

## **Foray Holdings Limited**

Annual Report and Financial Statements

Year Ended

31 December 2018

Company Number 3904161



# Foray Holdings Limited

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## Company Information

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<b>Directors</b>	C Yoxon H L Edwards S D Moulton R Owen
<b>Registered number</b>	3904161
<b>Registered office</b>	Telford Road Churchfields Salisbury Wiltshire SP2 7PF
<b>Independent auditors</b>	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

# Foray Holdings Limited

## Group Strategic Report For the Year Ended 31 December 2018

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The directors present their strategic report together with the audited financial statements for the year ended 31 December 2018.

### Review of business and future developments

The company's principal activity is that of a holding company and that of the group is the operation of Ford franchised motor dealerships.

There have been no changes to the company's or group's principal activity in the year under review and there are no plans to alter this in the future.

During the year the company acquired an independent after sales operation for a sum totalling £471,154. The directors believe this will enhance aftersales profitability in the future.

The Consolidated Statement of Comprehensive Income is set out on page 9 and shows turnover for the year of £175,520,068 (2017 - £174,151,127), up 1%, and a loss before tax for the year of £789,081 (2017 - profit of £1,288,307). This loss includes an impairment on freehold properties totalling £192,133.

At year end the Directors reviewed the valuation of all the freehold and long leasehold properties. The net increase in the valuations and increase in net assets totalled £236,178. As noted above this consisted of an impairment loss of £192,133 which has been accounted for in the loss for the year and an increase in valuation of other properties totalling £428,311 which is accounted for in other comprehensive income.

The trading loss for the year is due to the reduction in the new vehicle and commercial vehicle market together with continuing pressures on margins on these sales. The directors are pleased to report increased profitability in used cars as a result of the continued work and focus in this area over the past 18 months. After sales have continued to maintain previous levels of profitability.

Post year end the manufacturer has changed its parts policy and as a result the parts stock has significantly reduced which in turn has reduced the working capital requirements of the group.

During the year the group repurchased ordinary shares from two retiring directors for a sum totalling £973,609. This was funded out of cashflow. Cashflow is monitored daily and despite the loss for the year and the repurchase of the shares the overdraft has reduced at 31 December 2018 compared to 31 December 2017.

The directors continue to react quickly in all areas of the business to any changes in the prevailing trading conditions. The group seeks to manage the risk of losing customers by the provision of added value services, improving response times in the supply of products and services, in the handling of customer complaints, and by maintaining strong relationships with key customers. Much focus continues to be placed on staff training in order to maintain the high levels of service vital to ongoing success of the business.

The directors continue to monitor all cost lines closely to ensure savings are being identified and achieved wherever possible.

### Review of financial position

At the year end the group remains in a strong net asset position of £6.6m (2017: £7.9m).

# Foray Holdings Limited

## Group Strategic Report (continued) For the Year Ended 31 December 2018

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### Key performance indicators

The management of the company use key performance indicators to benchmark its performance against others holding the same franchises and of a similar size.

Examples of these are:

	2018	2017
Return on Operating Assets	(1.21%)	2.10%
Service Absorption	66.6%	67.3%
Debtor days - Aftermarket	30	34
Current Ratio	1.0:1	1.1:1

### Principal risks and uncertainties

The directors constantly monitor risks and uncertainties facing the company with particular reference to the exposure to price, credit and liquidity together with our ongoing relationship with the manufacturer and the general economic environment.

This report was approved by the board and signed on its behalf.



C Yoxon  
Director

Date: 23.9.19

# Foray Holdings Limited

## Directors' Report For the Year Ended 31 December 2018

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The directors present their report and the financial statements for the year ended 31 December 2018.

### Results and dividends

The loss for the year, after taxation, amounted to £725,813 (2017 - profit of £1,022,190).

The directors do not recommend the payment of a final dividend.

### Purchase of own shares

On 30 June 2018 the company repurchased 50,000 Ordinary shares for a consideration of £481,272. On 31 October 2018 the company repurchased an additional 50,000 Ordinary shares for a consideration of £492,337. The shares repurchased in the year represented 12.9% of the Ordinary issued share capital.

### Future developments

There are no plans to alter the existing operation of the company or group in the future.

### Financial risk management objectives and policies

The directors constantly monitor the risks and uncertainties facing the group with particular reference to the exposure to price, credit and liquidity. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

We have good relationships with our bankers and our franchisors, the vehicle manufacturers. We have met all our commitments to them on time. We require and expect their continued support for ongoing operations. Indeed, all have actively supported our recent acquisitions, showing great confidence in our abilities to manage successfully the enlarged company.

The group's credit risk is primarily attributable to its trade 'aftersales' debtors. Vehicles are not supplied unless paid for. Credit risk is managed by running credit checks on new customers, enforcing direct debit arrangements wherever possible, and implementing disciplined credit stopping whenever necessary. Our collection record, measured by debtor days, is very good.

The group monitors cashflow as part of its everyday procedures, working closely with its bankers to manage 'peak' requirement periods, normally following new vehicle registration months. We work well together to ensure we maximise opportunities with planning and caution.

### Employee involvement

The directors thank all of the staff of the group for their skills, commitment and hard work throughout the year. They, together, contribute so much to our success, particularly when the vehicle sales, service and parts markets are so tough and competitive.

The flow of information to staff has been maintained by members of the senior management team regularly visiting branches and discussing matters of current interest and concern, both personal and business with all levels of staff.

### Disabled employees

The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the group. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the group.

# Foray Holdings Limited

## Directors' Report (continued) For the Year Ended 31 December 2018

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### Post balance sheet events

There have been no significant events affecting the group since the year end.

### Directors

The directors who served during the year were:

C Yoxon  
A T Croft (resigned 31 October 2018)  
E Pritchard (resigned 30 June 2018)  
H L Edwards  
S D Moulton (appointed 30 June 2018)  
R Owen (appointed 3 July 2018)

### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and to 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.

### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

# Foray Holdings Limited

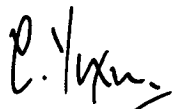
## Directors' Report (continued) For the Year Ended 31 December 2018

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### Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



C Yoxon  
Director

Date: 23.5.19

# Foray Holdings Limited

## Independent Auditors' Report to the members of Foray Holdings Limited

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### Opinion

We have audited the financial statements of Foray Holdings Limited ("the parent company") and its subsidiary ("the group") for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and 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's affairs as at 31 December 2018 and of the group's loss 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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



# Foray Holdings Limited

## Independent Auditors' Report to the members of Foray Holdings Limited (continued)

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statement and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 Strategic Report and Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

# Foray Holdings Limited

## Independent Auditors' Report to the members of Foray Holdings Limited (continued)

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### Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, 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 is 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.

### Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### 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 an auditor's report 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.

BDO LLP

**Stephen Le Bas** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Southampton  
United Kingdom

Date: 23/9/2019.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Foray Holdings Limited

## Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	3	175,520,068	174,151,127
Cost of sales		(156,947,854)	(153,541,333)
<b>Gross profit</b>		<b>18,572,214</b>	<b>20,609,794</b>
Administrative expenses		(18,759,398)	(18,992,070)
Impairment of freehold properties		(192,133)	-
Other operating income		13,688	17,000
<b>Operating (loss)/profit</b>	4	<b>(365,629)</b>	<b>1,634,724</b>
Interest payable and expenses	8	(423,452)	(346,417)
<b>(Loss)/profit before taxation</b>		<b>(789,081)</b>	<b>1,288,307</b>
Tax on (loss)/profit	9	63,268	(266,117)
<b>(Loss)/profit for the financial year</b>		<b>(725,813)</b>	<b>1,022,190</b>
Unrealised surplus on revaluation of tangible fixed assets		428,311	-
<b>Other comprehensive income for the year</b>		<b>428,311</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(297,502)</b>	<b>1,022,190</b>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the parent company		(725,813)	1,022,190
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent company		(297,502)	1,022,190

The notes on pages 15 to 33 form part of these financial statements.

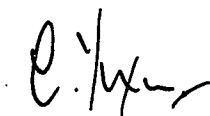
# Foray Holdings Limited

Registered number: 3904161

## Consolidated Balance Sheet As at 31 December 2018

	Note	2018 £	2018 £	As restated 2017 £	As restated 2017 £
<b>Fixed assets</b>					
Intangible assets	10		217,537		91,465
Tangible assets	11		9,358,016		9,130,356
			<u>9,575,553</u>		<u>9,221,821</u>
<b>Current assets</b>					
Stocks	14	46,230,688		41,945,330	
Debtors	15	9,334,575		10,107,355	
Cash at bank and in hand		5,666		4,945	
		<u>55,570,929</u>		<u>52,057,630</u>	
Creditors: amounts falling due within one year	16	(54,913,126)		(49,100,157)	
<b>Net current assets</b>			<u>657,803</u>		<u>2,957,473</u>
<b>Total assets less current liabilities</b>			<u>10,233,356</u>		<u>12,179,294</u>
Creditors: amounts falling due after more than one year	17		(3,491,195)		(4,160,551)
Deferred taxation	18		(125,682)		(131,153)
<b>Net assets</b>			<u><u>6,616,479</u></u>		<u><u>7,887,590</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		67,500		77,500
Revaluation reserve	20		1,294,543		866,232
Capital redemption reserve	20		224,702		214,702
Profit and loss account	20		5,029,734		6,729,156
<b>Equity attributable to owners of the parent company</b>			<u><u>6,616,479</u></u>		<u><u>7,887,590</u></u>

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



C Yoxon  
Director

Date: 23.9.19

The notes on pages 15 to 33 form part of these financial statements.

# Foray Holdings Limited

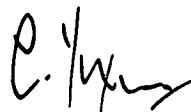
Registered number: 3904161

## Company Balance Sheet As at 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Investments	12		1,456,103		1,456,103
Investment property	13		7,720,000		7,700,731
			<u>9,176,103</u>		<u>9,156,834</u>
<b>Current assets</b>					
Debtors	15	25,300		25,300	
Creditors: amounts falling due within one year	16	(2,243,631)		(1,413,315)	
<b>Net current liabilities</b>			<u>(2,218,331)</u>		<u>(1,388,015)</u>
<b>Total assets less current liabilities</b>			<u>6,957,772</u>		<u>7,768,819</u>
Creditors: amounts falling due after more than one year	17		(3,365,000)		(3,753,333)
Deferred taxation	18		(26,033)		(24,409)
<b>Net assets</b>			<u><u>3,566,739</u></u>		<u><u>3,991,077</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		67,500		77,500
Capital redemption reserve	20		224,702		214,702
Profit and loss account	20		3,274,537		3,698,875
			<u><u>3,566,739</u></u>		<u><u>3,991,077</u></u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial Statements. The profit after tax of the parent company for the year was £549,271 (2017 - £475,224).

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



C Yoxon  
Director

Date: 23.9.19

The notes on pages 15 to 33 form part of these financial statements.

# Foray Holdings Limited

## Consolidated Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2017</b>	<b>82,500</b>	<b>209,702</b>	<b>866,232</b>	<b>6,151,104</b>	<b>7,309,538</b>
Profit for the year	-	-	-	1,022,190	1,022,190
Purchase of own shares	(5,000)	5,000	-	(444,138)	(444,138)
<b>At 1 January 2018</b>	<b>77,500</b>	<b>214,702</b>	<b>866,232</b>	<b>6,729,156</b>	<b>7,887,590</b>
Loss for the year	-	-	-	(725,813)	(725,813)
Surplus on revaluation of freehold and leasehold property	-	-	428,311	-	428,311
Purchase of own shares	(10,000)	10,000	-	(973,609)	(973,609)
<b>At 31 December 2017</b>	<b>67,500</b>	<b>224,702</b>	<b>1,294,543</b>	<b>5,029,734</b>	<b>6,616,479</b>

## Company Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2017</b>	<b>82,500</b>	<b>209,702</b>	<b>3,667,789</b>	<b>3,959,991</b>
Profit for the year	-	-	475,224	475,224
Purchase of own shares	(5,000)	5,000	(444,138)	(444,138)
<b>At 1 January 2018</b>	<b>77,500</b>	<b>214,702</b>	<b>3,698,875</b>	<b>3,991,077</b>
Profit for the year	-	-	549,271	549,271
Purchase of own shares	(10,000)	10,000	(973,609)	(973,609)
<b>At 31 December 2017</b>	<b>67,500</b>	<b>224,702</b>	<b>3,274,537</b>	<b>3,566,739</b>

The notes on pages 15 to 33 form part of these financial statements.

# Foray Holdings Limited

## Consolidated Statement of Cash Flows For the Year Ended 31 December 2018

	2018 £	As restated 2017 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(725,813)	1,022,190
<b>Adjustments for:</b>		
Amortisation of intangible assets	28,082	21,016
Depreciation of tangible assets	447,198	444,522
Impairment of tangible assets	192,133	-
Interest expense	423,452	346,417
Taxation (credit)/charge	(63,268)	266,117
Increase in stocks	(4,120,178)	(3,868,223)
Decrease in debtors	453,900	787,110
Increase in creditors	6,559,009	2,820,089
Corporation tax paid	(153,719)	(321,724)
<b>Net cash generated from operating activities</b>	<b>3,040,796</b>	<b>1,517,514</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(86,702)	(2,514,088)
Purchase of business operations	(321,154)	-
<b>Net cash used in investing activities</b>	<b>(407,856)</b>	<b>(2,514,088)</b>
<b>Cash flows from financing activities</b>		
Purchase of Ordinary shares	(973,609)	(444,138)
New loans	-	2,300,000
Repayment of loans	(388,334)	(273,333)
Increase in vehicle financing	1,395,579	1,522,717
Capital element of finance leases repaid	(156,918)	(163,615)
Interest paid	(408,417)	(347,810)
<b>Net cash (used in)/from financing activities</b>	<b>(531,699)</b>	<b>2,593,821</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,101,241</b>	<b>1,597,247</b>
Cash and cash equivalents at beginning of year	(3,818,701)	(5,415,948)
<b>Cash and cash equivalents at the end of year</b>	<b>(1,717,460)</b>	<b>(3,818,701)</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	5,666	4,945
Bank overdrafts	(1,723,126)	(3,823,646)
	<b>(1,717,460)</b>	<b>(3,818,701)</b>

The notes on pages 15 to 33 form part of these financial statements.

# Foray Holdings Limited

## Consolidated Analysis of Net Debt For the Year Ended 31 December 2018

	At 1 January 2018 £	Cash flows £	New finance leases £	Other non- cash changes £	At 31 December 2018 £
Cash at bank and in hand	4,945	721	-	-	5,666
Bank overdrafts	(3,823,646)	2,100,520	-	-	(1,723,126)
Debt due within 1 year	(8,441,801)	(1,007,245)	-	(388,333)	(9,837,379)
Debt due after 1 year	(3,753,333)	-	-	388,333	(3,365,000)
Finance leases	(559,130)	156,918	(34,978)	-	(437,190)
	<u>(16,572,965)</u>	<u>1,250,914</u>	<u>(34,978)</u>	<u>-</u>	<u>(15,357,029)</u>

The notes on pages 15 to 33 form part of these financial statements.



# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

Foray Holdings Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the Strategic Report.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold and long leasehold land and buildings and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 2).

The group has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019. There has been no impact on the prior year profit or net assets.

The following principal accounting policies have been applied:

#### 1.2 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of comprehensive income has been presented for the parent company; and
- No cash flow statement or net debt reconciliation has been presented for the parent company.

#### 1.3 Basis of consolidation

The consolidated financial statements present the results of group and its own subsidiaries ("the group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### 1.4 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Sales of motor vehicles, parts and accessories are recognised on the earlier of full payment or delivery to the customer. Service and bodyshop work are recognised on the completion of the agreed work.

#### 1.5 Intangible assets

Acquired goodwill is written off in equal instalments over its estimated useful economic life of 10 to 20 years.

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 1. Accounting policies (continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation, such costs include costs directly attributable to making the asset capable of operations as intended.

Depreciation is provided at rates calculated to write off the cost of fixed assets, except for freehold land, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	-	2% straight line
Leasehold property and improvements	-	straight line over the period of the lease
Plant and machinery	-	15% reducing balance basis
Motor vehicles	-	20% straight line
Computer equipment	-	25% straight line

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be fully recoverable.

#### 1.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

#### 1.8 Investment property

Investment property is carried at fair value determined with sufficient regularity by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

#### 1.9 Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

#### 1.10 Stocks

Stocks are valued at the lower of cost and net realisable value. Where the nature of the agreement with the manufacturer confers the benefit and associated risk of ownership to the company on consignment, such stocks and the corresponding creditor are included on the balance sheet although legal title remains with the supplier until sold.

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 1. Accounting policies (continued)

#### 1.11 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

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

#### 1.12 Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the Consolidated Statement of Comprehensive Income over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Consolidated Statement of Comprehensive Income over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the lease.

#### 1.13 Pensions

##### Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the group in independently administered funds.

#### 1.14 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 1. Accounting policies (continued)

#### 1.15 Current and deferred taxation

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

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

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

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

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

#### 1.16 Prior year reclassification

Certain disclosures in the Consolidated Balance Sheet have been adjusted. This has resulted in an increase in tangible assets of £321,691, an increase in creditors: amounts falling due within one year of £82,482 and an increase in creditors: amounts falling due after more than one year of £239,209. This relates to the reclassification of a lease from an operating lease to a finance lease. There has been no effect on profit for the year or net assets.

#### 1.17 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are management's best knowledge of the amount, events or actions, actual amounts ultimately may differ from those estimates.

The directors have made the following critical estimates and judgements deemed to be applicable to the financial statements:

#### Stocks

Consideration has been given by the directors to the level of provision against vehicle stocks. In determining the provision required the directors have used guidance from independent valuation tools and their knowledge of the industry.

#### Valuation of fixed assets and investment property

Investment properties and land and buildings within fixed assets are professionally valued using an existing use basis. The properties are subject to professional valuation with sufficient regularity to ensure that the fair value is not materially misstated. Please see notes 11 and 13 for further details.

### 3. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Vehicles	135,041,729	138,719,586
Aftersales	40,478,339	35,431,541
	<u>175,520,068</u>	<u>174,151,127</u>

All turnover arose within the United Kingdom.

### 4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2018 £	As restated 2017 £
Depreciation of tangible fixed assets	447,198	444,522
Impairment of tangible fixed assets	192,133	-
Amortisation of intangible assets, including goodwill	28,082	21,016
Operating lease expense	1,449,743	1,154,496
Defined contribution pension cost	216,689	180,753

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 5. Auditors' remuneration

	2018 £	2017 £
Fees payable to the group's auditor for the audit of the group's annual accounts	1,400	1,250
<b>Fees payable to the group's auditor in respect of:</b>		
The auditing of accounts of associates of the group pursuant to legislation	33,175	24,000
Tax compliance services	7,100	5,325
Tax advisory	16,350	1,200
All other services	14,049	15,259

### 6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2018 £	Group 2017 £
Wages and salaries	10,734,175	10,543,123
Social security costs	901,590	827,433
Cost of defined contribution scheme	216,689	180,753
	<b>11,852,454</b>	<b>11,551,309</b>

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

	Group 2018 No.	Group 2017 No.
Productive and selling	354	347
Administrative	148	145
	<b>502</b>	<b>492</b>

The parent company had no staff or employees at 31 December 2018 and 31 December 2017.

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	489,012	479,379
Company contributions to defined contribution pension schemes	21,416	27,547
	<u>510,428</u>	<u>506,926</u>

During the year retirement benefits were accruing to 4 directors (2017 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £125,867 (2017 - £205,788).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2017 - £Nil).

### 8. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	147,119	128,325
Finance leases and hire purchase contracts	14,582	8,363
Stocking interest	261,751	209,729
	<u>423,452</u>	<u>346,417</u>

### 9. Taxation

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on (loss)/profit for the year	(69,000)	274,000
Adjustments in respect of previous periods	11,203	(24,760)
<b>Total current tax</b>	<u>(57,797)</u>	<u>249,240</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(5,589)	15,886
Adjustments in respect of previous periods	118	991
<b>Total deferred tax</b>	<u>(5,471)</u>	<u>16,877</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(63,268)</u>	<u>266,117</u>

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 9. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	<b>(789,081)</b>	1,288,307
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	<b>(149,925)</b>	247,951
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>77,528</b>	43,661
Adjustments to tax charge in respect of prior periods	<b>11,321</b>	(23,769)
Change in deferred tax rate	<b>(1,438)</b>	(2,101)
Other differences	<b>(754)</b>	375
<b>Total tax charge for the year</b>	<b>(63,268)</b>	266,117

#### Factors that may affect future tax charges

The Government has announced that from 1 April 2020 the Corporation Tax main rate will be further reduced to 17%. Accordingly, deferred tax balances recognised in the accounts as at the year end have been calculated as using the 17% rate.



# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 10. Intangible assets

#### Group

	Purchased goodwill £	Goodwill on consolidation £	Total £
<b>Cost</b>			
At 1 January 2018	12,500	462,747	475,247
Additions	154,154	-	154,154
At 31 December 2018	166,654	462,747	629,401
<b>Amortisation</b>			
At 1 January 2018	12,500	371,282	383,782
Provided for the year	7,066	21,016	28,082
At 31 December 2018	19,566	392,298	411,864
<b>Net book value</b>			
At 31 December 2018	147,088	70,449	217,537
At 31 December 2017	-	91,465	91,465

For further information on additions in the year see note 21.

## Foray Holdings Limited

### Notes to the Financial Statements For the Year Ended 31 December 2018

#### 11. Tangible fixed assets (as restated)

##### Group

	Freehold land and buildings £	Leasehold land and buildings £	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
<b>Cost or valuation</b>							
At 1 January 2018	7,387,039	600,000	102,240	2,970,309	402,114	510,954	11,972,656
Additions	-	-	-	121,680	-	-	121,680
Acquisitions	293,000	-	-	24,000	-	-	317,000
Revaluations	6,024	(50,000)	-	-	-	-	(43,976)
At 31 December 2018	<u>7,686,063</u>	<u>550,000</u>	<u>102,240</u>	<u>3,115,989</u>	<u>402,114</u>	<u>510,954</u>	<u>12,367,360</u>
<b>Depreciation</b>							
At 1 January 2018	361,010	17,648	85,326	1,834,273	80,423	463,620	2,842,300
Provided for the year	117,235	8,824	3,625	204,823	80,423	32,268	447,198
Impairment charge	192,133	-	-	-	-	-	192,133
Revaluations	(445,815)	(26,472)	-	-	-	-	(472,287)
At 31 December 2018	<u>224,563</u>	<u>-</u>	<u>88,951</u>	<u>2,039,096</u>	<u>160,846</u>	<u>495,888</u>	<u>3,009,344</u>
<b>Net book value</b>							
At 31 December 2018	<u>7,461,500</u>	<u>550,000</u>	<u>13,289</u>	<u>1,076,893</u>	<u>241,268</u>	<u>15,066</u>	<u>9,358,016</u>
At 31 December 2017	<u>7,026,029</u>	<u>582,352</u>	<u>16,914</u>	<u>1,136,036</u>	<u>321,691</u>	<u>47,334</u>	<u>9,130,356</u>

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 11. Tangible fixed assets (as restated) (continued)

Included within land and buildings is the cost of land totalling £3,280,052 (2017 - £3,053,386) which is not depreciated.

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Freehold	7,461,500	7,026,029
Long leasehold	550,000	582,352
Short leasehold	13,289	16,914
	<u>8,024,789</u>	<u>7,625,295</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Plant and machinery	311,340	381,508
Motor vehicles	241,268	321,691
	<u>552,608</u>	<u>703,199</u>

The freehold and long leasehold land and buildings were subject to a valuation on 5 November 2018 by Woolley & Wallis Chartered Surveyors on an existing use valuation. The amount of the valuation of £7,720,000 gave rise to a surplus of £428,311 which has been credited to the Other Comprehensive Income and an impairment of £192,133 which has been expensed to the Consolidated Statement of Comprehensive Income.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2018 £	2017 £
<b>Group</b>		
Cost	7,560,464	7,267,464
Accumulated depreciation	(602,814)	(535,653)
<b>Net book value</b>	<u>6,957,650</u>	<u>6,731,811</u>

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 12. Fixed asset investments

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Foray Motor Group Limited	Ordinary	100 %	Motor dealership

The address of Foray Motor Group Limited's registered office is Telford Road, Churchfields, Salisbury, Wiltshire, SP2 7PF.

#### Company

Group  
undertakings  
£

#### Cost or valuation

At 1 January 2018 and 31 December 2018

**1,456,103**

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# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 13. Investment property

#### Company

	Freehold investment property £	Leasehold investment property £	Total £
<b>Valuation</b>			
At 1 January 2018	7,100,731	600,000	7,700,731
Surplus/(deficit) on revaluation	69,269	(50,000)	19,269
<b>At 31 December 2018</b>	<b>7,170,000</b>	<b>550,000</b>	<b>7,720,000</b>

The freehold and leasehold investment properties were subject to a valuation on 5 November 2018 by Woolley & Wallis Chartered Surveyors on an existing use valuation. The amount of the valuation of £7,720,000 gave rise to a surplus of £19,269 which has been credited to the Company Statement of Comprehensive Income.

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2018 £	2017 £
Historic cost	7,267,464	7,267,464
Accumulated depreciation and impairments	(601,314)	(535,653)
	<b>6,666,150</b>	<b>6,731,811</b>

### 14. Stocks

	Group 2018 £	Group 2017 £
Raw materials and consumables	245,479	204,261
Work in progress	143,758	118,146
Finished goods and goods for resale	45,841,451	41,622,923
	<b>46,230,688</b>	<b>41,945,330</b>

Vehicles on consignment are included on the balance sheet because the nature of the agreement confers substantially all of the benefit and associated risk of ownership to the company.

There is no difference between the replacement cost of stocks and the amounts stated above.

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 15. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
<b>Due within one year</b>				
Trade debtors	7,458,421	9,749,806	-	-
Other debtors	1,401,766	59,593	25,300	25,300
Prepayments and accrued income	405,388	297,956	-	-
Tax recoverable	69,000	-	-	-
	<b>9,334,575</b>	<b>10,107,355</b>	<b>25,300</b>	<b>25,300</b>

### 16. Creditors: Amounts falling due within one year

	Group 2018 £	Group As restated 2017 £	Company 2018 £	Company 2017 £
Bank overdrafts (secured)	1,723,126	3,823,646	-	-
Bank loans (secured)	388,333	388,334	388,333	388,334
Vehicle stocking loans	9,449,046	8,053,467	-	-
Trade creditors	42,467,405	35,932,707	-	-
Amounts owed to group undertakings	-	-	1,840,613	910,179
Corporation tax	-	142,516	-	96,000
Other taxation and social security	250,308	285,837	-	-
Net obligations under finance lease and hire purchase contracts	310,995	151,912	-	-
Other creditors	156,215	21,678	-	-
Accruals and deferred income	167,698	300,060	14,685	18,802
	<b>54,913,126</b>	<b>49,100,157</b>	<b>2,243,631</b>	<b>1,413,315</b>

Vehicle stocking loans are secured by a charge over used motor vehicles.

The bank loans and overdrafts are secured by a legal mortgage over the groups' freehold and leasehold properties together with an unlimited guarantee between Foray Holdings Limited and its subsidiary Foray Motor Group Limited, a mortgage debenture incorporating a fixed and floating charge over all the current and future assets of the group and an assignment of a life assurance policy on the life of one of the directors, C Yoxon.

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 17. Creditors: Amounts falling due after more than one year

	Group	Group As restated	Company	Company
	2018	2017	2018	2017
	£	£	£	£
Bank loans (secured)	3,365,000	3,753,333	3,365,000	3,753,333
Net obligations under finance leases and hire purchase contracts	126,195	407,218	-	-
	<b>3,491,195</b>	<b>4,160,551</b>	<b>3,365,000</b>	<b>3,753,333</b>

Maturity of debt:

#### Group

	Loans and overdrafts	Finance leases	Loans and overdrafts	Finance leases
	2018	2018	2017	2017
	£	£	£	£
Due within one year, or on demand	11,560,505	310,995	12,265,447	151,912
Due in more than one year but less than two years	1,563,333	53,772	388,333	306,103
Due in more than two years but less than five years	1,801,667	72,423	3,365,000	103,081
	<b>14,925,505</b>	<b>437,190</b>	<b>16,018,780</b>	<b>561,096</b>

#### Company

	Loans and overdrafts	Loans and overdrafts
	2018	2017
	£	£
Due within one year, or on demand	388,333	388,334
Due in more than one year but less than two years	1,563,333	388,333
Due in more than two years but less than five years	1,801,667	3,365,000
	<b>3,753,333</b>	<b>4,141,667</b>

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 18. Deferred taxation

#### Group

	2018 £	2017 £
At beginning of year	131,153	114,276
(Credited)/charged to the profit or loss	(5,471)	16,877
<b>At end of year</b>	<b>125,682</b>	<b>131,153</b>

#### Company

	2018 £	2017 £
At beginning of year	24,409	22,429
Charged to the profit or loss	1,624	1,980
<b>At end of year</b>	<b>26,033</b>	<b>24,409</b>

The provision for deferred taxation is made up as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Accelerated capital allowances	128,023	133,664	26,033	24,409
Sundry timing differences	(2,341)	(2,511)	-	-
	<b>125,682</b>	<b>131,153</b>	<b>26,033</b>	<b>24,409</b>



# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 19. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
675,000 (2017 - 775,000) Ordinary shares of £0.10 each	<u>67,500</u>	<u>77,500</u>

On 30 June 2018 the company repurchased 50,000 Ordinary shares for a consideration of £481,272. On 31 October 2018 the company repurchased an additional 50,000 Ordinary shares for a consideration of £492,337.

### 20. Reserves

#### Revaluation reserve

The revaluation reserve represents accumulated revaluation gains on freehold and long leasehold land and buildings.

#### Capital redemption reserve

This capital redemption reserve represents the nominal value of shares repurchased by the company.

#### Profit and loss account

The profit and loss account represents accumulated comprehensive income for the year and prior periods less any dividends paid.

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 21. Business combinations

#### Acquisition of the trade and certain assets of Southern Motor Services Limited

On 10 July 2018 the group acquired the trade and certain assets of Southern Motor Services Limited for £467,004 plus expenses of £4,150 paid for in cash. In calculating the goodwill arising on acquisition, the fair value of the net assets acquired have been assessed and adjustments from book value have been made where necessary.

#### Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value £
Tangible fixed assets	317,000	317,000
<b>Total identifiable net assets</b>	<b>317,000</b>	<b>317,000</b>
Goodwill		154,154
<b>Total purchase consideration (including expenses of £4,150)</b>		<b>471,154</b>

#### Consideration

	£
Cash outflow on acquisition	321,154
Deferred consideration	150,000
<b>Total purchase consideration</b>	<b>471,154</b>

The results of Southern Motor Services Limited since its acquisition are as follows:

	Current period since acquisition £
Turnover	205,316
Profit for the year	37,120

# Foray Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 22. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £216,689 (2017 - £180,753). There were outstanding contributions totalling £42,621 (2017 - £28,294) at the end of the financial year.

### 23. Commitments under operating leases

At 31 December 2018 the group had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Not later than 1 year	<b>907,866</b>	890,515
Later than 1 year and not later than 5 years	<b>2,355,583</b>	2,748,745
Later than 5 years	<b>7,213,500</b>	7,881,327
	<b><u>10,476,949</u></b>	<b><u>11,520,587</u></b>

The company had no commitments under the non-cancellable operating leases as at the balance sheet date.

### 24. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with its wholly owned subsidiaries within the group.

During the year the group paid rent totalling £50,000 (2017 - £50,000) on one of its trading properties to the wife of a director and £50,000 (2017 - £50,000) to a pension scheme set up for certain directors and shareholders of the parent company. At year end £37,516 has been paid in advance of the 2019 rent in relation to the property owned by the wife of a director.

### 25. Controlling party

The group is controlled by C Yoxon by virtue of his majority shareholding in the group.