

Foray Holdings Limited

Annual Report and Financial Statements

Year Ended

31 December 2021

Company Number 03904161



Foray Holdings Limited

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Company Information

Directors	C Yoxon S D Moulton R Owen
Registered number	03904161
Registered office	Telford Road Churchfields Salisbury Wiltshire SP2 7PF
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Foray Holdings Limited

Group Strategic Report For the Year Ended 31 December 2021

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2021.

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 we came to the end of our lease at Chard, which was a small Ford authorised repairer location and with the manufacturers consent closed the site. Post year end we also closed SMS, an independent workshop. These closures have enabled the group to have a more efficient and profitable aftersales operation.

The Consolidated Statement of Comprehensive Income is set out on page 10 and shows turnover for the year of £163,882,555 (2020 - £130,276,191), up 25.8%, and a profit before tax for the year of £2,787,607 (2020 - £278,575), an improvement of £2,509,032 year on year. The increase in turnover and profitability was the result of effective procedures in place, including click and collect, to enable successful trading whilst showrooms were closed for the first three months of the year due to COVID-19 restrictions. This meant the group was well positioned to make the most of the pent-up demand when showrooms re-opened in April and the buoyant vehicle market thereafter.

Cash management remained important to the group and the business maintained a strong cash balance throughout the year. The directors' focus on working capital and balance sheet management has resulted in a pleasing improvement in net current assets. The revaluations of the group's properties also had a positive impact on the balance sheet.

The group, where appropriate, made use of various government support schemes such as the Coronavirus Job Retention Scheme and rates support.

Despite the continued industry-wide shortage of semi-conductors limiting new vehicle supply, the directors are forecasting a strong result in the forthcoming year to 2022. The directors believe the business is well placed to face any further challenges which may be ahead and are encouraged by the first four months trading in 2022.

Review of financial position

At the year end the group remains in a strong net asset position of £8.7m (2020 - £7.1m).

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:

	2021	2020
Return on Operating Assets	4.85%	0.52%
Service Absorption	67.4%	55.80%
Debtor days - Aftermarket	51	56
Current Ratio	1.1:1	1.1:1

Foray Holdings Limited

Group Strategic Report (continued) For the Year Ended 31 December 2021

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.

Coronavirus

During 2021 the COVID-19 pandemic has continued to impact all businesses in the UK (and globally). The directors have already implemented actions to take account of this risk to ensure the group can remain profitable. The directors continue to work with all staff to ensure their continuing welfare and with customers to ensure their requirements can be met.

Section 172 statement

Corporate governance within the group provides a framework to not only demonstrate how the board makes decisions for the long term success of the group and its stakeholders, but also has regard to how the board ensures the company complies with the requirements of Section 172 of the Companies Act 2006. The directors have carefully considered their duties under Section 172 reporting.

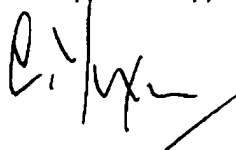
The welfare of our staff is of utmost importance as is the reputation of our business. This was demonstrated during 2021 with the continuation of COVID-19 policies to maintain the safety of staff and customers together with mitigating the transmission of infection.

It is of key importance to the group to maintain a reputation of supplying high quality products and services to our customers. To ensure the continuation of high quality services in 2021, there was significant investment in training and technology across all departments to create an improved customer journey both on line and in person. Our online presence improved in 2021 with the roll-out of a new website that has performed at a higher level than previously. In addition the group continues to believe that having an established apprentice programme is essential for long term success.

During the year the group came to the end of its lease at Chard, which was a small Ford authorised repairer location and with the manufacturers consent closed the site. As part of the review of its aftersales operations the directors also took the decision to sell SMS, an independent workshop, which completed in early 2022. These closures have enabled the group to have a more efficient and profitable aftersales operation.

The directors are satisfied that all Section 172 matters are given appropriate and effective consideration with the necessary structures, policies and processes in place to promote a successful group.

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



C Yoxon
Director

Date: 24 May 2022

Foray Holdings Limited

Directors' Report For the Year Ended 31 December 2021

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

Results and dividends

The profit for the year, after taxation, amounted to £2,146,863 (2020 - £1,084,930).

During the year the company paid interim dividends totalling £1,000,000 (2020 - £Nil) to the Ordinary shareholders. The directors do not recommend the payment of a final dividend.

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 group.

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.

Engagement with suppliers, customers and others

The board recognises that it is essential for the ongoing success and reputation of the business to foster strong relationships across its customer, supplier, vehicle manufacturer and wider stakeholder community.

There is regular engagement with vehicle manufacturers and other suppliers at many levels including senior directors. Customer feedback is encouraged at many points of contact and action is taken to address issues identified in order to make the customer experience a memorable one.

The board considers the interests of all shareholders and stakeholders at its regular board meetings and ensures that all stakeholders' interests are considered when it is appropriate to do so.

Engagement with employees

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.

Foray Holdings Limited

Directors' Report (continued) For the Year Ended 31 December 2021

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.

Streamlined Energy and Carbon Reporting

This section includes our mandatory reporting of greenhouse gas emissions for the period 1 January 2021 to 31 December 2021, the latest annual period for which data is available, and is pursuant to the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

	2021 Tonnes of CO ₂ e £	2020 Tonnes of CO ₂ e £	2021 Total kWh £	2020 Total kWh £
Type of emission				
Scope 1 (combustion)	1,053.2	935.7	4,935,837	4,393,338
Scope 2 (purchased energy)	238.1	240.6	1,121,100	1,032,117
Scope 3 (indirect)	159.0	111.7	661,078	476,575
	1,450.3	1,288.0	6,718,015	5,902,030
Intensity ratios				
Per employee	3.8	3.1	17,495	14,120
Per £m sales revenue	8.8	9.9	40,964	45,400

In the previous period the group's sites were closed for part of the year due to the COVID-19 lockdowns. Therefore during this time energy consumption was significantly reduced with many staff furloughed or working from home.

13 out of 18 electricity supplies were supplied on a 100% renewable energy tariff during 2021 through the Positive Energy supply contract. In addition the group's demo fleet now has four fully electric vehicles with this expected to increase going forwards.

Post balance sheet events

Since the year end the group has disposed of an aftersales operation in Dorchester.

Directors

The directors who served during the year were:

C Yoxon
S D Moulton
R Owen

Foray Holdings Limited

Directors' Report (continued) For the Year Ended 31 December 2021

Directors' responsibilities statement

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 group and 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 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 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.

Disclosure of information to auditor

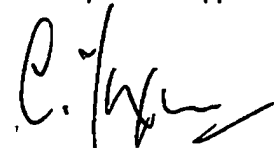
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is 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 auditor is aware of that information.

Auditor

The auditor, 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: 24 May 2022

Foray Holdings Limited

Independent Auditor's Report to the Members of Foray Holdings Limited

Opinion on the financial statements

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 2021 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Foray Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions relating to going concern

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

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

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

Foray Holdings Limited

Independent Auditor's Report to the Members of Foray Holdings Limited (continued)

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 statements 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the 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.

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.

Foray Holdings Limited

Independent Auditor's Report to the Members of Foray Holdings Limited (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Obtaining an understanding of controls designed to prevent and detect irregularities, including specific consideration of controls and group accounting policies relating to significant accounting estimates;
- Obtaining an understanding of the significant laws and regulations impacting the group and the motor retail industry, including data protection laws and regulations around FCA compliance;
- Communicating relevant laws and regulations and potential fraud risks to all engagement team members (which included motor dealership specialists) and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit; and
- Assessing journals entries as part of our planned audit approach, with a particular focus on journal entries to key financial statement areas such as revenue and inventories and journals raised after the year end.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

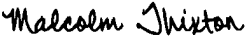
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Foray Holdings Limited

Independent Auditor's Report to the Members of Foray Holdings Limited (continued)

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Malcolm Thixton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton
United Kingdom

Date: 24 May 2022

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 2021

	Note	2021 £	2020 £
Turnover	3	163,882,555	130,276,191
Cost of sales		(144,753,657)	115,349,909
Gross profit		19,128,898	14,926,282
Administrative expenses		(16,273,991)	(15,830,845)
Other operating income	4	231,497	1,531,541
Operating profit	5	3,086,404	626,978
Interest receivable and similar income		15,822	-
Interest payable and similar charges	9	(314,619)	(348,403)
Profit before taxation		2,787,607	278,575
Tax on profit	10	(640,744)	806,355
Profit for the financial year		2,146,863	1,084,930
Other comprehensive Income			
Unrealised surplus on revaluation of tangible fixed assets		544,654	-
Other comprehensive income for the year		544,654	-
Total comprehensive income for the year		2,691,517	1,084,930
Profit for the year attributable to:			
Owners of the parent company		2,146,863	1,084,930
Total comprehensive income for the year attributable to:			
Owners of the parent company		2,691,517	1,084,930

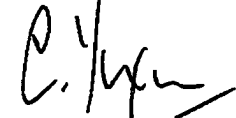
The notes on pages 15 to 33 form part of these financial statements.

Foray Holdings Limited
Registered number: 03904161

Consolidated Balance Sheet
As at 31 December 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	12		108,244		144,675
Tangible assets	13		8,619,510		8,200,500
			<u>8,727,754</u>		<u>8,345,175</u>
Current assets					
Stocks	16	40,981,119		34,502,495	
Debtors	17	4,727,791		7,437,125	
Cash at bank and in hand		3,072,424		2,850,203	
		<u>48,781,334</u>		<u>44,789,823</u>	
Creditors: amounts falling due within one year	18	(45,284,846)		(42,456,803)	
Net current assets			<u>3,496,488</u>		<u>2,333,020</u>
Total assets less current liabilities			<u>12,224,242</u>		<u>10,678,195</u>
Creditors: amounts falling due after more than one year	19		(3,207,446)		(3,443,263)
Deferred taxation	20		(273,426)		(183,079)
Net assets			<u><u>8,743,370</u></u>		<u><u>7,051,853</u></u>
Capital and reserves					
Called up share capital	21, 22		67,500		67,500
Revaluation reserve	22		1,645,884		1,294,543
Capital redemption reserve	22		224,702		224,702
Profit and loss account	22		6,805,284		5,465,108
Equity attributable to owners of the parent company			<u><u>8,743,370</u></u>		<u><u>7,051,853</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: 24 May 2022

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

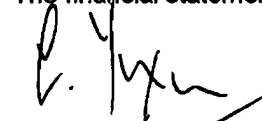
Foray Holdings Limited
Registered number: 03904161

Company Balance Sheet
As at 31 December 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	14		1,456,103		1,456,103
Investment property	15		7,140,000		6,980,000
			<u>8,596,103</u>		<u>8,436,103</u>
Current assets					
Debtors	17	17,000		23,000	
Creditors: amounts falling due within one year	18	(748,377)		(1,149,912)	
Net current liabilities			<u>(731,377)</u>		<u>(1,126,912)</u>
Total assets less current liabilities			<u>7,864,726</u>		<u>7,309,191</u>
Creditors: amounts falling due after more than one year	19		(3,092,351)		(3,302,024)
Deferred taxation	20		(43,164)		(31,804)
Net assets			<u><u>4,729,211</u></u>		<u><u>3,975,363</u></u>
Capital and reserves					
Called up share capital	21, 22		67,500		67,500
Capital redemption reserve	22		224,702		224,702
Profit and loss account	22		4,437,009		3,683,161
Total equity			<u><u>4,729,211</u></u>		<u><u>3,975,363</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 £1,753,848 (2020 - £552,338).

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



C Yoxon
Director

Date: 24 May 2022

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 2021

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2020	67,500	224,702	1,294,543	4,380,178	5,966,923
Profit for the year	-	-	-	1,084,930	1,084,930
At 1 January 2021	67,500	224,702	1,294,543	5,465,108	7,051,853
Profit for the year	-	-	-	2,146,863	2,146,863
Surplus on revaluation of freehold and leasehold property	-	-	544,654	-	544,654
Dividends	-	-	-	(1,000,000)	(1,000,000)
Transfer of realised revaluation gains	-	-	(193,313)	193,313	-
At 31 December 2021	67,500	224,702	1,645,884	6,805,284	8,743,370

Company Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2020	67,500	224,702	3,130,823	3,423,025
Profit for the year	-	-	552,338	552,338
At 1 January 2021	67,500	224,702	3,683,161	3,975,363
Profit for the year	-	-	1,753,848	1,753,848
Dividends	-	-	(1,000,000)	(1,000,000)
At 31 December 2021	67,500	224,702	4,437,009	4,729,211

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 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	2,146,863	1,084,930
Adjustments for:		
Amortisation of intangible assets	36,431	36,432
Depreciation of tangible assets	311,866	338,303
Impairment of tangible assets	77,099	-
Loss on disposal of tangible assets	13,634	-
Net interest expense	298,797	348,403
Taxation charge	640,744	(806,355)
(Increase)/decrease in stocks	(6,478,624)	15,837,546
Decrease in debtors	1,803,293	3,652,348
(Decrease) in creditors	(1,652,982)	(14,906,725)
Corporation tax received/(paid)	829,332	(43,617)
Net cash (used in)/generated from operating activities	(1,973,547)	5,541,265
Cash flows from investing activities		
Purchase of tangible fixed assets	(159,355)	(68,711)
Interest received	15,822	-
Net cash used in investing activities	(143,533)	(68,711)
Cash flows from financing activities		
Repayment of bank loans	(158,115)	(20,575)
Increase/(decrease) in vehicle financing	3,984,791	(861,933)
Capital element of finance leases repaid	(166,747)	(132,065)
Dividends paid	(1,000,000)	-
Interest paid	(320,628)	(367,880)
Net cash from/(used in) financing activities	2,339,301	(1,382,453)
Net increase in cash and cash equivalents	222,221	4,090,101
Cash and cash equivalents at beginning of year	2,850,203	(1,239,898)
Cash and cash equivalents at the end of year	3,072,424	2,850,203
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,072,424	2,850,203

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 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

Foray Holdings Limited is a private company limited by shares, 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 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 Going concern

The directors have prepared forecasts up to 31 December 2023 therefore covering a period of more than 12 months from the date of their approval of these financial statements.

These forecasts show continuing profitability during this period and the achievement of all covenants with significant levels of headroom on the group's facilities.

As a result of the current trading position, forecasts prepared and continued forecast covenant compliance, the directors consider that the group will have adequate resources to continue in operational existence for the foreseeable future and, accordingly, have adopted the going concern basis in preparing the accounts.

1.4 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.

Foray Holdings Limited

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

1. Accounting policies (continued)

1.5 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.

1.6 Intangible assets

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

1.7 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
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.

1.8 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 other 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.

1.9 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.

Foray Holdings Limited

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

1. Accounting policies (continued)

1.10 Valuation of investments

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

1.11 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.

1.12 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.

1.13 Finance costs

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

1.14 Dividends

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

1.15 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.

Foray Holdings Limited

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

1. Accounting policies (continued)

1.16 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.17 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

1.18 Borrowing costs

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

1.19 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

Foray Holdings Limited

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

1. Accounting policies (continued)

1.20 Current and deferred taxation

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

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

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 13 and 15 for further details.

Foray Holdings Limited

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

3. Turnover

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

	2021 £	2020 £
Vehicles	148,632,664	117,732,446
Aftersales	15,249,891	12,543,745
	<u>163,882,555</u>	<u>130,276,191</u>

All turnover arose within the United Kingdom.

4. Other operating income

	2021 £	2020 £
Rental income	-	5,837
Coronavirus Job Retention Scheme grants	231,497	1,525,704
	<u>231,497</u>	<u>1,531,541</u>

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	311,866	338,303
Impairment of tangible fixed assets	77,099	-
Loss on sale of tangible fixed assets	13,634	-
Amortisation of intangible assets, including goodwill	36,431	36,432
Operating lease expense	808,359	987,690
Impairment of stocks	631,572	167,925
Defined contribution pension cost	<u>387,402</u>	<u>264,360</u>

Foray Holdings Limited

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

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	1,500	1,500
Fees payable to the group's auditor in respect of:		
The auditing of accounts of associates of the group pursuant to legislation	30,500	29,500
Tax compliance services	7,500	6,150
Tax advisory	-	7,020
All other services	7,076	7,557

7. Employees

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

	Group 2021 £	Group 2020 £
Wages and salaries	9,934,887	9,656,892
Social security costs	889,559	833,114
Cost of defined contribution scheme	387,402	264,360
	11,211,848	10,754,366

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

	2021 No.	2020 No.
Productive and selling	259	288
Administrative	125	130
	384	418

The parent company had no staff or employees at 31 December 2021 and 31 December 2020.

Foray Holdings Limited

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

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	504,691	325,138
Company contributions to defined contribution pension schemes	12,667	38,297
	<u>517,358</u>	<u>363,435</u>

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £239,264 (2020 - £153,635).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2020 - £38,297).

9. Interest payable and similar charges

	2021 £	2020 £
Bank interest payable	86,619	133,254
Finance leases and hire purchase contracts	7,215	7,204
Stocking interest	220,785	207,945
	<u>314,619</u>	<u>348,403</u>

Foray Holdings Limited

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

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	550,410	76,722
Adjustments in respect of previous periods	(13)	(908,424)
Total current tax	550,397	(831,702)
Deferred tax		
Origination and reversal of timing differences	32,532	6,430
Adjustments in respect of previous periods	-	322
Changes to tax rates	57,815	18,595
Total deferred tax	90,347	25,347
Taxation on profit on ordinary activities	640,744	(806,355)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	2,787,607	278,575
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	529,645	52,929
Effects of:		
Expenses not deductible for tax purposes	45,489	9,148
Adjustments to tax charge in respect of prior periods	(13)	(908,102)
Change in deferred tax rate	65,623	18,593
Other differences	-	21,077
Total tax charge/(credit) for the year	640,744	(806,355)

Foray Holdings Limited

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

10. Taxation (continued)

Factors that may affect future tax charges

As at the year end the Government had announced that from 1 April 2023 the Corporation Tax main rate would be increased to 25%. Accordingly, deferred tax balances recognised in the accounts as at the year end have been calculated using the 25% rate.

11. Dividends

	2021 £	2020 £
Ordinary		
Interim dividend of £1.48 (2020 - £Nil) per share	1,000,000	-

12. Intangible assets

Group

	Purchased goodwill £	Goodwill on consolidation £	Total £
Cost			
At 1 January 2021	166,654	462,747	629,401
At 31 December 2021	166,654	462,747	629,401
Amortisation			
At 1 January 2021	50,396	434,330	484,726
Charge for the year	15,415	21,016	36,431
At 31 December 2021	65,811	455,346	521,157
Net book value			
At 31 December 2021	100,843	7,401	108,244
At 31 December 2020	116,258	28,417	144,675

Foray Holdings Limited

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

13. Tangible fixed assets

Group

	Freehold land and buildings £	Leasehold land and buildings £	Leasehold improve- ments £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation						
At 1 January 2021	6,946,063	550,000	111,213	3,166,006	544,467	11,317,749
Additions	-	-	14,916	235,393	26,646	276,955
Disposals	-	-	-	(40,380)	-	(40,380)
Revaluations	228,960	70,000	-	-	-	298,960
At 31 December 2021	7,175,023	620,000	126,129	3,361,019	571,113	11,853,284
Depreciation						
At 1 January 2021	416,663	16,176	96,723	2,069,615	518,072	3,117,249
Charge for the year	97,191	8,088	5,827	181,602	19,158	311,866
Disposals	-	-	-	(26,746)	-	(26,746)
Impairment	77,099	-	-	-	-	77,099
Revaluations	(221,430)	(24,264)	-	-	-	(245,694)
At 31 December 2021	369,523	-	102,550	2,224,471	537,230	3,233,774
Net book value						
At 31 December 2021	6,805,500	620,000	23,579	1,136,548	33,883	8,619,510
At 31 December 2020	6,529,400	533,824	14,490	1,096,391	26,395	8,200,500

Included within freehold and leasehold land and buildings is the cost of land totalling £3,006,512 (2020 - £2,910,052) which is not depreciated.

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

	2021 £	2020 £
Freehold	6,805,500	6,529,400
Long leasehold	620,000	533,824
Short leasehold	23,579	14,490
	<u>7,449,079</u>	<u>7,077,714</u>

Foray Holdings Limited

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

13. Tangible fixed assets (continued)

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

	2021 £	2020 £
Plant and machinery	<u>581,103</u>	<u>514,914</u>

The freehold and long leasehold land and buildings were subject to a valuation on 18 February 2022 by Woolley & Wallis Chartered Surveyors on an existing use valuation. The amount of the valuation of £7,140,000 gave rise to a surplus of £544,654 which has been credited to Other Comprehensive Income and an impairment of £77,099 which has been expensed to the Consolidated Statement of Comprehensive Income. This impairment charge includes the reversal of a previous impairment of £61,040.

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

	2021 £	2020 £
Group		
Cost	6,907,416	6,907,416
Accumulated depreciation	(700,191)	(628,670)
Net book value	<u>6,207,225</u>	<u>6,278,746</u>

14. Fixed asset investments

Company

	Group undertakings £
Cost or valuation	
At 1 January 2021	1,456,103
At 31 December 2021	<u>1,456,103</u>

Foray Holdings Limited

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

14. Fixed asset investments (continued)

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Foray Motor Group Limited	Telford Road, Churchfields, Salisbury, Wiltshire, SP2 7PF	Motor dealership	Ordinary	100%

15. Investment property

Company

	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 January 2021	6,430,000	550,000	6,980,000
Surplus on revaluation	90,000	70,000	160,000
At 31 December 2021	6,520,000	620,000	7,140,000

The freehold and leasehold investment properties were subject to a valuation on 18 February 2022 by Woolley & Wallis Chartered Surveyors on an existing use valuation. The amount of the valuation of £7,140,000 gave rise to a surplus of £160,000 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:

	2021 £	2020 £
Historic cost	6,614,416	6,614,416
Accumulated depreciation	(692,691)	(624,170)
At 31 December 2021	5,921,725	5,990,246

Foray Holdings Limited

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

16. Stocks

	Group 2021 £	Group 2020 £
Raw materials and consumables	309,619	216,146
Work in progress	126,936	193,259
Finished goods and goods for resale	40,544,564	34,093,090
	<u>40,981,119</u>	<u>34,502,495</u>

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.

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Trade debtors	4,337,876	6,056,616	-	-
Other debtors	17,000	124,052	17,000	23,000
Prepayments and accrued income	372,915	350,416	-	-
Tax recoverable	-	906,041	-	-
	<u>4,727,791</u>	<u>7,437,125</u>	<u>17,000</u>	<u>23,000</u>

Foray Holdings Limited

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

18. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans (secured)	204,936	153,378	204,936	153,378
Vehicle stocking loans	10,934,829	6,950,038	-	-
Trade creditors	29,207,443	32,922,247	-	-
Amounts owed to group undertakings	-	-	411,188	900,188
Corporation tax	550,410	76,722	126,653	76,722
Other taxation and social security	3,157,589	1,302,761	-	-
Net obligations under finance lease and hire purchase contracts	107,211	122,999	-	-
Other creditors	238,849	80,612	-	-
Accruals and deferred income	883,579	848,046	5,600	19,624
	45,284,846	42,456,803	748,377	1,149,912

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

The bank loans are secured by a legal mortgage over the group's 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 2021

19. Creditors: amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans (secured)	3,092,351	3,302,024	3,092,351	3,302,024
Net obligations under finance leases and hire purchase contracts	115,095	141,239	-	-
	<u>3,207,446</u>	<u>3,443,263</u>	<u>3,092,351</u>	<u>3,302,024</u>

Maturity of debt:

Group

	Loans and overdrafts 2021 £	Finance leases 2021 £	Loans and overdrafts 2020 £	Finance leases 2020 £
Due within one year, or on demand	11,139,765	107,211	7,103,416	122,999
Due in more than one year but less than two years	211,003	54,335	205,393	83,691
Due in more than two years but less than five years	2,881,348	60,760	3,096,631	57,548
	<u>14,232,116</u>	<u>222,306</u>	<u>10,405,440</u>	<u>264,238</u>

Company

	Loans and overdrafts 2021 £	Loans and overdrafts 2020 £
Due within one year, or on demand	204,936	153,378
Due in more than one year but less than two years	211,003	205,393
Due in more than two years but less than five years	2,881,348	3,096,631
	<u>3,297,287</u>	<u>3,455,402</u>

Foray Holdings Limited

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

20. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	183,079	157,732
Charged to the profit or loss	90,347	25,347
At end of year	<u>273,426</u>	<u>183,079</u>

Company

	2021 £	2020 £
At beginning of year	31,804	27,365
Charged to the profit or loss	11,360	4,439
At end of year	<u>43,164</u>	<u>31,804</u>

The provision for deferred taxation is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	279,100	187,061	43,164	31,804
Other timing differences	(5,674)	(3,982)	-	-
	<u>273,426</u>	<u>183,079</u>	<u>43,164</u>	<u>31,804</u>

21. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
675,000 (2020 - 675,000) Ordinary shares of £0.10 each	<u>67,500</u>	<u>67,500</u>

Foray Holdings Limited

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

22. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

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.

23. Analysis of net debt

	At 1 January 2021 £	Cash flows £	New finance leases £	Other non- cash changes £	At 31 December 2021 £
Cash at bank and in hand	2,850,203	222,221	-	-	3,072,424
Bank loans	(3,455,402)	158,115	-	-	(3,297,287)
Vehicle stocking loans	(6,950,038)	(3,984,791)	-	-	(10,934,829)
Finance leases	(264,238)	166,747	(117,600)	(7,215)	(222,306)
	<u>(7,819,475)</u>	<u>(3,437,708)</u>	<u>(117,600)</u>	<u>(7,215)</u>	<u>(11,381,998)</u>

Other non-cash changes relate to interest accrued on finance leases.

24. Pension commitments

The group operates a defined contribution 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 £387,402 (2020 - £264,360). There were outstanding contributions totalling £54,769 (2020 - £50,787) at the end of the financial year.

Foray Holdings Limited

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

25. Commitments under operating leases

At 31 December 2021 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Not later than 1 year	925,263	810,237
Later than 1 year and not later than 5 years	2,506,467	2,522,054
Later than 5 years	5,618,300	6,322,700
	<u>9,050,030</u>	<u>9,654,991</u>

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

26. 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 (2020 - £50,000) on one of its trading properties to the wife of a director and £57,000 (2020 - £50,000) to a pension scheme set up for certain directors and shareholders of the parent company.

During the year dividends totalling £1,000,000 (2020 - £Nil) were paid to the shareholders, comprising a director and his family.

27. Controlling party

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