COMPANY REGISTRATION NUMBER: 05159037

PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

28 February 2022

PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

Year ended 28 February 2022

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PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Director	Mr R C Pugsley
Company secretary	Mr R J Evans
Registered office	281 Penarth Road Cardiff CF11 8YZ
Auditor	Kilsby & Williams LLP Chartered Accountants & statutory auditor Cedar House Hazell Drive Newport NP10 8FY

PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED
STRATEGIC REPORT
Year ended 28 February 2022

The results for the year are shown in the profit and loss account on page 9 and show consolidated profit before tax for the financial year of £1,841,565 (2021: loss £509,692). Business review Sawmill During the year under review the sawmill continued to experience increased competitiveness in the marketplace. Raw material prices have continued to increase and these have been more fully reflected in the selling prices. This has resulted in an overall improvement in gross margins. The industrial estate at Gledrid has produced a rental income of £97,519 in the financial year (2021: £97,380) and continues to be fully let. Dealership This review includes the final full year of operating the Volvo car franchise. For both Volvo and Ford supply chain issues have severely limited the number of new vehicles that they have been able to supply this has affected all vehicle types but has been particularly evident in the electric vehicle market. Vehicle cost and a lack of an adequate charging infrastructure continues to be a drag on sales growth. Volumes at the Transit commercial vehicle franchise continues to improve in both vehicle sales and servicing. Strategy and future prospects The sawmill sources its main raw material products from the forests that are relatively close to its main operating base. Currently there is an adequate supply of raw material available to it. However, when demand for raw materials increases beyond the capacity for the forests to supply then upward pressure on raw material prices is a likely result. Whilst this would affect all of the sawmill's competitors in a similar manner, the ability to pass on such increases to customers may be uncertain. The dealership considers its short, medium and long-term strategies. The dealership has operated as a Franchised Motor Dealership for in excess of 40 years. The dealership's Ford Car and Commercial Vehicle operations continue from its existing premises and in addition is expanding its non-franchised business operations. Principal risks and uncertainties The potential risks to the business arising from uncertainty of vehicle supply have continued to be present both in the year under review and in the subsequent trading period. The vehicle distribution model is under review by most manufacturers/importers. A number of them seeking to test various operating models in a variety of markets worldwide. As yet, there is no clear consensus of what that distribution model should look like. The dealership sources its main products i.e. motor vehicles and motor vehicle parts primarily from the manufacturers of these products. As part of its ongoing reviews, the Company maintains a watch on the financial performance, viability and future prospects of its vehicle and parts suppliers. The dealership is satisfied that its suppliers continue to invest in new products and technology that enable the dealership to achieve a satisfactory return on its investments in the brands that it represents. Whilst the sawmill is not involved in the import or export of its finished products or the import of its raw materials, the director considers that there could be some minor risks to the business arising from fluctuations in exchange rates which could impact upon the volume of timber imported, thus competing with the sawmill's products. With a reasonably stable exchange rate, there has been no impact of this nature and no impact is anticipated in the near future. The sawmill is dependent on the supply of round timber for continued production. This has been available in sufficient quantity although the high demand for it has been reflected in significantly increased prices for raw materials. The supply of raw materials continues to be predictable and sufficient in the short to medium term, the long-term supply will be dependent on new forests being planted at a level that will be adequate for future harvesting needs. Timber trades bodies continue to bring this matter to the attention of the relevant authorities to ensure that a significant and sustained woodlands planting programme is implemented without further delay. As with many businesses, the impact of rising energy prices will be a significant factor affecting its operating costs. The group is taking all available steps to mitigate against this. During the period up to the signing of these accounts, the group has at all times operated within its banking covenants and, based on current forecasts, fully expects to continue to do so. As with any business, economic downturn presents uncertainty. The group recognises the cyclical nature of the economy and makes investment decisions based on its assessment of the prospects for economic growth and the future demand for its products and services. Key to this is maintaining and expanding its customer base, maintaining operational efficiency and ensuring timely and appropriate levels of capital expenditure consistent with changes in the market and legislative requirements. Section 172 statement The success of the ultimate holding company is largely dependant on the success of its two trading subsidiaries. To that extent the statements of the operating companies are relevant. Abbey Garages (Cardiff) Limited The Director of the Company acts in a way that considers and promotes the success of the company in line with the requirements of s172 of the Companies Act 2006. When making decisions, the Director considers all stakeholders and the wider impacts of such decisions, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term. The size of the Company enables the Director to regularly consult with other senior managers in the Company, aiding in the decision making process. The Company is subject to external audits carried out by vehicle manufacturers, quality control audits by external third parties and Government agencies. Its Accident Repair Centre is audited by the British Standards Institution for which it holds the BS 10125 approval. The Company is registered with the Financial Conduct Authority in respect of its regulated financial activities and the relevant staff are trained and tested by external providers to ensure full compliance. Technical, sales and customer facing staff are trained to the latest vehicle manufacturer standards in all aspects of their work and such training is monitored to ensure it is both relevant and current. A number of the Management team hold academic and professional qualifications specifically related to the business which the Company operates and the Director and a number of the senior Management team hold internationally recognised professional qualifications. The Director recognises the importance of staff engagement in the Company, and participates in the Ford Consumer Experience Movement, now renamed CX, designed to increase and maintain staff engagement in the Company, ultimately improving all aspects of the customer interaction with the Company. The Company mission statement is "To provide outstanding levels of employee and customer satisfaction, and thereby keep them for life." The Company has been frequent winners of the Ford Customer Satisfaction Award over a period of more than 25 years. The Company is also a member of the Retail Automotive Alliance an organisation which inter alia, promotes best practice in the industry as does the National Franchised Dealers

Association-part of the Retail Motor Industry, which the Company subscribes to. Good working relationships with suppliers are important to the success of the Company. The Company at all times acts responsibly and ethically in its dealings with suppliers. The Director is a member of the Ford Dealer Council -a committee of 12 Dealer representatives whose aim is to maintain a successful working relationship between Ford Motor Company and its dealers. The Director is also a member of a number of working groups within this structure-as are other senior members of the Management Team. E.T.C. Saw Mills Limited The director of the Company acts in a way that considers and promotes the success of the Company in line with the requirements of s172 of the Companies Act 2006. When making decisions, the Director considers all stakeholders and the wider impact of such decisions, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term. The size of the Company enables the Director to regular consult with other senior managers in the Company, aiding the decision-making process. The Company engages external third parties to audit its policies and operating procedures and to ensure compliance with them. Local and Central Government agencies audit a variety of areas including sustainability of raw materials, the use of its co-products and environmental matters. The Director recognises the importance of staff engagement in the Company and through delegated authority ensures that statutory and operational training is undertaken as required. Good working relationships with suppliers are important to the success of the Company. In this regard, the Company maintains an open dialogue with its main suppliers of its plant, equipment and operating software. The Company at all times acts responsibly and ethically in its dealings with suppliers.

This report was approved by the board of directors on 21 November 2022 and signed on behalf of the board by:

Mr R J Evans Company Secretary

PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED

DIRECTOR'S REPORT

Year ended 28 February 2022

The director presents his report and the financial statements of the group for the year ended 28 February 2022 .

Director

The director who served the company during the year was as follows:

Mr R C Pugsley

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Greenhouse gas emissions and energy consumption

Information not included

The Group has taken advantage of the option to exclude energy and carbon information from the group report because all group companies are not obliged to report in their own right under SECR requirements.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 we set out in the company's strategic report information required by schedule 7 of the Large and Medium sized companies and Groups (Accounts and report) Regulations 2008.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations. Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period. In preparing these financial statements, the director is required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Auditor

Each of the persons who is a director at the date of approval of this report confirms that:
- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 21 November 2022 and signed on behalf of the board by:

Mr R J Evans Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED

Year ended 28 February 2022

Opinion

We have audited the financial statements of Penarth Commercial Properties (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 28 February 2022 which comprise the consolidated profit and loss account, consolidated balance sheet, balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated cash flow statement and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the group's and of the parent company's affairs as at 28 February 2022 and of the group's profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's 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 director's 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 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: We gained an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates, and considered the risk of acts by the group that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, 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 or intentional misrepresentations, or through collusion. We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above 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 would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director. - Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Use of our report

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

Simon Tee

(Senior Statutory Auditor)

For and on behalf of

Kilsby & Williams LLP

Chartered Accountants & statutory auditor

Cedar House

Hazell Drive

Newport

NP10 8FY

23 November 2022

PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 28 February 2022

	Note	2022 £	2021 £
TURNOVER	**5**	52,790,775	51,854,891
Cost of sales		(44,730,481)	(45,254,569)
GROSS PROFIT		8,060,294	6,600,322
Distribution costs		(2,293,006)	(2,330,220)
Administrative expenses		(4,096,812)	(4,474,203)
Other operating income	**6**	260,218	964,885
OPERATING PROFIT	**7**	1,930,694	760,784
Interest payable and similar expenses	**11**	(89,129)	(251,092)
PROFIT BEFORE TAXATION		1,841,565	509,692
Tax on profit	**12**	(360,970)	(121,275)
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		1,480,595	388,417

All the activities of the group are from continuing operations.

PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED
CONSOLIDATED BALANCE SHEET
28 February 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	14	7,266,902	6,990,634
Investments	15	11,273	11,273
		7,278,175	7,001,907
CURRENT ASSETS			
Stocks	16	10,941,254	12,413,975
Debtors	17	2,299,090	2,715,928
		13,240,344	15,129,903
CREDITORS: amounts falling due within one year	19	(11,027,791)	(14,078,978)
NET CURRENT ASSETS		2,212,553	1,050,925
TOTAL ASSETS LESS CURRENT LIABILITIES		9,490,728	8,052,832
PROVISIONS	20	(62,977)	(5,676)
NET ASSETS		9,427,751	8,047,156
CAPITAL AND RESERVES			
Called up share capital	24	425,000	425,000
Share premium account	25	3,825,000	3,825,000
Revaluation reserve	25	821,496	830,915
Profit and loss account	25	4,356,255	2,966,241
SHAREHOLDERS FUNDS		9,427,751	8,047,156

These financial statements were approved by the board of directors and authorised for issue on 21 November 2022 , and are signed on behalf of the board by:

Mr R C Pugsley

Director

Company registration number: 05159037

PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED

BALANCE SHEET

28 February 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Investments	**15**	8,500,000	8,500,000
CURRENT ASSETS			
Debtors	**17**	494,379	393,539
Cash at bank and in hand		251,048	253,146
		745,427	646,685
CREDITORS: amounts falling due within one year	**19**	(102,100)	(1,500)
NET CURRENT ASSETS		643,327	645,185
TOTAL ASSETS LESS CURRENT LIABILITIES		9,143,327	9,145,185
NET ASSETS		9,143,327	9,145,185
CAPITAL AND RESERVES			
Called up share capital	**24**	425,000	425,000
Share premium account	**25**	3,825,000	3,825,000
Profit and loss account	**25**	4,893,327	4,895,185
SHAREHOLDERS FUNDS		9,143,327	9,145,185

The profit for the financial year of the parent company was £ 98,142 (2021: £ 1,184 loss).

These financial statements were approved by the board of directors and authorised for issue on 21 November 2022 , and are signed on behalf of the board by:

Mr R C Pugsley

Director

Company registration number: 05159037

PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 28 February 2022

		Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total
		£	£	£	£	£
AT 1 MARCH 2020		425,000	3,825,000	840,334	2,568,405	7,658,739
Profit for the year					388,417	388,417
Other comprehensive income for the year:						
Reclassification from revaluation reserve to profit and loss account		–	–	(9,419)	9,419	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		–	–	(9,419)	397,836	388,417
AT 28 FEBRUARY 2021		425,000	3,825,000	830,915	2,966,241	8,047,156
Profit for the year					1,480,595	1,480,595
Other comprehensive income for the year:						
Reclassification from revaluation reserve to profit and loss account		–	–	(9,419)	9,419	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		–	–	(9,419)	1,490,014	1,480,595
Dividends paid and payable	**13**	–	–	–	(100,000)	(100,000)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		–	–	–	(100,000)	(100,000)
AT 28 FEBRUARY 2022		425,000	3,825,000	821,496	4,356,255	9,427,751

PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 28 February 2022

		Called up share capital	Share premium account	Profit and loss account	Total
		£	£	£	£
AT 1 MARCH 2020		425,000	3,825,000	4,896,369	9,146,369
Loss for the year				(1,184)	(1,184)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		–	–	(1,184)	(1,184)
AT 28 FEBRUARY 2021		425,000	3,825,000	4,895,185	9,145,185
Profit for the year				98,142	98,142
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		–	–	98,142	98,142
Dividends paid and payable	**13**	–	–	(100,000)	(100,000)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		–	–	(100,000)	(100,000)
AT 28 FEBRUARY 2022		425,000	3,825,000	4,893,327	9,143,327

PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
Year ended 28 February 2022

	Note	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the financial year		1,480,595	388,417
Adjustments for:			
Depreciation of tangible assets		359,996	315,247
Government grant income		(78,375)	(746,287)
Interest payable and similar expenses		89,129	251,092
Gains on disposal of tangible assets		(21,200)	(7,800)
Tax on profit/(loss)		360,970	121,275
Accrued income		(76,832)	–
Changes in:			
Stocks		1,472,721	6,940,766
Trade and other debtors		416,838	688,243
Trade and other creditors		(3,936,090)	(7,238,505)
Cash generated from operations		67,752	712,448
Interest paid		(89,129)	(251,092)
Tax received		2,390	–
Net cash (used in)/from operating activities		(18,987)	461,356
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets		(636,264)	(388,791)
Proceeds from sale of tangible assets		21,200	7,800
Net cash used in investing activities		(615,064)	(380,991)
CASH FLOWS FROM FINANCING ACTIVITIES			
Government grant income		78,375	746,287
Net cash from financing activities		78,375	746,287
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(555,676)	826,652
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(682,987)	(1,509,639)
CASH AND CASH EQUIVALENTS AT END OF YEAR	**18**	(1,238,663)	(682,987)

PENARTH COMMERCIAL PROPERTIES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2022

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 281 Penarth Road, Cardiff, CF11 8YZ.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

(a) Disclosures in respect of each class of share capital have not been presented.

(b) No cash flow statement has been presented for the company.

(c) Disclosures in respect of financial instruments have not been presented.

(d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Penarth Commercial Properties (Holdings) Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	20 to 30 years on buildings
Plant and machinery	-	2 to 10 years
Motor vehicles	-	4 years

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell and include interest bearing consignment vehicles. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition. Provisions are made for obsolete and slow moving items where appropriate. Consignment stock are considered to be under the control of the group and are included in stock on the balance sheet as the group has the significant risks and rewards of ownership even though legal title has not yet passed. The corresponding liability is included in creditors.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5. TURNOVER

Turnover arises from:

	2022	2021
	£	£
Motor dealers and repairers	39,639,241	39,089,427
Sawmill	13,151,534	12,765,464
	52,790,775	51,854,891

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

6. OTHER OPERATING INCOME

	2022	2021
	£	£
Rental income	98,519	97,747
Government grant income	78,375	746,287
Performance awards and incentives	83,324	120,851
	260,218	964,885

7. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Depreciation of tangible assets	359,996	315,247
Gains on disposal of tangible assets	(21,200)	(7,800)
Impairment of trade debtors	19,984	37,047
Operating lease rentals	23,531	27,038
Operating profit note - desc in a/cs	23,531	–

8. AUDITOR'S REMUNERATION

	2022	2021
	£	£
Fees payable for the audit of the financial statements	24,500	24,500

Fees payable to the company's auditor and its associates for other services:

	2022	2021
Taxation compliance services	4,200	4,350
Other non-audit services	775	–
	4,975	4,350

9. STAFF COSTS

The average number of persons employed by the group during the year, including the director, amounted to:

	2022	2021
	No.	No.
Production staff	157	185
Administrative staff	29	32
Management staff	15	16
	201	233

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022	2021
	£	£
Wages and salaries	5,466,879	5,649,593
Social security costs	294,716	326,750
Other pension costs	73,069	108,910
	5,834,664	6,085,253

10. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	76,722	80,973

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Interest on banks loans and overdrafts	25,102	28,745
Manufacturer standard vehicle stocking plans	28,853	192,365
Other interest payable and similar charges	35,174	29,982
	89,129	251,092

12. TAX ON PROFIT/(LOSS)

Major components of tax income

	2022	2021
	£	£
Current tax:		
UK current tax income	306,545	–
Adjustments in respect of prior periods	(2,876)	–
Total current tax	303,669	–
Deferred tax:		
Origination and reversal of timing differences	57,301	121,275
Tax on profit/(loss)	360,970	121,275

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19 % (2021: 19 %).

	2022	2021
	£	£
Profit on ordinary activities before taxation	1,841,565	509,692
Profit on ordinary activities by rate of tax	349,897	96,842
Adjustment to tax charge in respect of prior periods	(2,876)	–
Effect of expenses not deductible for tax purposes	1,231	1,795
Effect of capital allowances and depreciation	1,697	66,647
Unused tax losses	–	(31,829)
Effect of a change in the rate of tax	15,115	(12,180)
Capital allowances super deduction	(4,094)	–
Tax on profit/(loss)	360,970	121,275

13. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2022	2021
	£	£
Dividends on equity shares	100,000	–

14. TANGIBLE ASSETS

Group	Freehold property	Plant and machinery	Motor vehicles	Investment property	Total
	£	£	£	£	£
Cost					
At 1 March 2021	7,170,132	8,443,897	228,966	1,548,800	17,391,795
Additions	102,204	452,450	81,610	–	636,264
Disposals	–	(101,804)	(70,084)	–	(171,888)
At 28 February 2022	7,272,336	8,794,543	240,492	1,548,800	17,856,171
Depreciation					
At 1 March 2021	2,425,985	7,833,054	142,122	–	10,401,161
Charge for the year	158,756	160,162	41,078	–	359,996
Disposals	–	(101,804)	(70,084)	–	(171,888)
At 28 February 2022	2,584,741	7,891,412	113,116	–	10,589,269
Carrying amount					
At 28 February 2022	4,687,595	903,131	127,376	1,548,800	7,266,902
At 28 February 2021	4,744,147	610,843	86,844	1,548,800	6,990,634

The company has no tangible assets.
Included within the above is investment property as follows:

	Group	Company
	£	£
At 1 March 2021 and 28 February 2022	1,548,800	–
At 1 March 2021	1,548,800	–

Investment property with a fair value of £895,000 is based on a valuation by an external, independent valuer, having an appropriate recognised qualification and recent experience in the location and class of property being valued. The valuations, which are supported by market evidence, are prepared by considering the aggregate of the net annual rents receivable from the properties and where relevant, associated costs. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation. Any gains or loss arising from a change in fair value is recognised in profit or loss. The remaining investment property with a fair value of £653,800 has been valued by the director R Pugsley with reference to similar properties in the local market.
The total amount of non-depreciable assets within land and buildings is £1,967,319 (2020 - £1,967,319).

Tangible assets held at valuation

The freehold premises at 281 Penarth Road included above at deemed cost, were professionally valued by Messrs Cooke and Arkwright on an existing use open market basis in a report dated 19 April 1989. The freehold premises at 281 Penarth Road were professionally valued by Messrs Cushman and Wakefield in a report dated 28 August 2019 at a value of £5.9m. This uplift has not been reflected in these accounts. Other tangible fixed assets, including additions subsequent to the revaluation of land and buildings, are included at cost.

In respect of tangible assets held at valuation, aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

Group

	Freehold property £
At 28 February 2022	
Aggregate cost	446,416
Aggregate depreciation	(404,100)
Carrying value	42,316
At 28 February 2021	
Aggregate cost	446,416
Aggregate depreciation	(393,853)
Carrying value	52,563

15. INVESTMENTS

Group

	Other investments £
Cost	
At 1 March 2021 and 28 February 2022	11,273
Impairment	
At 1 March 2021 and 28 February 2022	–
Carrying amount	
At 1 March 2021 and 28 February 2022	11,273
At 28 February 2021	11,273

Company

	Shares in group undertakings £
Cost	
At 1 March 2021 and 28 February 2022	8,500,000
Impairment	
At 1 March 2021 and 28 February 2022	–
Carrying amount	
At 1 March 2021 and 28 February 2022	8,500,000
At 28 February 2021	8,500,000

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Penarth Commercial Properties Limited	Ordinary	100
Abbey Garages (Cardiff) Limited*	Ordinary	100
E.T.C. Sawmills Limited*	Ordinary	100
Abbey Garages (Tredegar) Limited**	Ordinary	100

TGM Gauge Maintenance limited*	Ordinary	100
Atlantic Trading Estate Management (Barry) Limited*	Ordinary	100
Cogan Car Company Limited*	Ordinary	100
Norman Harvey Garages (Cwnbran) Limited*	Ordinary	100
PCP Hotels Limited*	Ordinary	100
Penarth Road Motor Company Limited*	Ordinary	100
Fordthorne Limited*	Ordinary	100

* Undertaking of Penarth Commercial Properties Limited

** Undertaking of Penarth Commercial Properties Limited and Fordthorne Limited

The registered office of all of the subsidiary undertakings listed above is 281 Penarth Road, Cardiff, CF11 8YZ.

16. STOCKS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Stock	947,541	733,648	–	–
Work in progress	1,171,254	350,766	–	–
Finished goods and goods for resale	1,212,080	668,438	–	–
Motor vehicles	7,610,379	10,661,123	–	–
	10,941,254	12,413,975	–	–

17. DEBTORS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	2,075,520	2,376,666	–	–
Amounts owed by group undertakings	–	–	492,963	392,963
Deferred tax asset	–	–	1,416	576
Prepayments and accrued income	109,076	93,276	–	–
Corporation tax repayable	–	50,750	–	–
Other debtors	114,494	195,236	–	–
	2,299,090	2,715,928	494,379	393,539

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2022	2021
	£	£
Bank overdrafts	(1,238,663)	(682,987)

19. CREDITORS: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	1,238,663	682,987	–	–
Trade creditors	6,999,539	11,085,366	–	–
Accruals and deferred income	1,294,458	1,016,638	2,100	1,500
Corporation tax	306,059	–	–	–
Social security and other taxes	213,314	257,813	–	–
Dividends payable	100,000	–	100,000	–
Vehicle funding	702,779	874,394	–	–
Other creditors	172,979	161,780	–	–
	11,027,791	14,078,978	102,100	1,500

The bank overdraft is secured by certain properties owned by the group.

20. PROVISIONS

Group	Deferred tax (note 21)
	£
At 1 March 2021	5,676
Additions	57,301
At 28 February 2022	62,977

The company does not have any provisions.

21. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Included in debtors (note 17)	–	–	1,416	576
Included in provisions (note 20)	(62,977)	(5,676)	–	–
	(62,977)	(5,676)	1,416	576

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Accelerated capital allowances	318,346	170,503	–	–
Unused tax losses	(251,050)	(161,830)	(1,416)	(576)
Pension plan obligations	(1,274)	(770)	–	–
Other timing differences	(3,045)	(2,227)	–	–
	62,977	5,676	(1,416)	(576)

22. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 73,069 (2021: £ 108,910).

23. GOVERNMENT GRANTS

The amounts recognised in the financial statements for government grants are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£	**£**	**£**	**£**
Recognised in other operating income:				
Government grants recognised directly in income	78,375	746,287	–	–

24. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2022		2021	
	No.	**£**	**No.**	**£**
Ordinary shares of £ 0.10 each	4,250,000	425,000	4,250,000	425,000

25. RESERVES

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs. Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income. Profit and loss account - This reserve records retained earnings and accumulated losses.

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Mar 2021	Cash flows	**At 28 Feb 2022**
	£	**£**	**£**
Bank overdrafts	(682,987)	(555,676)	(1,238,663)

27. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Tangible assets	211,990	–	–	–

28. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	8,700	22,311	–	–
Later than 1 year and not later than 5 years	–	8,700	–	–
	8,700	31,011	–	–

29. CONTINGENCIES

Penarth Commercial Properties Limited, a wholly owned subsidiary of the Company, has given an unlimited multilateral guarantee in respect of the net position of its bank overdraft and cash balances of certain subsidiaries and the Company. The net liability at 28 February 2022 was £1,248,814 (2021 - £697,404).

30. RELATED PARTY TRANSACTIONS

Group

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the group was £ 410,284 (2021: £ 388,915).

Company

The Company has taken advantage of the exemption and not disclosed transactions with other wholly owned entities which form part of the Penarth Commercial Properties (Holdings) Limited group.

31. CONTROLLING PARTY

The only group in which the results of the Company are consolidated is that headed by Penarth Commercial Properties (Holdings) Limited. The consolidated accounts are available to the public and may be obtained from its registered office: 281 Penarth Road, Cardiff. The ultimate controlling party is considered to be Roger Pugsley by virtue of his 100% shareholding.