Directors' current accounts	23,671	264,986	23,671	264,986
Deferred government grants	23,600	118,000	-	-
	<u>2,992,112</u>	<u>3,950,209</u>	<u>631,925</u>	<u>633,465</u>

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

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Bank loans (see note 17)	-	48,000	-	48,000
Deferred government grants	70,800	-	-	-
	<u>70,800</u>	<u>48,000</u>	<u>-</u>	<u>48,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	355,470	-	943	-
Bank loans	48,000	64,000	48,000	64,000
Consignment stocking loans	204,811	515,508	-	-
Other stocking loans	428,140	163,580	-	-
	<u>1,036,421</u>	<u>743,088</u>	<u>48,943</u>	<u>64,000</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	-	48,000	-	48,000
	<u>-</u>	<u>48,000</u>	<u>-</u>	<u>48,000</u>

Company and group

The bank loan figure consists of the following :

A loan of £48,000 (31.12.20 - £112,000) 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.

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	31.12.21	31.12.20
	£	£
In more than five years	<u>59,400</u>	<u>59,400</u>

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Bank overdraft	355,470	-	943	-
Bank loans	48,000	112,000	48,000	112,000
Consignment stocking loans	204,811	515,508	-	-
Other stocking loans	428,140	163,580	-	-
	<u>1,036,421</u>	<u>791,088</u>	<u>48,943</u>	<u>112,000</u>

The stocking loans are secured on motor vehicles.

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>45,735</u>	<u>24,399</u>	<u>1,934</u>	<u>2,275</u>

Group

	Deferred tax £
Balance at 1 January 2021	24,399
Charge to Income statement during year	<u>21,336</u>
Balance at 31 December 2021	<u>45,735</u>

Company

	Deferred tax £
Balance at 1 January 2021	2,275
Credit to Income statement during year	<u>(341)</u>
Balance at 31 December 2021	<u>1,934</u>

PENTRAETH HOLDINGS LIMITED (REGISTERED NUMBER: 01968351)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

21. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.21 £	31.12.20 £
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>

22. **RESERVES**

Group

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2021	1,967,143	401,664	2,368,807
Profit for the year	173,965		173,965
Dividends	(2,000)		(2,000)
	<u>2,139,108</u>	<u>401,664</u>	<u>2,540,772</u>

Company

	Revaluation reserve £
At 1 January 2021 and 31 December 2021	<u>401,664</u>

23. **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 (REGISTERED NUMBER: 01968351)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

24. 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 directors loans £23,671 (31.12.20 - £264,986) are included in creditors falling due within one year.

The group paid rent of £59,400 (31.12.20 - £59,400) to the director K. W. Jones for the use of land.

During the year the following transactions took place with JGJ Motors, a business owned in partnership by the director K. W. Jones and his wife :

	31.12.21 £	31.12.20 £
Sales	877,315	407,456
Purchases	257,502	97,500
Debtor	NIL	NIL
Creditor	NIL	NIL

25. ULTIMATE CONTROLLING PARTY

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

26. 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
North Wales Kia Limited