

**GROUP STRATEGIC REPORT, DIRECTOR'S REPORT AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
PETER WADDELL HOLDCO LIMITED**

THURSDAY



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31/12/2020
COMPANIES HOUSE

PETER WADDELL HOLDCO LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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PETER WADDELL HOLDCO LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTOR: P Waddell

REGISTERED OFFICE: The Showroom
Lakeside Services
Sturry Road
Canterbury
Kent
CT1 1DS

REGISTERED NUMBER: 10376605 (England and Wales)

AUDITOR: KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

PETER WADDELL HOLDCO LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The director presents his strategic report of the company and the group for the year ended 31 December 2019.

EXPLANATION OF THESE FINANCIAL STATEMENTS

The company was incorporated on 15 September 2016 and on 30 September 2016 issued shares to Peter Waddell, the sole shareholder, in exchange of his shareholdings in two quality used car dealers (Bapchild Motoring World (Kent) Limited and Canterbury Motoring World Limited) and three companies holding the various properties occupied by the car dealers.

As Peter Waddell held 100% of Canterbury Motoring World and two of the property companies, the acquisition of these companies has been accounted for as a merger. The company did not acquire all of the equity in Bapchild Motoring World (Kent) and the third property company, the acquisition of these entities have been accounted for at fair value.

During 2018 the group purchased shares in another property company, Whitecliff Dover Limited. The group didn't acquire all of the equity in this company, the acquisition of this entity has been accounted for at fair value.

The prior year consolidated results reflect a full period of subsidiary owned in previous years and the results of Whitecliff Dover from 1 November 2018.

The current year consolidated results reflect a full period of subsidiary owned in previous years.

REVIEW OF BUSINESS

The results for the year and the financial position at the year end were considered satisfactory by the directors, and have demonstrated that the considerable investment in expanding the group has been worth while.

The group's turnover has continued to grow and due to strong purchasing power at the auctions the business is able to provide competitively priced used motor vehicles.

The group continues to advertise heavily but effectively in order to create greater customer awareness of the company and broaden the location of its customer base.

The group success depends to an extent upon recruitment, development and retention of key staff and the level of staff within the group continues to increase. The group has meetings with staff to discuss the company's objectives and performance and for them to discuss their concerns and ideas for the business.

The group reviews monthly management accounts when analysing the progress of the business. Non-financial key performance indicators reviewed are staff and customer retention. This year has seen the retention of 64% of staff members who started the year as employees (2018: 66) this is viewed as acceptable by the board due to staff movement within the industry.

Turnover for the year was £298,948,360 (2018: £214,820,368), the business has continued to see an increase in the number of vehicles being sold each month resulting in increased sales. Business leads being supplied to our finance providers have remains consistent so the business has been able to arrange deals that result in an steady level of finance commission being earned. As a result in this period commission received totalled £10,498,924 (2018: £6,897,409).

Gross profit has decreased in the financial year to 7.58% (2018: 7.7%)

PETER WADDELL HOLDCO LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

PRINCIPAL RISKS AND UNCERTAINTIES

Liquidity risk

This company closely monitors its bank overdraft, loans and other credit facilities in comparison to its outstanding commitments to ensure that it has sufficient funds to meet its obligations as they fall due. The company's objective is to maintain a balance between the continuity of funding and flexibility through the use of bank overdrafts, loans and other credit facilities.

Interest rate risk

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

Credit risk

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating approved criteria by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary

Brexit.

The board have review the impact of various scenarios on the sale process, supply chain and labour mobility. It's been found that each scenario will have a minimal effect to the business. The findings are reviewed and updated as and when more information regarding Brexit becomes available.

PETER WADDELL HOLDCO LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

FUTURE DEVELOPMENTS

2019 was a pivotal year for the business. During a year of increasing volumes and profits, the company delivered on plans for expansion beyond its Kent base with new sales sites opening in Enfield and Stratford, and a preparation facility in Peterborough. The preparation facility is unrivalled in scale and technology, and is key to optimizing the current sales sites, as well as supporting the acquisition and development of further new sites in line with the Shareholders plans for the continued growth of the business.

At the time of writing, the shareholders take a measured view of the impact on trading activity and the growth plan in the short term. There is no doubt that the economy will be adversely affected by the pandemic, which for many, will see financial hardship with the concomitant effects on spending and financial commitments.

However, there are reasons for optimism.

During the lockdown, the business succeeded in driving online sales to mitigate the loss of the physical showroom traffic, and this offers a lasting benefit insofar as it boosts the online volume and extends the geographic reach of the business.

Following the period of lowdown, there was be a period of pent up demand for used cars, which will be driven by the millions of UK furloughed workers whose financial position has been supported by the Government, Banks, and Credit Card Companies. Foreign travel will continue to be severely limited, and so for many, the annual holiday expenditure will be reallocated or deferred.

The pandemic will realign commuting for many, with the daily grind on buses, tubes and trains being replaced for those that need to commute, with car journeys which will provide a relatively comfortable, hygienic, personal alternative to a crowded and often unreliable public transport system.

Operating and sales structures have been revisited and revised to align with initially more muted demand, but with the ability to scale up when trading activity returns to a new normal or pre pandemic levels.

Whilst there may be challenges ahead, the business is thankful for the support of fenders, suppliers, employees, and customers. It has the liquidity and profitability to enable it to meet the current business challenges head on, beyond which the objective remains to continue to grow and thrive for the benefit of all.

SECTION 172(1) STATEMENT

The directors of the company consider that they have acted in the way they consider would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2019. As a privately owned and managed business, the Directors' and Shareholders' interests are by default linked as the company is controlled by one of the directors.

The development of the business in 2019 could not have taken place without the support of its bankers and funders, suppliers and employees to deliver increased trading which ultimately all parties will benefit from. The interests of the external parties are self-evident but the for employees, the expansion has been an exceptional opportunity for personal growth and development with many promoted or relocating to the new sites. The new sites required significant investment breathing life into mothballed or even derelict premises, creating new employment and attracting retail customers to otherwise vacant premises, with the concomitant boost for that local economy.

ON BEHALF OF THE BOARD:



Director

9th December 2020

PETER WADDELL HOLDCO LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity continues to be that of a quality used car sales showroom. During the year the business also provided workshop and body repair services.

The company continued to trade from the existing locations in Bluebell Hill, West Malling, Snodland and Canterbury, along with the additional new sites based in Enfield and Stratford. The business continues to obtain a greater share of the market place for the sale of quality used vehicles.

The group's property rental and investment portfolio continued to grow during the period with investment properties being purchased in Rochester and Dover.

DIVIDENDS

The total distribution of interim dividends for the period ended 31 December was £122,000 (December 2018: £5,000)

DIRECTOR

P Waddell held office during the whole of the period from 1 January 2019 to the date of this report.

POLITICAL DONATIONS AND EXPENDITURE

There were no political donations were made during the year.

EMPLOYEES

The group has a policy of offering equal opportunities to employees at all levels in respect of the conditions of work.

The group recognises the importance of a well training and adaptable work force at all levels. In connection with this, resources are directed to training and development so as to enhance the effectiveness of the people in the business.

Consultation and meetings, formal or otherwise, are held with all levels of employees to discuss problems and opportunities.

DISCLOSURE IN THE STRATEGIC REPORT

The following items normally included in this report have been disclosed in the Strategic Report.

Review of Business

Future Developments

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditor is unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

ON BEHALF OF THE BOARD:



P Waddell - Director

9th December 2020

PETER WADDELL HOLDCO LIMITED

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 group and parent company and of the groups profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PETER WADDELL HOLDCO LIMITED**

Opinion

We have audited the financial statements of Peter Waddell Holdco Limited ("the company") for the year ended 31 December 2019 which comprise the consolidated statement of comprehensive income, consolidated and company balance sheets, consolidated and company statements of changes in equity, the consolidated cash flow statement and related notes, including the accounting policies in note 2.

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 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PETER WADDELL HOLDCO LIMITED**

- 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.
The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Sheppard (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Date: 10 December 2020

PETER WADDELL HOLDCO LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	31/12/19 £	31/12/18 £
TURNOVER	3	298,948,360	214,820,368
Cost of sales		<u>(276,350,889)</u>	<u>(198,374,182)</u>
GROSS PROFIT		22,597,471	16,446,186
Administrative expenses		<u>(15,418,885)</u>	<u>(12,031,029)</u>
		7,178,586	4,415,157
Other operating income	4	<u>1,346,056</u>	<u>122,916</u>
OPERATING PROFIT	6	8,524,642	4,538,073
Income from fixed asset investments		-	19,227
Interest receivable and similar income		7,500	388
Interest payable and similar expenses	7	<u>(527,761)</u>	<u>(225,702)</u>
PROFIT BEFORE TAXATION		8,004,381	4,331,986
Tax on profit	8	<u>(2,389,388)</u>	<u>(1,839,720)</u>
PROFIT FOR THE FINANCIAL YEAR		5,614,993	2,492,266
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>5,614,993</u>	<u>2,492,266</u>
Profit attributable to:			
Owners of the parent		2,587,912	427,532
Non-controlling interests		<u>3,027,081</u>	<u>2,064,734</u>
		<u>5,614,993</u>	<u>2,492,266</u>
Total comprehensive income attributable to:			
Owners of the parent		2,587,912	427,532
Non-controlling interests		<u>3,027,081</u>	<u>2,064,734</u>
		<u>5,614,993</u>	<u>2,492,266</u>

The notes form part of these financial statements

PETER WADDELL HOLDCO LIMITED (REGISTERED NUMBER: 10376605)

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2019**

	Notes	31/12/19 £	31/12/18 £
FIXED ASSETS			
Intangible assets	11	31,592,431	36,302,030
Tangible assets	12	30,742,583	17,512,335
Investments	13	-	-
Investment property	14	<u>5,538,976</u>	<u>2,785,000</u>
		<u>67,873,990</u>	<u>56,599,365</u>
CURRENT ASSETS			
Stocks	15	41,014,687	29,152,316
Debtors	16	6,072,098	3,087,094
Cash at bank and in hand		<u>10,202,745</u>	<u>7,893,762</u>
		57,289,530	40,133,172
CREDITORS			
Amounts falling due within one year	17	<u>(51,618,222)</u>	<u>(25,814,701)</u>
NET CURRENT ASSETS		<u>5,671,308</u>	<u>14,318,471</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		73,545,298	70,917,836
CREDITORS			
Amounts falling due after more than one year	18	(414,316)	(526,465)
PROVISIONS FOR LIABILITIES	21	<u>(1,611,698)</u>	<u>(1,048,080)</u>
NET ASSETS		<u>71,519,284</u>	<u>69,343,291</u>
CAPITAL AND RESERVES			
Called up share capital	22	1,000,000	1,000,000
Share premium	23	56,099,192	56,099,192
Merger reserve	23	2,584,941	2,584,941
Retained earnings	23	<u>4,373,655</u>	<u>1,907,743</u>
SHAREHOLDERS' FUNDS		64,057,788	61,591,876
NON-CONTROLLING INTERESTS		<u>7,461,496</u>	<u>7,751,415</u>
TOTAL EQUITY		<u>71,519,284</u>	<u>69,343,291</u>

The financial statements were approved by the director on 9th December 2020 and were signed by:



P Waddell - Director

The notes form part of these financial statements

PETER WADDELL HOLDCO LIMITED (REGISTERED NUMBER: 10376605)

**COMPANY BALANCE SHEET
31 DECEMBER 2019**

	Notes	31/12/19 £	31/12/18 £
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	-	-
Investments	13	58,305,341	58,305,341
Investment property	14	348,215	-
		<u>58,653,556</u>	<u>58,305,341</u>
CURRENT ASSETS			
Debtors	16	15,865,714	4,135,251
Cash at bank and in hand		93,136	1,155,751
		15,958,850	5,291,002
CREDITORS			
Amounts falling due within one year	17	(8,445,514)	(1,510,434)
NET CURRENT ASSETS		<u>7,513,336</u>	<u>3,780,568</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>66,166,892</u>	<u>62,085,909</u>
CAPITAL AND RESERVES			
Called up share capital	22	1,000,000	1,000,000
Share premium	23	56,099,192	56,099,192
Merger reserve	23	2,584,941	2,584,941
Retained earnings	23	6,482,759	2,401,776
SHAREHOLDERS' FUNDS		<u>66,166,892</u>	<u>62,085,909</u>
 Company's profit for the financial year		 <u>4,202,983</u>	 <u>1,373,232</u>

The financial statements were approved by the director on 9th December 2020 and were signed by:



P Waddell - Director

The notes form part of these financial statements

PETER WADDELL HOLDCO LIMITED

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

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2018	1,000,000	1,485,211	56,099,192
Profit for the year	-	427,532	-
Total comprehensive income	-	427,532	-
Dividends	-	(5,000)	-
Non-controlling interest arising on business combination	1,000,000	1,907,743	56,099,192
	-	-	-
Balance at 31 December 2018	1,000,000	1,907,743	56,099,192
Profit for the year	-	2,587,912	-
Total comprehensive income	-	2,587,912	-
Dividends	-	(122,000)	-
Balance at 31 December 2019	1,000,000	4,373,655	56,099,192

	Merger reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2018	2,584,941	61,169,344	5,450,200	66,619,544
Profit for the year	-	427,532	2,064,734	2,492,266
Total comprehensive income	-	427,532	2,064,734	2,492,266
Dividends	-	(5,000)	(521,552)	(526,552)
Non-controlling interest arising on business combination	2,584,941	61,591,876	6,993,382	68,585,258
	-	-	758,033	758,033
Balance at 31 December 2018	2,584,941	61,591,876	7,751,415	69,343,291
Profit for the year	-	2,587,912	3,027,081	5,614,993
Total comprehensive income	-	2,587,912	3,027,081	5,614,993
Dividends	-	(122,000)	(3,317,000)	(3,439,000)
Balance at 31 December 2019	2,584,941	64,057,788	7,461,496	71,519,284

The notes form part of these financial statements

PETER WADDELL HOLDCO LIMITED

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

	Called up share capital £	Retained earnings £	Share premium £	Merger reserve £	Total equity £
Balance at 1 January 2018	1,000,000	1,033,544	56,099,192	2,584,941	60,717,677
Profit for the year	-	<u>1,373,232</u>	-	-	<u>1,373,232</u>
Total comprehensive income	-	1,373,232	-	-	1,373,232
Dividends	-	<u>(5,000)</u>	-	-	<u>(5,000)</u>
Balance at 31 December 2018	<u>1,000,000</u>	<u>2,401,776</u>	<u>56,099,192</u>	<u>2,584,941</u>	<u>62,085,909</u>
Profit for the year	-	<u>4,202,983</u>	-	-	<u>4,202,983</u>
Total comprehensive income	-	4,202,983	-	-	4,202,983
Dividends	-	<u>(122,000)</u>	-	-	<u>(122,000)</u>
Balance at 31 December 2019	<u><u>1,000,000</u></u>	<u><u>6,482,759</u></u>	<u><u>56,099,192</u></u>	<u><u>2,584,941</u></u>	<u><u>66,166,892</u></u>

The notes form part of these financial statements

PETER WADDELL HOLDCO LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31/12/19 £	31/12/18 £
Cash flows from operating activities			
Cash generated from operations	1	(183,796)	6,425,485
Interest paid		(527,761)	(225,702)
Tax paid		<u>(2,438,055)</u>	<u>(1,566,834)</u>
Net cash from operating activities		<u>(3,149,612)</u>	<u>4,632,949</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(14,427,658)	(4,610,624)
Purchase of investment property		(2,018,976)	-
Sale of tangible fixed assets		152,986	942,942
Sale of fixed asset investments		-	100
Purchase of subsidiary		-	(705,423)
Interest received		7,500	388
Dividends received		<u>-</u>	<u>19,227</u>
Net cash from investing activities		<u>(16,286,148)</u>	<u>(4,353,390)</u>
Cash flows from financing activities			
New loans in year		24,362,072	4,059,718
Loan repayments in year		(4,907,475)	(344,274)
Amount introduced by directors		5,804,762	-
Amount withdrawn by directors		(75,616)	(8,791,522)
Dividends paid		(122,000)	(5,000)
Dividends paid to minority interests		<u>(3,317,000)</u>	<u>(521,552)</u>
Net cash from financing activities		<u>21,744,743</u>	<u>(5,602,630)</u>
Increase/(decrease) in cash and cash equivalents		<u>2,308,983</u>	<u>(5,323,071)</u>
Cash and cash equivalents at beginning of year	2	<u>7,893,762</u>	<u>13,216,833</u>
Cash and cash equivalents at end of year	2	<u><u>10,202,745</u></u>	<u><u>7,893,762</u></u>

The notes form part of these financial statements

PETER WADDELL HOLDCO LIMITED

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

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

	31/12/19	31/12/18
	£	£
Profit before taxation	8,004,381	4,331,986
Profit on disposal of fixed assets	(29,994)	(133,225)
Gain on revaluation of fixed assets	(735,000)	-
Depreciation and impairment charges	5,784,018	5,681,313
Finance costs	527,761	225,702
Finance income	<u>(7,500)</u>	<u>(19,615)</u>
	13,543,666	10,086,161
Increase in stocks	(11,862,371)	(4,849,730)
Increase in trade and other debtors	(2,984,662)	(1,301,945)
Increase in trade and other creditors	<u>1,119,571</u>	<u>2,490,999</u>
Cash generated from operations	<u><u>(183,796)</u></u>	<u><u>6,425,485</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2019

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	<u>10,202,745</u>	<u>7,893,762</u>

Year ended 31 December 2018

	31/12/18	1/1/18
	£	£
Cash and cash equivalents	<u>7,893,762</u>	<u>13,216,833</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/19	Cash flow	At 31/12/19
	£	£	£
Net cash			
Cash at bank and in hand	<u>7,893,762</u>	<u>2,308,983</u>	<u>10,202,745</u>
	<u>7,893,762</u>	<u>2,308,983</u>	<u>10,202,745</u>
Debt			
Debts falling due within 1 year	(15,447,103)	(19,566,747)	(35,013,850)
Debts falling due after 1 year	<u>(526,465)</u>	<u>112,149</u>	<u>(414,316)</u>
	<u>(15,973,568)</u>	<u>(19,454,598)</u>	<u>(35,428,166)</u>
Total	<u><u>(8,079,806)</u></u>	<u><u>(17,145,615)</u></u>	<u><u>(25,225,421)</u></u>

The notes form part of these financial statements

PETER WADDELL HOLDCO LIMITED

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

1. STATUTORY INFORMATION

Peter Waddell Holdco Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The company was incorporated on 15 September 2016 and on 30 September 2016 issued shares to Peter Waddell, the sole shareholder, in exchange of his shareholdings in two quality used car dealers (Bapchild Motoring World (Kent) Limited and Canterbury Motoring World Limited) and three companies holding the various properties occupied by the car dealers.

As Peter Waddell held 100% of Canterbury Motoring World and two of the property companies, the acquisition of these companies has been accounted for as a merger. The company did not acquire all of the equity in Bapchild Motoring World (Kent) and the third property company, the acquisition of these entities have been accounted for at fair value.

During 2018 the group purchased shares in another property company, Whitecliff Dover Limited. The group didn't acquire all of the equity in this company, the acquisition of this entity has been accounted for at fair value.

The prior period consolidated results (prepared to 31 December 2018) reflect a full period of subsidiary owned in previous years and the results of Whitecliff Dover from 1 November 2018..

The current period consolidated results (prepared to 31 December 2019) reflect a full period of subsidiary owned in previous years.

Going Concern

The financial statements are prepared on a going concern basis which the director believes to be appropriate for the following reasons. At the balance sheet date the group had net assets of £71.6m, net current assets of £5.7m and cash balances of £10.2m. The group meets its day to day working capital requirements through a stock financing facility of £30m of which £27.6m was owed at 31 December 2019. The stock financing facility is secured on the vehicle stock. The group's investment property activities have cashflows that are not material to the group, with external rents covering the operating and financing costs.

As a result of the outbreak of COVID-19 the group was forced to temporarily close its vehicle sales sites and took immediate steps to reduce operating costs to only those essential to maintain the company's currently limited operations. Despite this the group continued to generate revenue and cashflow through online sales. Since the sites were reopened in June 2020, the business has enjoyed record volumes and turnover, exceeding the levels achieved in January and February 2020, the last two full months of trading before lockdown.

Since the year end the group has secured additional credit facilities, comprising a new £5m overdraft facility and an increase in the stock financing facility to £50m of stock financing on broadly similar financial terms to the existing £30m facility. This is designed to provide additional financing capacity to support the projected growth of the vehicle business into 2021.

The directors have prepared projected cash flow information for the period through to 31 December 2021, being more than twelve months from the date of their approval of these financial statements, reflecting their latest view of the used car market and the speed of its recovery. On the basis of this cash flow information, the directors consider that the group will continue to operate within its new facilities. The directors have also forecast a severe but plausible downside scenario in which it is forced to close its sales sites for a further two months, based largely on the group's experience earlier in 2020. Even in this scenario, the directors believe they will operate within the new facilities. Although the tenants occupying the group's investment properties have continued to pay rents as normal, if there were delays in receiving future rental income this would not materially impact the group's cashflow.

Consequently, the Director is confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

PETER WADDELL HOLDCO LIMITED

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

2. ACCOUNTING POLICIES - continued

Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

All the Group companies have 31 December as their year-end. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Groups accounting policies.

Accounting estimates and judgements

The preparation of the financial statements requires management to make estimates that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Stock valuation has been adjusted to take into account vehicles sold at a reduced value after the balance sheet date. This has been based on time in stock and trends identified during the year.

Turnover

Turnover is measured at the fair value of the consideration received and represents amounts receivable for the sale of vehicles and accessories, the provision of workshop services or finance arrangement commission, excluding value added tax.

Turnover is recognised upon delivery of the vehicle to the customer, which only occurs once full payment or evidence of full payment has been received or upon completion of the car services being provided and payment being received in full.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2017, is being amortised evenly over its estimated useful life of ten years.

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered.

PETER WADDELL HOLDCO LIMITED

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Freehold property	- 2% on cost, in accordance with the property lease and not provided
Long leasehold	- in accordance with the property lease
Helicopter	- 10% on cost
Plant and machinery	- 25% on cost and 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance, 25% on cost and 20% on cost
Motor vehicles	- 50% on cost, 33% on cost and 25% on cost
Computer equipment	- 33% on cost

Freehold property includes a residential property that is occupied by an employee of the business. The business intends to ensure that moving forward the carrying amount does not differ materially from those that would be determined as its fair value at the accounting year end.

Any revaluation increase in the carrying amount of the freehold property will be recognised in other comprehensive income and included in a revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit and loss, in which case the increase is credited to the profit and loss. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve in equity, decreases that exceed the revaluation reserve are recognised in the profit and loss.

All other property, plant and machinery are carried at cost less accumulated depreciation and accumulated impairment losses.

On disposal the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in the profit and loss.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

PETER WADDELL HOLDCO LIMITED

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

2. ACCOUNTING POLICIES - continued

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Provisions

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

PETER WADDELL HOLDCO LIMITED

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

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	31/12/19	31/12/18
	£	£
Vehicle sales	277,884,941	201,354,784
Finance Commission	10,498,924	6,897,409
Warranty Sales	<u>10,564,495</u>	<u>6,568,175</u>
	<u>298,948,360</u>	<u>214,820,368</u>

4. OTHER OPERATING INCOME

	31/12/19	31/12/18
	£	£
Rents received	501,972	77,688
Sundry receipts	744	-
Other income	108,340	45,228
Gain/loss on revaluation of assets	<u>735,000</u>	<u>-</u>
	<u>1,346,056</u>	<u>122,916</u>

5. EMPLOYEES AND DIRECTORS

	31/12/19	31/12/18
	£	£
Wages and salaries	10,265,053	7,086,135
Social security costs	971,909	671,133
Other pension costs	<u>121,316</u>	<u>54,805</u>
	<u>11,358,278</u>	<u>7,812,073</u>

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

	31/12/19	31/12/18
Sales	120	66
Service centre	113	68
Call centre	20	19
Administration	<u>105</u>	<u>95</u>
	<u>358</u>	<u>248</u>

	31/12/19	31/12/18
	£	£
Director's remuneration	623,000	602,939
Director's pension contributions to money purchase schemes	<u>678</u>	<u>38</u>

Information regarding the highest paid director is as follows:

	31/12/19	31/12/18
	£	£
Emoluments etc	<u>600,000</u>	<u>600,000</u>

PETER WADDELL HOLDCO LIMITED

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

6. OPERATING PROFIT

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

	31/12/19	31/12/18
	£	£
Other operating leases	468,479	1,043,442
Depreciation - owned assets	1,074,418	735,828
Profit on disposal of fixed assets	(29,994)	(133,225)
Goodwill amortisation	4,725,774	4,725,775
Negative Goodwill amortisation	(35,060)	-
Computer software amortisation	18,885	18,884
Auditors' remuneration	59,975	64,000
Other services relating to taxation	10,275	15,500
Foreign exchange differences	<u>25,101</u>	<u>-</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/12/19	31/12/18
	£	£
Bank loan interest	162,165	-
Mortgage interest	36,911	6,845
Stocking loan interest	328,562	216,638
Interest payable	<u>123</u>	<u>2,219</u>
	<u>527,761</u>	<u>225,702</u>

8. TAXATION

Analysis of the tax charge

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

	31/12/19	31/12/18
	£	£
Current tax:		
UK corporation tax	2,239,088	1,805,384
Prior period tax adjustment	<u>(14,335)</u>	<u>4,484</u>
Total current tax	2,224,753	1,809,868
Deferred tax	<u>164,635</u>	<u>29,852</u>
Tax on profit	<u>2,389,388</u>	<u>1,839,720</u>

UK corporation tax has been charged at 19%.

PETER WADDELL HOLDCO LIMITED

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

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31/12/19 £	31/12/18 £
Profit before tax	<u>8,004,381</u>	<u>4,331,986</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,520,832	823,077
Effects of:		
Expenses not deductible for tax purposes	759,814	921,910
Adjustments to tax charge in respect of previous periods	(14,335)	4,483
Other timing difference for which no deferred was provided	<u>123,077</u>	<u>90,250</u>
Total tax charge	<u>2,389,388</u>	<u>1,839,720</u>

9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

	31/12/19 £	31/12/18 £
Ordinary shares of £1 each		
Interim	<u>122,000</u>	<u>5,000</u>

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Negative Goodwill £	Computer software £	Totals £
COST				
At 1 January 2019 and 31 December 2019	<u>47,257,741</u>	<u>(350,594)</u>	<u>56,652</u>	<u>46,963,799</u>
AMORTISATION				
At 1 January 2019	10,632,992	(5,843)	34,620	10,661,769
Amortisation for year	<u>4,725,774</u>	<u>(35,060)</u>	<u>18,885</u>	<u>4,709,599</u>
At 31 December 2019	<u>15,358,766</u>	<u>(40,903)</u>	<u>53,505</u>	<u>15,371,368</u>
NET BOOK VALUE				
At 31 December 2019	<u>31,898,975</u>	<u>(309,691)</u>	<u>3,147</u>	<u>31,592,431</u>
At 31 December 2018	<u>36,624,749</u>	<u>(344,751)</u>	<u>22,032</u>	<u>36,302,030</u>

Negative goodwill arose on the acquisition of Whitecliff Dover Limited in 2018 and has been recognised in the Group's balance sheet and is being released to the profit and loss account commensurately with the recovery of the non-monetary assets acquired, whether through depreciation or sale.

PETER WADDELL HOLDCO LIMITED

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

12. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Asset under construction £	Long leasehold £	Helicopter £
COST				
At 1 January 2019	13,224,000	78,719	651,861	2,377,407
Additions	6,485,060	6,278,996	158,412	-
Disposals	(2,000)	-	-	-
Reclassification/transfer	-	(118,327)	108,602	-
At 31 December 2019	<u>19,707,060</u>	<u>6,239,388</u>	<u>918,875</u>	<u>2,377,407</u>
DEPRECIATION				
At 1 January 2019	128,114	-	70,118	112,741
Charge for year	155,611	-	109,549	112,741
Eliminated on disposal	-	-	-	-
At 31 December 2019	<u>283,725</u>	<u>-</u>	<u>179,667</u>	<u>225,482</u>
NET BOOK VALUE				
At 31 December 2019	<u>19,423,335</u>	<u>6,239,388</u>	<u>739,208</u>	<u>2,151,925</u>
At 31 December 2018	<u>13,095,886</u>	<u>78,719</u>	<u>581,743</u>	<u>2,264,666</u>

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2019	739,013	671,237	620,896	259,255	18,622,388
Additions	473,851	97,514	638,568	295,257	14,427,658
Disposals	-	-	(199,538)	-	(201,538)
Reclassification/transfer	<u>9,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2019	<u>1,222,589</u>	<u>768,751</u>	<u>1,059,926</u>	<u>554,512</u>	<u>32,848,508</u>
DEPRECIATION					
At 1 January 2019	274,933	245,106	182,531	96,510	1,110,053
Charge for year	167,149	170,777	253,928	104,663	1,074,418
Eliminated on disposal	-	-	(78,546)	-	(78,546)
At 31 December 2019	<u>442,082</u>	<u>415,883</u>	<u>357,913</u>	<u>201,173</u>	<u>2,105,925</u>
NET BOOK VALUE					
At 31 December 2019	<u>780,507</u>	<u>352,868</u>	<u>702,013</u>	<u>353,339</u>	<u>30,742,583</u>
At 31 December 2018	<u>464,080</u>	<u>426,131</u>	<u>438,365</u>	<u>162,745</u>	<u>17,512,335</u>

PETER WADDELL HOLDCO LIMITED

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

13. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 January 2019
and 31 December 2019

58,305,341

NET BOOK VALUE

At 31 December 2019

58,305,341

At 31 December 2018

58,305,341

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Peters Properties Kent Limited Company Number: 08245508

Registered office: The Showroom, Lakeside Services, Sturry Road, Canterbury CT1 1DS

Nature of business: Investment Property

Class of shares:	%
Ordinary	holding 100.00

The subsidiary undertaking is exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary company under Section 479C of the Act.

Bapchild Motoring World Limited

Registered office: The Showroom, Lakeside Services, Sturry Road, Canterbury CT1 1DS

Nature of business: Investment Property

Class of shares:	%
Ordinary	holding 50.00

The subsidiary undertaking is exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary company under Section 479C of the Act.

Bapchild Motoring World (UK) Limited

Registered office: The Showroom, Lakeside Services, Sturry Road, Canterbury CT1 1DS

Nature of business: Investment Property

Class of shares:	%
Ordinary	holding 100.00

The subsidiary undertaking is exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary company under Section 479C of the Act.

PETER WADDELL HOLDCO LIMITED

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

13. FIXED ASSET INVESTMENTS - continued

Canterbury Motoring World Limited

Registered office: The Showroom, Lakeside Services, Sturry Road, Canterbury CT1 1DS

Nature of business: Used Car Sales

	%
Class of shares:	holding
Ordinary	100.00

The subsidiary undertaking is exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary company under Section 479C of the Act.

Bapchild Motoring World (Kent) Limited

Registered office: The Showroom, Lakeside Services, Sturry Road, Canterbury CT1 1DS

Nature of business: Used Car Sales

	%
Class of shares:	holding
Ordinary	68.00

Whitecliff Dover Limited

Registered office: The Showroom, Lakeside Services, Sturry Road, Canterbury CT1 1DS

Nature of business: Investment Property

	%
Class of shares:	holding
Ordinary	59.00

The subsidiary undertaking is exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary company under Section 479C of the Act.

14. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 January 2019	2,785,000
Additions	2,018,976
Revaluations	<u>735,000</u>
At 31 December 2019	<u>5,538,976</u>
NET BOOK VALUE	
At 31 December 2019	<u>5,538,976</u>
At 31 December 2018	<u>2,785,000</u>

Fair value at 31 December 2019 is represented by:

	£
Valuation in 2019	3,340,000
Cost	<u>2,198,976</u>
	<u>5,538,976</u>

PETER WADDELL HOLDCO LIMITED

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

14. INVESTMENT PROPERTY - continued

Company	Total £
FAIR VALUE	
Additions	<u>348,215</u>
At 31 December 2019	<u>348,215</u>
NET BOOK VALUE	
At 31 December 2019	<u>348,215</u>

15. STOCKS

	Group	
	31/12/19 £	31/12/18 £
Parts stock	306,241	349,024
Vehicle stock	<u>40,708,446</u>	<u>28,803,292</u>
	<u>41,014,687</u>	<u>29,152,316</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31/12/19 £	31/12/18 £	31/12/19 £	31/12/18 £
Trade debtors	1,143,417	704,564	-	-
Amounts owed by group undertakings	-	-	13,667,167	4,100,552
Other debtors	3,356,012	1,534,010	2,198,547	34,699
Prepayments and accrued income	<u>1,572,669</u>	<u>848,520</u>	-	-
	<u>6,072,098</u>	<u>3,087,094</u>	<u>15,865,714</u>	<u>4,135,251</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31/12/19 £	31/12/18 £	31/12/19 £	31/12/18 £
Bank loans and overdrafts (see note 19)	5,236,691	112,287	-	-
Other loans (see note 19)	29,777,159	15,334,816	-	-
Trade creditors	4,950,450	6,182,874	-	-
Tax	-	-	23,014	40,434
Tax and social security	1,714,196	1,313,774	-	-
Other creditors	1,370,401	322,127	1,122,500	-
Directors' current accounts	7,544,384	1,815,238	7,300,000	1,470,000
Accruals and deferred income	310,894	192,480	-	-
Accrued expenses	<u>714,047</u>	<u>541,105</u>	-	-
	<u>51,618,222</u>	<u>25,814,701</u>	<u>8,445,514</u>	<u>1,510,434</u>

PETER WADDELL HOLDCO LIMITED

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

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

	Group	
	31/12/19	31/12/18
	£	£
Bank loans (see note 19)	<u>414,316</u>	<u>526,465</u>

19. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31/12/19	31/12/18
	£	£
Amounts falling due within one year or on demand:		
Bank loans	5,236,691	112,287
Stocking loan	27,642,172	14,000,000
Advance commission	<u>2,134,987</u>	<u>1,334,816</u>
	<u>35,013,850</u>	<u>15,447,103</u>

Amounts falling due between one and two years:

Bank loans - 1-2 years	<u>414,316</u>	<u>526,465</u>
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The bank loans and overdrafts as shown above are secured by a fixed and floating charge over the assets of the company along with guarantees provided by Mr P Waddell, the shareholder.

Included in other loans is a stocking loan of £27,642,172 from Blackhorse Ltd which is secured by a personal guarantee of the majority shareholder, along with a charge over Peters Properties Kent Ltd. This loan is repayable upon demand.

20. FINANCIAL INSTRUMENTS

The company only enters into basic financial instrument 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.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, for example trade receivables and payables are measured initially and subsequently at the undiscounted amount of cash expected to be paid or received.

Financial assets that are measured at cost and amortised costs are assessed at the end of each reporting period for objective evidence of impairment. If impairment is found an impairment loss would be recognised in the profit and loss.

	Group		Company	
	31.12.19	31.12.18	31.12.19	31.12.18
Assets measured at amortised cost	-	-	58,305,341	58,305,341
Assets measured at cost less impairment	30,742,583	17,512,335	74,519,270	62,440,591
Liabilities measured at amortised costs	51,618,222	25,814,701	8,445,514	1,510,434

PETER WADDELL HOLDCO LIMITED

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

21. PROVISIONS FOR LIABILITIES

	Group	
	31/12/19	31/12/18
	£	£
Deferred tax	<u>655,005</u>	<u>490,370</u>
Other provisions		
Warranty provision	<u>956,693</u>	<u>557,710</u>
Aggregate amounts	<u>1,611,698</u>	<u>1,048,080</u>
Group		
		Deferred tax
		£
Balance at 1 January 2019		490,370
Provided during year		<u>164,635</u>
Balance at 31 December 2019		<u>655,005</u>

During the period, an expense was estimated and recognised to cover future liabilities that related to Warranty sales that existed at the balance sheet date.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31/12/19	31/12/18
		£1	£	£
1,000,000	Ordinary		<u>1,000,000</u>	<u>1,000,000</u>

23. RESERVES

Group	Retained earnings	Share premium	Merger reserve	Totals
	£	£	£	£
At 1 January 2019	1,907,743	56,099,192	2,584,941	60,591,876
Profit for the year	2,587,912			2,587,912
Dividends	<u>(122,000)</u>			<u>(122,000)</u>
At 31 December 2019	<u>4,373,655</u>	<u>56,099,192</u>	<u>2,584,941</u>	<u>63,057,788</u>

PETER WADDELL HOLDCO LIMITED

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

23. RESERVES - continued

Company	Retained earnings £	Share premium £	Merger reserve £	Totals £
At 1 January 2019	2,401,776	56,099,192	2,584,941	61,085,909
Profit for the year	4,202,983			4,202,983
Dividends	<u>(122,000)</u>	<u></u>	<u></u>	<u>(122,000)</u>
At 31 December 2019	<u>6,482,759</u>	<u>56,099,192</u>	<u>2,584,941</u>	<u>65,166,892</u>

24. RELATED PARTY DISCLOSURES

Entities over which the entity has control, joint control or significant influence

Peter Waddell Pension Scheme (Rowanmoor Trustees Limited)

A company directors independent pension scheme.

During the period £62,650 of rent was charged to the company.

Key management personnel of the entity or its parent (in the aggregate)

Directors remuneration of £600,000 was paid during the period.

Peter Waddell

A company director and shareholder.

During the period sold privately owned motor vehicles to the company on an arms length basis. The total amount relating to this transaction was paid to Mr Waddell before the balance sheet date.

At the balance sheet date £244,384 was due to P Waddell from Bapchild Motoring World (Kent) Limited

PETER WADDELL HOLDCO LIMITED

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

Other related parties

Company

Canterbury Motoring World Limited

During year no additional loans were made to the company (Dec 2018: £209,131), interest charge for the period was £50,000 (Dec 2018: £61,933).

£1,000,000 was outstanding at the balance sheet date (Dec 2018: £1,000,000).

Dividends paid to Peter Waddell Holdco Ltd in the year totalled £10,000 (Dec 2018: Nil)

Bapchild Motoring World (Kent) Limited

During the year loans were made to the company totalling £11,360,000 (Dec 2018: Nil), interest charge for the year was £363,723 (Dec 2018: £1513,563).

£7,669,615 of the loan was outstanding at the balance sheet date (Dec 2018: £3,099,000).

Dividends due to Peter Waddell Holdco Ltd in the year £192,000 (Dec 2018: £1,105,000).

Bapchild Motoring World (Kent) Limited

Dividends paid to Peter Waddell Holdco Ltd in the year totalled £3,698,000 (Dec 2018: Nil)

Peters Properties Kent Limited

During the year interest free loans were made to the company totalling £4,748,000 (Dec 2018: Nil).

£4,958,000 of the loan was outstanding at the balance sheet date (Dec 2018: Nil).

Peter Waddell

During the year additional loans totalling £6,000,000 were made by P Waddell, the company director (Dec 2018: Nil) interest paid for the year was £92,049 (Dec 2018: nil).

£7,300,000 of the loan was outstanding at the balance sheet date (Dec 2018: £1,470,000).

Dividends paid to P Waddell during the year totalled £122,000 (Dec 2018: £5,000)

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr P Waddell.