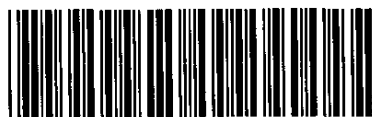


REGISTERED NUMBER: 02896353 (England and Wales)

STRATEGIC REPORT, DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
PENTRAETH AUTOMOTIVE LIMITED

THURSDAY



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COMPANIES HOUSE

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FOR THE YEAR ENDED 31 DECEMBER 2019

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PENTRAETH AUTOMOTIVE LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

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:

02896353 (England and Wales)

ACCOUNTANTS:

Fraser Wood Limited
Chartered Certified Accountants
Victoria House
Plas Llwyd Terrace
Bangor
Gwynedd
LL57 1UB

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

Year end 31/12/2019 review

Following years of record growth, globally the car industry is continuing to see a slowing in new car sales as governments, manufacturers and customers slowly transition to electric vehicles. At the same time "dieselgate" rumbles on, together with Brexit arrangements which are central to the UK car industry.

Against this backdrop, we are pleased to report that our business has been able to maintain its profit margins and remain profitable. The mix of reliable, affordable brands; good customer service and aftersales continues to serve the business well.

Cost control will remain a focus in the coming year.

Post year end review

From February 2020 onwards, we have had to manage the impact of the COVID-19 pandemic on our business and we make the specific comments below: -

1. The initial lockdown in March 2020 fortunately began after our busiest period of new car registrations so did not significantly impact expected sales.
2. Owning our premises has meant low fixed costs which assists cashflow, particularly during periods of lockdown enforced by national governments.
3. All our car manufacturers have been very supportive for example they have paid bonuses early on cars sold and waived all sales targets for a period.
4. In the summer of 2020 the finance providers initiated extended credit terms on the stocking loans.
5. We used the Coronavirus Job Retention Scheme and received significant grants from Welsh Government.
6. Our large site has made adapting to COVID-19 health & safety guidance relatively easy and we have got back to full capacity quickly.

Going Concern

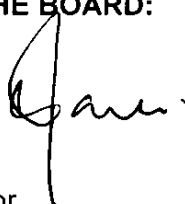
COVID-19 is not expected to have a significant impact on the entity. Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. It expects that COVID-19 might have some impact, though not significant, for example, in relation to expected future performance, or the effects on some future asset valuations.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

KEY FINANCIAL HIGHLIGHTS ARE AS FOLLOWS

	Y.E.31.12.19	Y.E.31.12.18	Period 1.3.17 to 31.12.17
Turnover	21.0M	22.1M	18.2M
Gross profit margin	4%	4%	4%
Net profit after tax	11,339	53,552	83,321

ON BEHALF OF THE BOARD:



K W Jones - Director

28 December 2020

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of operating retail motor dealerships.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

EVENTS SINCE THE END OF THE YEAR

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

DIRECTORS

K W Jones has held office during the whole of the period from 1 January 2019 to the date of this report.

Other changes in directors holding office are as follows:

J G Jones - appointed 24 October 2019

W M Jones - appointed 24 October 2019

FINANCIAL INSTRUMENTS

The company'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 company there is no exposure to price risk. The company's 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 are stocking loans from financial institutions. The interest rate on the loans is variable. The companies manage the liquidity risk by ensuring there are sufficient funds to meet the payments.

The company 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 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

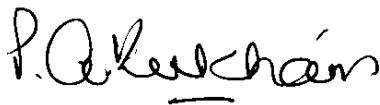
The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

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 of the profit or loss of the company 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:



P A Kirkham - Secretary

28 December 2020

PENTRAETH AUTOMOTIVE LIMITED (REGISTERED NUMBER: 02896353)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31.12.19 £	31.12.18 £
TURNOVER		20,974,800	22,124,354
Cost of sales		(20,071,655)	(21,162,774)
GROSS PROFIT		903,145	961,580
Administrative expenses		(891,804)	(902,461)
		11,341	59,119
Other operating income		2,725	6,999
OPERATING PROFIT and PROFIT BEFORE TAXATION		14,066	66,118
Tax on profit	5	(2,727)	(12,566)
PROFIT FOR THE FINANCIAL YEAR		11,339	53,552

The notes form part of these financial statements

PENTRAETH AUTOMOTIVE LIMITED (REGISTERED NUMBER: 02896353)

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31.12.19 £	31.12.18 £
PROFIT FOR THE YEAR		11,339	53,552
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>11,339</u>	<u>53,552</u>

The notes form part of these financial statements

PENTRAETH AUTOMOTIVE LIMITED (REGISTERED NUMBER: 02896353)

BALANCE SHEET
31 DECEMBER 2019

	Notes	31.12.19 £	31.12.18 £
FIXED ASSETS			
Intangible assets	6	20,000	20,000
Tangible assets	7	130,466	141,429
		<hr/> 150,466	<hr/> 161,429
CURRENT ASSETS			
Stocks	8	3,872,591	3,267,387
Debtors	9	522,798	652,532
		<hr/> 4,395,389	<hr/> 3,919,919
CREDITORS			
Amounts falling due within one year	10	(4,163,347)	(3,708,609)
		<hr/> 232,042	<hr/> 211,310
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		382,508	372,739
PROVISIONS FOR LIABILITIES	13	(22,449)	(24,019)
NET ASSETS		<hr/> <hr/> 360,059	<hr/> <hr/> 348,720

The notes form part of these financial statements

PENTRAETH AUTOMOTIVE LIMITED (REGISTERED NUMBER: 02896353)

BALANCE SHEET - continued
31 DECEMBER 2019

	Notes	31.12.19 £	31.12.18 £
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Retained earnings	15	359,959	348,620
SHAREHOLDERS' FUNDS		<u>360,059</u>	<u>348,720</u>

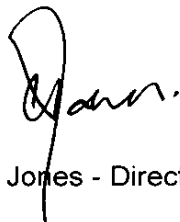
The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors and authorised for issue on 28 December 2020 and were signed on its behalf by:



K W Jones - Director

The notes form part of these financial statements

PENTRAETH AUTOMOTIVE LIMITED (REGISTERED NUMBER: 02896353)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	100	295,068	295,168
Changes in equity			
Total comprehensive income	-	53,552	53,552
Balance at 31 December 2018	100	348,620	348,720
Changes in equity			
Total comprehensive income	-	11,339	11,339
Balance at 31 December 2019	100	359,959	360,059

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31.12.19 £	31.12.18 £
Cash flows from operating activities			
Cash generated from operations	1	832,019	(131,600)
Tax paid		(7,397)	(20,000)
Net cash from operating activities		<u>824,622</u>	<u>(151,600)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(20,000)
Purchase of tangible fixed assets		(12,061)	(48,848)
Net cash from investing activities		<u>(12,061)</u>	<u>(68,848)</u>
Cash flows from financing activities			
Other loan - Mazda repayments		-	(1,525)
Consignment stocking loans movement		(634,501)	(14,860)
Other stocking loans movement		26,840	37,720
Net cash from financing activities		<u>(607,661)</u>	<u>21,335</u>
Increase/(decrease) in cash and cash equivalents		<u>204,900</u>	<u>(199,113)</u>
Cash and cash equivalents at beginning of year	2	(312,094)	(112,981)
Cash and cash equivalents at end of year	2	<u>(107,194)</u>	<u>(312,094)</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

	31.12.19	31.12.18
	£	£
Profit before taxation	14,066	66,118
Depreciation charges	23,024	24,957
	<u>37,090</u>	<u>91,075</u>
(Increase)/decrease in stocks	(605,204)	519,124
Decrease/(increase) in trade and other debtors	129,734	(220,312)
Increase/(decrease) in trade and other creditors	1,270,399	(521,487)
	<u>832,019</u>	<u>(131,600)</u>
Cash generated from operations		

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 2019

	31.12.19	1.1.19
	£	£
Bank overdrafts	<u>(107,194)</u>	<u>(312,094)</u>

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	-	8,851
Bank overdrafts	<u>(312,094)</u>	<u>(121,832)</u>
	<u>(312,094)</u>	<u>(112,981)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
Net cash			
Bank overdrafts	<u>(312,094)</u>	204,900	<u>(107,194)</u>
	<u>(312,094)</u>	204,900	<u>(107,194)</u>
Debt			
Debts falling due within 1 year	<u>(1,524,052)</u>	607,661	<u>(916,391)</u>
	<u>(1,524,052)</u>	607,661	<u>(916,391)</u>
Total	<u>(1,836,146)</u>	812,561	<u>(1,023,585)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. STATUTORY INFORMATION

Pentraeth Automotive 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 Company 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.

Preparation of consolidated financial statements

The financial statements contain information about Pentraeth Automotive Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Pentraeth Holdings Limited, Henffordd Garage, Pentraeth Road, Menai Bridge, Anglesey, Wales, LL59 5RW.

Related party exemption

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.

Significant judgements and estimates

In the application of the company'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 £1,970,549 (31.12.18 - £1,721,921)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. **ACCOUNTING POLICIES - continued**

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

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.

Tangible fixed assets

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

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 company 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 company has the significant risks and rewards of ownership even though the legal title has not yet passed. Legal title does not pass to the company until the earlier of the company 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 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 FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

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.

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. **EMPLOYEES AND DIRECTORS**

	31.12.19	31.12.18
	£	£
Wages and salaries	1,240,482	1,181,853
Social security costs	106,811	100,663
	<u>1,347,293</u>	<u>1,282,516</u>

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

	31.12.19	31.12.18
Administration and management	6	6
Servicing, parts and bodyshop	25	25
Sales	19	18
	<u>50</u>	<u>49</u>

	31.12.19	31.12.18
	£	£
Directors remuneration	<u>21,055</u>	<u>9,900</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.19	31.12.18
	£	£
Depreciation - owned assets	<u>23,024</u>	<u>24,957</u>

5. TAXATION

Analysis of the tax charge

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

	31.12.19	31.12.18
	£	£
Current tax:		
UK corporation tax	4,300	7,400
Adjustment for prior years	(3)	-
Total current tax	<u>4,297</u>	<u>7,400</u>
Deferred tax	<u>(1,570)</u>	<u>5,166</u>
Tax on profit	<u>2,727</u>	<u>12,566</u>

6. INTANGIBLE FIXED ASSETS

Number
plates
£

COST

At 1 January 2019
and 31 December 2019

20,000

NET BOOK VALUE

At 31 December 2019

20,000

At 31 December 2018

20,000

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 January 2019	691,836	39,920	731,756
Additions	11,461	600	12,061
	<hr/>	<hr/>	<hr/>
At 31 December 2019	703,297	40,520	743,817
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 January 2019	553,155	37,172	590,327
Charge for year	22,522	502	23,024
	<hr/>	<hr/>	<hr/>
At 31 December 2019	575,677	37,674	613,351
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2019	127,620	2,846	130,466
	<hr/>	<hr/>	<hr/>
At 31 December 2018	138,681	2,748	141,429
	<hr/>	<hr/>	<hr/>

8. STOCKS

	31.12.19 £	31.12.18 £
Stocks	3,385,940	2,146,235
Interest bearing consignment vehicles	486,651	1,121,152
	<hr/>	<hr/>
	3,872,591	3,267,387
	<hr/>	<hr/>

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 £19,269,665 (31.12.18 - £20,422,143).

At the balance sheet date £429,740 (31.12.18 - £402,900) of used vehicle stock was pledged as security for liabilities owed of the same amount.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Trade debtors	280,369	461,525
Amounts owed by group undertakings	209,349	163,299
Other debtors	31,498	27,708
VAT	1,582	-
	<hr/>	<hr/>
	522,798	652,532
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.19	31.12.18
	£	£
Bank loans and overdrafts (see note 11)	107,194	312,094
Other loans (see note 11)	916,391	1,524,052
Trade creditors	2,987,316	1,431,356
Corporation tax payable	4,300	7,400
Social security and other taxes	32,131	30,606
VAT	-	105,852
Other creditors and accruals	116,015	297,249
	<u>4,163,347</u>	<u>3,708,609</u>

11. **LOANS**

An analysis of the maturity of loans is given below:

	31.12.19	31.12.18
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	107,194	312,094
Consignment stocking loans	486,651	1,121,152
Other stocking loans	429,740	402,900
	<u>1,023,585</u>	<u>1,836,146</u>

12. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.19	31.12.18
	£	£
Bank overdrafts	107,194	312,094
Consignment stocking loans	486,651	1,121,152
Other stocking loans	429,740	402,900
	<u>1,023,585</u>	<u>1,836,146</u>

13. **PROVISIONS FOR LIABILITIES**

	31.12.19	31.12.18
	£	£
Deferred tax		
Accelerated capital allowances	<u>22,449</u>	<u>24,019</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

13. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2019	24,019
Credit to Income statement during year	(1,570)
	<hr/>
Balance at 31 December 2019	<u>22,449</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.19 £	31.12.18 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

15. RESERVES

	Retained earnings £
At 1 January 2019	348,620
Profit for the year	11,339
	<hr/>
At 31 December 2019	<u>359,959</u>

16. ULTIMATE PARENT COMPANY

Pentraeth Holdings Limited is regarded by the directors as being the company's ultimate parent company.

17. CONTINGENT LIABILITIES

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.

18. RELATED PARTY DISCLOSURES

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 :

	31.12.19 £	31.12.18 £
Sales	1,021,963	998,241
Purchases	780,772	775,527
Debtor	NIL	NIL
Creditor	NIL	NIL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

19. POST BALANCE SHEET EVENTS

Non - adjusting post balance sheet event.

Given that the emergence and spread of the COVID-19 virus is not considered to provide more information about conditions that existed at the balance sheet date, the measurement of assets and liabilities in the accounts have not be adjusted for its potential impact.

Specifically, stock held at year end 31/12/19 has been not been adjusted to reflect the following event: -

During a period of significant trading uncertainty due to Covid-19 in June & July 2020, management made the decision to sell used vehicles to dealers in the rest of the UK while Wales remained in lockdown. In total the loss on these vehicles was £41,618. If this had been adjusted in the year end 31/12/19 the effect on the financial statements would have been to reduce the stock value in the balance sheet by £41,618 and reduce the pre tax profit by £41,618.

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is K W Jones, sole shareholder in the parent company Pentraeth Holdings Limited.