

REGISTERED NUMBER: 02896353 (England and Wales)

STRATEGIC REPORT, DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
PENTRAETH AUTOMOTIVE LIMITED

WEDNESDAY



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FOR THE YEAR ENDED 31 DECEMBER 2021

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PENTRAETH AUTOMOTIVE 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:

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 2021

The directors present their strategic report 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

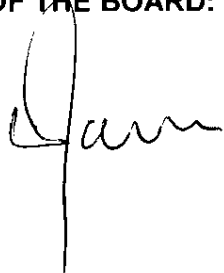
From March 2022 we stopped being an MG dealer. This was on an amicable basis and has enabled us to concentrate on our other brands.

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 | 16.8M | 21.0M |
| Gross profit margin | 5% | 2% | 4% |
| Net profit after tax | 177,685 | 10,668 | 11,339 |

ON BEHALF OF THE BOARD:



Director

28 September 2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 2021.

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 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 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

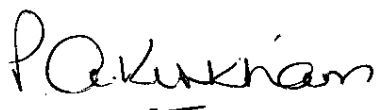
The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

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 September 2022

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | 31.12.21 £ | 31.12.20 £ |
|--|-------|---------------|---------------|
| TURNOVER | | 17,156,504 | 16,839,872 |
| Cost of sales | | (16,267,897) | (16,476,572) |
| GROSS PROFIT | | 888,607 | 363,300 |
| Administrative expenses | | (801,556) | (785,937) |
| | | 87,051 | (422,637) |
| Other operating income | | 153,322 | 435,722 |
| OPERATING PROFIT and PROFIT BEFORE TAXATION | | 240,373 | 13,085 |
| Tax on profit | 5 | (62,688) | (2,417) |
| PROFIT FOR THE FINANCIAL YEAR | | 177,685 | 10,668 |

The notes form part of these financial statements

PENTRAETH AUTOMOTIVE LIMITED (REGISTERED NUMBER: 02896353)

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | 31.12.21 £ | 31.12.20 £ |
|--|-------|----------------|---------------|
| PROFIT FOR THE YEAR | | 177,685 | 10,668 |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>177,685</u> | <u>10,668</u> |

The notes form part of these financial statements

PENTRAETH AUTOMOTIVE LIMITED (REGISTERED NUMBER: 02896353)

BALANCE SHEET
31 DECEMBER 2021

| | Notes | 31.12.21 £ | 31.12.20 £ |
|--|-------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Intangible assets | 6 | 20,000 | 20,000 |
| Tangible assets | 7 | 238,810 | 126,540 |
| | | <u>258,810</u> | <u>146,540</u> |
| CURRENT ASSETS | | | |
| Stocks | 8 | 2,589,752 | 3,150,490 |
| Debtors | 9 | 704,022 | 435,088 |
| Cash at bank | | - | 251,621 |
| | | <u>3,293,774</u> | <u>3,837,199</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 10 | (2,889,571) | (3,590,888) |
| NET CURRENT ASSETS | | <u>404,203</u> | <u>246,311</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 663,013 | 392,851 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 11 | (70,800) | - |
| PROVISIONS FOR LIABILITIES | 14 | (43,801) | (22,124) |
| NET ASSETS | | <u><u>548,412</u></u> | <u><u>370,727</u></u> |

The notes form part of these financial statements

BALANCE SHEET - continued
31 DECEMBER 2021

| | Notes | 31.12.21 £ | 31.12.20 £ |
|-----------------------------|-------|----------------|----------------|
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 100 | 100 |
| Retained earnings | 16 | 548,312 | 370,627 |
| SHAREHOLDERS' FUNDS | | <u>548,412</u> | <u>370,727</u> |

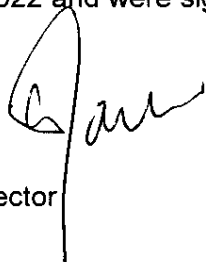
The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 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 September 2022 and were signed on its behalf by:



K W Jones - Director

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

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|------------------------------------|------------------------------------|---------------------------|----------------------|
| Balance at 1 January 2020 | 100 | 359,959 | 360,059 |
| Changes in equity | | | |
| Total comprehensive income | - | 10,668 | 10,668 |
| Balance at 31 December 2020 | 100 | 370,627 | 370,727 |
| Changes in equity | | | |
| Total comprehensive income | - | 177,685 | 177,685 |
| Balance at 31 December 2021 | 100 | 548,312 | 548,412 |

The notes form part of these financial statements

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 | (394,709) | 618,764 |
| Tax paid | | (2,811) | (4,242) |
| Net cash from operating activities | | <u>(397,520)</u> | <u>614,522</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | <u>(162,491)</u> | <u>(18,404)</u> |
| Net cash from investing activities | | <u>(162,491)</u> | <u>(18,404)</u> |
| Cash flows from financing activities | | | |
| Consignment stocking loans movement | | (310,697) | 28,857 |
| Other stocking loans movement | | <u>264,560</u> | <u>(266,160)</u> |
| Net cash from financing activities | | <u>(46,137)</u> | <u>(237,303)</u> |
| (Decrease)/increase in cash and cash equivalents | | <u>(606,148)</u> | <u>358,815</u> |
| Cash and cash equivalents at beginning of year | 2 | 251,621 | (107,194) |
| Cash and cash equivalents at end of year | 2 | <u><u>(354,527)</u></u> | <u><u>251,621</u></u> |

The notes form part of these financial statements

NOTES TO THE 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 | 240,373 | 13,085 |
| Depreciation charges | 50,221 | 22,330 |
| | <u>290,594</u> | <u>35,415</u> |
| Decrease in stocks | 560,738 | 722,101 |
| (Increase)/decrease in trade and other debtors | (268,934) | 87,710 |
| Decrease in trade and other creditors | (977,107) | (226,462) |
| | <u>(394,709)</u> | <u>618,764</u> |
| Cash generated from operations | <u>(394,709)</u> | <u>618,764</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 | - | 251,621 |
| Bank overdrafts | (354,527) | - |
| | <u>(354,527)</u> | <u>251,621</u> |

Year ended 31 December 2020

| | 31.12.20 | 1.1.20 |
|---------------------------|----------------|------------------|
| | £ | £ |
| Cash and cash equivalents | 251,621 | - |
| Bank overdrafts | - | (107,194) |
| | <u>251,621</u> | <u>(107,194)</u> |

NOTES TO THE 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 | 251,621 | (251,621) | - |
| Bank overdrafts | - | (354,527) | (354,527) |
| | <u>251,621</u> | <u>(606,148)</u> | <u>(354,527)</u> |
| Debt | | | |
| Debts falling due within 1 year | (679,088) | 46,137 | (632,951) |
| | <u>(679,088)</u> | <u>46,137</u> | <u>(632,951)</u> |
| Total | <u>(427,467)</u> | <u>(560,011)</u> | <u>(987,478)</u> |

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

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 £1,588,307 (31.12.20 - £1,304,794)

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

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 | - 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 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.

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

2. **ACCOUNTING POLICIES - continued**

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.

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**

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

| | 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 | <u>95,234</u> | <u>82,573</u> |

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

4. OPERATING PROFIT

The operating profit is stated after charging:

| | 31.12.21 | 31.12.20 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Depreciation - owned assets | <u>50,221</u> | <u>22,330</u> |

5. 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 | 41,000 | 2,800 |
| Adjustment for prior years | 11 | (58) |
| Total current tax | <u>41,011</u> | <u>2,742</u> |
| Deferred tax | 21,677 | (325) |
| Tax on profit | <u>62,688</u> | <u>2,417</u> |

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

6. INTANGIBLE FIXED ASSETS

| | Number plates £ |
|-----------------------|-----------------------|
| COST | |
| At 1 January 2021 | |
| and 31 December 2021 | 20,000 |
| NET BOOK VALUE | |
| At 31 December 2021 | 20,000 |
| At 31 December 2020 | 20,000 |

7. TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Fixtures and fittings £ | Totals £ |
|-----------------------|-----------------------------|----------------------------------|-------------|
| COST | | | |
| At 1 January 2021 | 708,949 | 53,272 | 762,221 |
| Additions | 143,787 | 18,704 | 162,491 |
| At 31 December 2021 | 852,736 | 71,976 | 924,712 |
| DEPRECIATION | | | |
| At 1 January 2021 | 595,667 | 40,014 | 635,681 |
| Charge for year | 45,427 | 4,794 | 50,221 |
| At 31 December 2021 | 641,094 | 44,808 | 685,902 |
| NET BOOK VALUE | | | |
| At 31 December 2021 | 211,642 | 27,168 | 238,810 |
| At 31 December 2020 | 113,282 | 13,258 | 126,540 |

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

8. STOCKS

| | 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.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.21 | 31.12.20 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 146,817 | 133,712 |
| Amounts owed by group undertakings | 527,639 | 273,943 |
| Other debtors | 17,124 | 23,681 |
| Debit balances in purchase ledger | 12,442 | 3,752 |
| | <u>704,022</u> | <u>435,088</u> |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.21 | 31.12.20 |
|---|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts (see note 12) | 354,527 | - |
| Other loans (see note 12) | 632,951 | 679,088 |
| Trade creditors | 1,554,285 | 2,498,876 |
| Corporation tax payable | 41,000 | 2,800 |
| Social security and other taxes | 25,050 | 24,734 |
| VAT | 147,142 | 141,547 |
| Other creditors and accruals | 94,614 | 111,011 |
| Credit balances in sales ledger | 16,402 | 14,832 |
| Deferred government grants | 23,600 | 118,000 |
| | <u>2,889,571</u> | <u>3,590,888</u> |

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

| | 31.12.21 | 31.12.20 |
|----------------------------|---------------|----------|
| | £ | £ |
| Deferred government grants | <u>70,800</u> | <u>-</u> |

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

12. LOANS

An analysis of the maturity of loans is given below:

| | 31.12.21 £ | 31.12.20 £ |
|---|----------------|----------------|
| Amounts falling due within one year or on demand: | | |
| Bank overdrafts | 354,527 | - |
| Consignment stocking loans | 204,811 | 515,508 |
| Other stocking loans | 428,140 | 163,580 |
| | <u>987,478</u> | <u>679,088</u> |

13. SECURED DEBTS

The following secured debts are included within creditors:

| | 31.12.21 £ | 31.12.20 £ |
|----------------------------|----------------|----------------|
| Bank overdraft | 354,527 | - |
| Consignment stocking loans | 204,811 | 515,508 |
| Other stocking loans | 428,140 | 163,580 |
| | <u>987,478</u> | <u>679,088</u> |

The stocking loans are secured on motor vehicles.

14. PROVISIONS FOR LIABILITIES

| | 31.12.21 £ | 31.12.20 £ |
|--------------------------------|---------------|---------------|
| Deferred tax | | |
| Accelerated capital allowances | 43,801 | 22,124 |

| | | |
|--|--|----------------------|
| | | Deferred tax £ |
| Balance at 1 January 2021 | | 22,124 |
| Charge to Income statement during year | | 21,677 |
| Balance at 31 December 2021 | | <u>43,801</u> |

15. CALLED UP SHARE CAPITAL

| | | | | |
|----------------------------------|----------|-------------------|---------------|---------------|
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 31.12.21 £ | 31.12.20 £ |
| 100 | Ordinary | £1 | <u>100</u> | <u>100</u> |

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

16. RESERVES

| | Retained earnings £ |
|---------------------|---------------------------|
| At 1 January 2021 | 370,627 |
| Profit for the year | 177,685 |
| | <hr/> |
| At 31 December 2021 | 548,312 |
| | <hr/> |

17. ULTIMATE PARENT COMPANY

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

18. 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.

19. 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 :

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

20. ULTIMATE CONTROLLING PARTY

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