

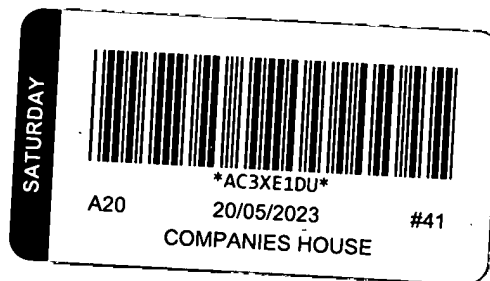
Foray Holdings Limited

Annual Report and Financial Statements

Year Ended

31 December 2022

Company Number 03904161



Foray Holdings Limited

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Company Information

| | |
|---------------------|---|
| Directors | C Yoxon S D Moulton R Owen D J Yoxon |
| 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 2022

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2022.

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 closed the independent workshop site, SMS. This site was subsequently sold to a neighbouring business on the industrial estate. This closure enabled the group to have a more efficient and profitable aftersales operation focusing on the Ford authorised repairer workshops. The group re-launched the Bridgwater showroom to specialise on non-franchise premium used vehicles, under the trading name 'Foray Approved' with an encouraging first 6 months trading. In December the group completed the freehold purchase of the English Ford location at Yarrow Road, Poole.

The Consolidated Statement of Comprehensive Income is set out on page 10 and shows turnover for the year of £197,460,402 (2021 - £163,882,555), up 20.4%, and a profit before tax for the year of £4,686,437 (2021 - £2,787,607), an improvement of £1,898,830 year on year. The increase in turnover and profitability was the result of improved production and deliveries from our manufacturers on new passenger and commercial vehicles. The group was well positioned to make the most of the buoyant vehicle market achieving the highest ever volume of new commercial vehicle sales in the year.

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.

Due to limited supply protecting margins on both new and used vehicles, the directors are forecasting a strong result in the forthcoming year to 2023. 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 2023.

Review of financial position

At the year end the group remains in a strong net asset position of £12.5m (2021 - £8.7m).

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:

| | 2022 | 2021 |
|----------------------------|-------|-------|
| Return on Operating Assets | 6.42% | 4.85% |
| Service Absorption | 64.7% | 67.4% |
| Debtor days - Aftermarket | 49 | 51 |
| Current Ratio | 1.1:1 | 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.

Foray Holdings Limited

Group Strategic Report (continued) For the Year Ended 31 December 2022

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.

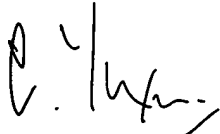
The welfare of our staff is of utmost importance as is the reputation of our business. This was demonstrated by the payment of a cost of living bonus in 2022 and various other initiatives to support our staff e.g. launch of Foray Rewards platform.

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 2022, 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 2022 with the roll-out of a new website for Foray Approved, premium non-franchised used cars from Bridgwater. In addition the group continues to believe that having an established apprentice programme is essential for long term success.

During the year the group acquired the site in Poole from which it trades. As part of the review of its aftersales operations the directors also took the decision to sell SMS, an independent workshop, which completed in March 2022. These decisions have enabled the group to optimise their aftersales trading performance and invest in its property portfolio.

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: 19.5.23

Foray Holdings Limited

Directors' Report For the Year Ended 31 December 2022

The directors present their report together with the audited financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year, after taxation, amounted to £3,796,197 (2021 -£2,146,863).

During the year the company paid interim dividends of £Nil (2021 - £1,000,000) 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 liquidate. 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 opening 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 2022

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 2022 to 31 December 2022, the latest annual period for which data is available, and is pursuant to the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

| Type of emission | 2022 Tonnes of CO ₂ e £ | 2022 Tonnes of CO ₂ e £ | 2021 Total kWh £ | 2021 Total kWh £ |
|----------------------------|---|---|------------------------|------------------------|
| Scope 1 (combustion) | 1,279.5 | 1,053.2 | 5,547,377 | 4,935,837 |
| Scope 2 (purchased energy) | 209.1 | 238.1 | 1,080,618 | 1,121,100 |
| Scope 3 (indirect) | 3.7 | 159.0 | 15,220 | 661,078 |
| | 1,492.3 | 1,450.3 | 6,743,215 | 6,718,015 |
| Intensity ratios | | | | |
| Per employee | 3.7 | 3.8 | 16,900 | 17,495 |
| Per £m sales revenue | 7.6 | 8.8 | 34,230 | 40,964 |

14 out of 17 electricity supplies were supplied on a 100% renewable energy tariff during 2022 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. The group have installed LED lighting at their Poole, Salisbury and Dorchester sites.

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
S D Moulton
R Owen
D J Yoxon (appointed 1 December 2022)

Foray Holdings Limited

Directors' Report (continued) For the Year Ended 31 December 2022

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; and
- 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 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 auditor

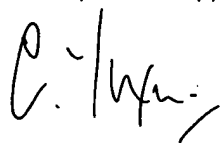
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- 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: 19.5.23

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:

- 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 2022 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 2022 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 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 and 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.

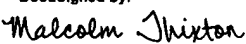
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 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: 19 May 2023

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 2022

| | Note | 2022 £ | 2021 £ |
|---|------|-------------------|-------------------|
| Turnover | 3 | 197,460,402 | 163,882,555 |
| Cost of sales | | (174,459,922) | (144,753,657) |
| Gross profit | | 23,000,480 | 19,128,898 |
| Administrative expenses | | (17,837,783) | (16,273,991) |
| Other operating income | 4 | - | 231,497 |
| Operating profit | 5 | 5,162,697 | 3,086,404 |
| Interest receivable and similar income | | 9,848 | 15,822 |
| Interest payable and similar charges | 9 | (486,108) | (314,619) |
| Profit before taxation | | 4,686,437 | 2,787,607 |
| Tax on profit | 10 | (890,240) | (640,744) |
| Profit for the financial year | | 3,796,197 | 2,146,863 |
| 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 | | 3,796,197 | 2,691,517 |
| Profit for the year attributable to: | | | |
| Owners of the parent company | | 3,796,197 | 2,146,863 |
| Total comprehensive income for the year attributable to: | | | |
| Owners of the parent company | | 3,796,197 | 2,691,517 |

The notes on pages 16 to 33 form part of these financial statements.

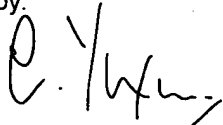
Foray Holdings Limited

Registered number: 03904161

Consolidated Balance Sheet As at 31 December 2022

| | Note | 2022 £ | 2022 £ | 2021 £ | 2021 £ |
|--|-------|-------------------|--------------------------|-------------------|-------------------------|
| Fixed assets | | | | | |
| Intangible assets | 12 | | - | | 108,244 |
| Tangible assets | 13 | | 12,887,266 | | 8,619,510 |
| | | | <u>12,887,266</u> | | <u>8,727,754</u> |
| Current assets | | | | | |
| Stocks | 16 | 49,125,448 | | 40,981,119 | |
| Debtors | 17 | 6,612,564 | | 4,727,791 | |
| Cash at bank and in hand | | 4,349,803 | | 3,072,424 | |
| | | <u>60,087,815</u> | | <u>48,781,334</u> | |
| Creditors: amounts falling due within one year | 18 | (56,079,103) | | (45,284,846) | |
| Net current assets | | | <u>4,008,712</u> | | <u>3,496,488</u> |
| Total assets less current liabilities | | | <u>16,895,978</u> | | <u>12,224,242</u> |
| Creditors: amounts falling due after more than one year | 19 | | (4,102,258) | | (3,207,446) |
| Deferred taxation | 20 | | (254,153) | | (273,426) |
| Net assets | | | <u><u>12,539,567</u></u> | | <u><u>8,743,370</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 21,22 | | 67,500 | | 67,500 |
| Revaluation reserve | 22 | | 1,645,884 | | 1,645,884 |
| Capital redemption reserve | 22 | | 224,702 | | 224,702 |
| Profit and loss account | 22 | | 10,601,481 | | 6,805,284 |
| Equity attributable to owners of the parent company | | | <u><u>12,539,567</u></u> | | <u><u>8,743,370</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: 19.5.23

The notes on pages 16 to 33 form part of these financial statements.

Foray Holdings Limited

Registered number: 03904161

Company Balance Sheet As at 31 December 2022

| | Note | 2022 £ | 2022 £ | 2021 £ | 2021 £ |
|---|--------|-----------|------------------|-----------|------------------|
| Fixed assets | | | | | |
| Investments | 14 | | 1,456,103 | | 1,456,103 |
| Investment Property | 15 | | 6,770,000 | | 7,140,000 |
| | | | <u>8,226,103</u> | | <u>8,596,103</u> |
| Current assets | | | | | |
| Debtors | 17 | 1,811,894 | | 17,000 | |
| Creditors: amounts falling due within one year | 18 | (544,415) | | (748,377) | |
| Net current assets/(liabilities) | | | <u>1,267,479</u> | | <u>(731,377)</u> |
| Total assets less current liabilities | | | <u>9,493,582</u> | | <u>7,864,726</u> |
| Creditors: amounts falling due after more than one year | 19 | | (4,102,258) | | (3,092,351) |
| Deferred taxation | 20 | | (44,244) | | (43,164) |
| Net assets | | | <u>5,347,080</u> | | <u>4,729,211</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 | | 5,054,878 | | 4,437,009 |
| Total equity | | | <u>5,347,080</u> | | <u>4,729,211</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 £617,869 (2021 - £1,753,848).

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



C Yoxon
Director

Date: 19.5.23

The notes on pages 16 to 33 form part of these financial statements.

Foray Holdings Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2022

| | Called up share capital £ | Capital redemption reserve £ | Revaluation reserve £ | Profit and loss account £ | Total equity £ |
|--|---------------------------------|---------------------------------------|-----------------------------|---------------------------------|-------------------|
| 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 1 January 2022 | 67,500 | 224,702 | 1,645,884 | 6,805,284 | 8,743,370 |
| Profit for the year | - | - | - | 3,796,197 | 3,796,197 |
| At 31 December 2022 | 67,500 | 224,702 | 1,645,884 | 10,601,481 | 12,539,567 |

Company Statement of Changes in Equity For the Year Ended 31 December 2022

| | Called up share capital £ | Capital redemption reserve £ | Profit and loss account £ | Total equity £ |
|----------------------------|---------------------------------|---------------------------------------|---------------------------------|-------------------|
| 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 1 January 2022 | 67,500 | 224,702 | 4,437,009 | 4,729,211 |
| Profit for the year | - | - | 617,869 | 617,869 |
| At 31 December 2022 | 67,500 | 224,702 | 5,054,878 | 5,347,080 |

The notes on pages 16 to 33 form part of these financial statements.

Foray Holdings Limited

Consolidated Statement of Cash Flows For the Year Ended 31 December 2022

| | 2022 £ | 2021 £ |
|---|--------------------|--------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 3,796,197 | 2,146,863 |
| Adjustments for: | | |
| Amortisation of intangible assets | 7,401 | 36,431 |
| Depreciation of tangible assets | 296,629 | 311,866 |
| Impairments of tangible assets | - | 77,099 |
| Loss on disposal of intangible assets | 100,843 | - |
| (Profit)/loss on disposal of tangible assets | (60,947) | 13,634 |
| Net interest expense | 476,260 | 298,797 |
| Taxation charge | 890,240 | 640,744 |
| Increase in stocks | (8,142,730) | (6,478,624) |
| (Increase)/decrease in debtors | (1,516,440) | 1,803,293 |
| Increase/(decrease) in creditors | 11,592,583 | (1,652,982) |
| Corporation tax (paid)/received | (545,201) | 829,332 |
| Net cash generated from/(used in) operating activities | 6,894,835 | (1,973,547) |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (4,855,037) | (159,355) |
| Interest received | 9,848 | 15,822 |
| Sale of tangible fixed assets | 350,000 | - |
| Net cash used in investing activities | (4,495,189) | (143,533) |
| Cash flows from financing activities | | |
| New bank loans | 4,500,000 | - |
| Repayment of bank loans | (3,297,287) | (158,115) |
| (Decrease)/Increase in vehicle financing | (1,374,702) | 3,984,791 |
| Capital element of finance leases repaid | (113,287) | (166,747) |
| Dividends paid | - | (1,000,000) |
| Interest paid | (468,658) | (320,628) |
| Directors' loan account movement | (368,333) | - |
| Net cash (used in)/generated from financing activities | (1,122,267) | 2,339,301 |

Foray Holdings Limited

Consolidated Statement of Cash Flows (continued) For the Year Ended 31 December 2022

| | 2022 £ | 2021 £ |
|---|------------------|-----------|
| Net increase in cash and cash equivalents | 1,277,379 | 222,221 |
| Cash and cash equivalents at beginning of year | 3,072,424 | 2,850,203 |
| Cash and cash equivalents at the end of year | 4,349,803 | 3,072,424 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 4,349,803 | 3,072,424 |

The notes on pages 16 to 33 form part of these financial statements.

Foray Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

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 30 June 2024 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 2022

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 2022

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 2022

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 2022

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 2022

3. Turnover

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

| | 2022 £ | 2021 £ |
|------------|--------------------|--------------------|
| Vehicles | 181,120,328 | 148,632,664 |
| Aftersales | 16,340,074 | 15,249,891 |
| | <u>197,460,402</u> | <u>163,882,555</u> |

All turnover arose within the United Kingdom.

4. Other operating income

| | 2022 £ | 2021 £ |
|---|-----------|----------------|
| Coronavirus Job Retention Scheme grants | - | 231,497 |
| | <u>-</u> | <u>231,497</u> |

5. Operating profit

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

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Depreciation of tangible fixed assets | 296,629 | 311,866 |
| Impairment of tangible fixed assets | - | 77,099 |
| (Profit)/loss on sale of tangible fixed assets | (60,947) | 13,634 |
| Amortisation of intangible assets, including goodwill | 7,401 | 36,431 |
| Loss on sale of intangible fixed assets | 100,843 | - |
| Operating lease expense | 1,043,072 | 808,359 |
| Impairment of stocks | 338,178 | 631,572 |
| Defined contribution pension cost | 321,351 | 387,402 |
| | <u>1,767,423</u> | <u>1,858,263</u> |

Foray Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

6. Auditor's remuneration

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Fees payable to the Group's auditor for the audit of the Group's annual accounts | 1,800 | 1,500 |
| Fees payable to the group's auditor in respect of: | | |
| The auditing of accounts of associates of the group pursuant to legislation | 36,600 | 30,500 |
| Tax compliance services | 8,650 | 7,500 |
| Other tax services | 5,250 | - |
| All other services | 7,771 | 7,076 |

7. Employees

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

| | Group 2022 £ | Group 2021 £ |
|-------------------------------------|--------------------|--------------------|
| Wages and salaries | 11,565,937 | 9,934,887 |
| Social security costs | 1,136,316 | 889,559 |
| Cost of defined contribution scheme | 321,351 | 387,402 |
| | 13,023,604 | 11,211,848 |

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

| | 2022 No. | 2021 No. |
|------------------------|-------------|-------------|
| Productive and selling | 269 | 259 |
| Administrative | 130 | 125 |
| | 399 | 384 |

The parent company had no staff or employees at 31 December 2022 and 31 December 2021.

Foray Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

8. Directors' remuneration

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| Directors' emoluments | 662,411 | 504,691 |
| Company contributions to defined contribution pension schemes | 20,000 | 12,667 |
| | <u>682,411</u> | <u>517,358</u> |

During the year retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £404,782 (2021 - £239,264).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20,000 (2021 - £Nil).

9. Interest payable and similar charges

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Bank interest payable | 71,682 | 86,619 |
| Finance leases and hire purchase contracts | 6,076 | 7,215 |
| Stocking interest | 408,350 | 220,785 |
| | <u>486,108</u> | <u>314,619</u> |

Foray Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

10. Taxation

| | 2022 £ | 2021 £ |
|--|-----------------|----------------|
| Corporation tax | | |
| Current tax on profits for the year | 914,722 | 550,410 |
| Adjustments in respect of previous periods | (5,209) | (13) |
| Total current tax | 909,513 | 550,397 |
| Deferred tax | | |
| Origination and reversal of timing differences | (12,525) | 32,532 |
| Adjustments in respect of previous periods | (2,794) | - |
| Changes to tax rates | (3,954) | 57,815 |
| Total deferred tax | (19,273) | 90,347 |
| Taxation on profit on ordinary activities | 890,240 | 640,744 |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Profit on ordinary activities before tax | 4,686,437 | 2,787,607 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | 890,423 | 529,645 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 24,307 | 45,489 |
| Adjustments to tax charge in respect of prior periods | (8,003) | (13) |
| Non-taxable income | (19,160) | - |
| Chargeable gains | 6,627 | - |
| Change in deferred tax rate | (3,954) | 65,623 |
| Total tax charge for the year | 890,240 | 640,744 |

Foray Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

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

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Ordinary | | |
| Interim dividend of £Nil (2021 - £1.48) per share | - | 1,000,000 |

12. Intangible assets

Group

| | Purchased goodwill £ | Goodwill on consolidation £ | Total £ |
|-----------------------|-------------------------|--------------------------------|------------|
| Cost | | | |
| At 1 January 2022 | 166,654 | 462,747 | 629,401 |
| Disposals | (166,654) | - | (166,654) |
| At 31 December 2022 | - | 462,747 | 462,747 |
| Amortisation | | | |
| At 1 January 2022 | 65,811 | 455,346 | 521,157 |
| Charge for the year | - | 7,401 | 7,401 |
| Disposals | (65,811) | - | (65,811) |
| At 31 December 2022 | - | 462,747 | 462,747 |
| Net book value | | | |
| At 31 December 2022 | - | - | - |
| At 31 December 2021 | 100,843 | 7,401 | 108,244 |

Foray Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

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 2022 | 7,175,023 | 620,000 | 126,129 | 3,361,019 | 571,113 | 11,853,284 |
| Additions | 4,763,266 | - | - | 85,117 | 6,654 | 4,855,037 |
| Disposals | (293,000) | - | - | (13,202) | - | (306,202) |
| Transfers | 24,205 | - | (24,205) | - | - | - |
| At 31 December 2022 | 11,669,494 | 620,000 | 101,924 | 3,432,934 | 577,767 | 16,402,119 |
| Depreciation | | | | | | |
| At 1 January 2022 | 369,523 | - | 102,550 | 2,224,471 | 537,230 | 3,233,774 |
| Charge for the year | 85,343 | 9,118 | 4,726 | 181,675 | 15,767 | 296,629 |
| Disposals | (7,500) | - | - | (8,050) | - | (15,550) |
| Transfers | 20,127 | - | (20,127) | - | - | - |
| At 31 December 2022 | 467,493 | 9,118 | 87,149 | 2,398,096 | 552,997 | 3,514,853 |
| Net book value | | | | | | |
| At 31 December 2022 | 11,202,001 | 610,882 | 14,775 | 1,034,838 | 24,770 | 12,887,266 |
| At 31 December 2021 | 6,805,500 | 620,000 | 23,579 | 1,136,548 | 33,883 | 8,619,510 |

Included within freehold and leasehold land and buildings is the cost of land totalling £4,849,084 (2021 - £3,006,512) which is not depreciated.

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

| | 2022 £ | 2021 £ |
|-----------------|-------------------|------------------|
| Freehold | 11,202,001 | 6,805,500 |
| Long leasehold | 610,882 | 620,000 |
| Short leasehold | 14,775 | 23,579 |
| | 11,827,658 | 7,449,079 |

Foray Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

13. Tangible fixed assets (continued)

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

| | 2022 £ | 2021 £ |
|---------------------|----------------|-----------|
| Plant and machinery | 495,815 | 581,103 |

Subsequent to a full valuation of the freehold and long leasehold land and buildings on 18 February 2022, the directors have assessed the valuation of the freehold and long leasehold land and buildings at the year end and have determined that there is no material change in their value.

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

| | 2022 £ | 2021 £ |
|--------------------------|-------------------|-----------|
| Group | | |
| Cost | 11,377,682 | 6,907,416 |
| Accumulated depreciation | (761,211) | (700,191) |
| Net book value | 10,616,471 | 6,207,225 |

14. Fixed asset investments

Company

| | Group undertakings £ |
|--------------------------|---------------------------------|
| Cost or valuation | |
| At 1 January 2022 | 1,456,103 |
| At 31 December 2022 | 1,456,103 |

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% |

Foray Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

15. Investment property

Company

| | Freehold investment property £ | Long term leasehold investment property £ | Total £ |
|------------------------------------|---|---|------------------|
| Valuation | | | |
| At 1 January 2022 | 6,520,000 | 620,000 | 7,140,000 |
| Transfer to subsidiary undertaking | (370,000) | - | (370,000) |
| At 31 December 2022 | 6,150,000 | 620,000 | 6,770,000 |

Subsequent to a full valuation of the freehold and leasehold investment properties on 18 February 2022, the directors have assessed the valuation of the freehold and leasehold investment properties at the year end and have determined that there is no material change in their value.

| | 2022 £ | 2021 £ |
|----------------------------|------------------|------------------|
| Historic cost | 6,253,376 | 6,614,416 |
| Accumulated depreciation | (761,211) | (692,691) |
| At 31 December 2022 | 5,492,165 | 5,921,725 |

16. Stocks

| | Group 2022 £ | Group 2021 £ |
|-------------------------------------|--------------------|--------------------|
| Raw materials and consumables | 447,707 | 309,619 |
| Work in progress | 135,857 | 126,936 |
| Finished goods and goods for resale | 48,541,884 | 40,544,564 |
| | 49,125,448 | 40,981,119 |

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 2022

17. Debtors

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Due within one year | | | | |
| Trade debtors | 5,727,060 | 4,337,876 | - | - |
| Amounts owed by group undertakings | - | - | 1,767,644 | - |
| Other debtors | 368,333 | 17,000 | - | 17,000 |
| Prepayments and accrued income | 517,171 | 372,915 | 44,250 | - |
| | <u>6,612,564</u> | <u>4,727,791</u> | <u>1,811,894</u> | <u>17,000</u> |

18. Creditors: amounts falling due within one year

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Bank loans | 400,763 | 204,936 | 400,763 | 204,936 |
| Vehicle stocking loans | 9,560,127 | 10,934,829 | - | - |
| Trade creditors | 42,517,640 | 29,207,443 | - | - |
| Amounts owed to group undertakings | - | - | - | 411,188 |
| Corporation tax | 914,722 | 550,410 | 130,099 | 126,653 |
| Other taxation and social security | 1,659,554 | 3,157,589 | - | - |
| Net obligations under finance lease and hire purchase contracts | 115,095 | 107,211 | - | - |
| Other creditors | 215,128 | 238,849 | - | - |
| Accruals and deferred income | 696,074 | 883,579 | 13,553 | 5,600 |
| | <u>56,079,103</u> | <u>45,284,846</u> | <u>544,415</u> | <u>748,377</u> |

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 2022

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

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Bank loans | 4,102,258 | 3,092,351 | 4,102,258 | 3,092,351 |
| Net obligations under finance leases and hire purchase contracts | - | 115,095 | - | - |
| | <u>4,102,258</u> | <u>3,207,446</u> | <u>4,102,258</u> | <u>3,092,351</u> |

See note 18 for further details on the security in respect of bank loans.

Maturity of debt:

Group

| | Loans and overdrafts 2022 £ | Finance leases 2022 £ | Loans and overdrafts 2021 £ | Finance leases 2021 £ |
|---|--------------------------------------|--------------------------------|--------------------------------------|--------------------------------|
| Due within one year, or on demand | 9,960,890 | 115,095 | 11,139,765 | 107,211 |
| Due in more than one year but less than two years | 418,215 | - | 211,003 | 54,335 |
| Due in more than two years but less than five years | 3,684,043 | - | 2,881,348 | 60,760 |
| | <u>14,063,148</u> | <u>115,095</u> | <u>14,232,116</u> | <u>222,306</u> |

Company

| | Loans and overdrafts 2022 £ | Loans and overdrafts 2021 £ |
|---|--------------------------------------|--------------------------------------|
| Due within one year, or on demand | 400,763 | 204,936 |
| Due in more than one year but less than two years | 418,215 | 211,003 |
| Due in more than two years but less than five years | 3,684,043 | 2,881,348 |
| | <u>4,503,021</u> | <u>3,297,287</u> |

Foray Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

20. Deferred taxation

Group

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| At beginning of year | 273,426 | 183,079 |
| (Credited)/ charged to the profit or loss | (19,273) | 90,347 |
| At end of year | 254,153 | 273,426 |

Company

| | 2022 £ | 2021 £ |
|-------------------------------|---------------|---------------|
| At beginning of year | 43,164 | 31,804 |
| Charged to the profit or loss | 1,080 | 11,360 |
| At end of year | 44,244 | 43,164 |

The provision for deferred taxation is made up as follows:

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|--------------------------------|--------------------|--------------------|----------------------|----------------------|
| Accelerated capital allowances | 260,553 | 279,100 | 44,244 | 43,164 |
| Other timing differences | (6,400) | (5,674) | - | - |
| | 254,153 | 273,426 | 44,244 | 43,164 |

21. Share capital

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Allotted, called up and fully paid | | |
| 675,000 (2021 - 675,000) Ordinary shares of £0.10 each | 67,500 | 67,500 |

Foray Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

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 2022 £ | Cash flows £ | Other non- cash changes £ | At 31 December 2022 £ |
|--------------------------|------------------------------|------------------|------------------------------------|--------------------------------|
| Cash at bank and in hand | 3,072,424 | 1,277,379 | - | 4,349,803 |
| Bank loans | (3,297,287) | (1,202,713) | (3,021) | (4,503,021) |
| Vehicle stocking loans | (10,934,829) | 1,374,702 | - | (9,560,127) |
| Finance leases | (222,306) | 113,287 | (6,076) | (115,095) |
| | <u>(11,381,998)</u> | <u>1,562,655</u> | <u>(9,097)</u> | <u>(9,828,440)</u> |

Other non-cash changes relate to interest accrued on bank loans and 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 £321,351 (2021 - £387,402). There were outstanding contributions totalling £61,535 (2021 - £54,769) at the end of the financial year.

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25. Commitments under operating leases

At 31 December 2022 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | Group 2022 £ | Group 2021 £ |
|--|--------------------|--------------------|
| Not later than 1 year | 595,332 | 925,263 |
| Later than 1 year and not later than 5 years | 1,224,777 | 2,506,467 |
| Later than 5 years | 2,411,400 | 5,618,300 |
| | <u>4,231,509</u> | <u>9,050,030</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 (2021 - £50,000) on one of its trading properties to the wife of a director and £57,000 (2021 - £57,000) to a pension scheme set up for certain directors and shareholders of the parent company.

During the year dividends totalling £Nil (2021 - £1,000,000) were paid to the shareholders, comprising a director and his family.

At the year end £368,333 (2021 - £Nil) was owed by a director. No interest was charged on the loan.

27. Controlling party

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