

Company Registration No. 08332162 (England and Wales)

RJTK INVESTMENTS LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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RJTK INVESTMENTS LTD

COMPANY INFORMATION

Directors	R Wilson F Lord M McVeigh
Company number	08332162
Registered office	Hewitts Avenue Hewitts Circus Humberston Grimsby Lincolnshire DN36 4SE
Auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT

RJTK INVESTMENTS LTD

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RJTK INVESTMENTS LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

In 2018 the Companies (Miscellaneous Reporting) Regulations introduced a requirement for companies to publish a statement describing how the directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

Section 172(1)(a) to (f) requires each director to act in a way he or she considered would be most likely promote the success of the company for the benefit of its members as a whole, with regard to the following matters:

- a. The likely consequences of any decision in the long term.

The company's Board of Directors bring a wide range of experience which is collectively responsible for promoting the long-term success of the group. The directors actively promote the group purpose through active roles within each operation and through management of the portfolio of investments.

- b. The interest of the company's employees:

The management constantly encourage engagement from its employees via its intranet and social platforms. During the Covid-19 lockdown period, the directors were in constant communication with all employees within each operation virtually to keep them updated on the businesses. Our employees actively pursue opportunities for personal development and career progression with the support from management; a culture of inclusion and diversity; rewarding success and the ability to make a difference. Regular newsletters and bulletin updates are used to ensure that everyone has an understanding of what is happening in each of the businesses and what is expected at all times. We undertake various activities and operate many forums and surveys to foster participation in group events, invite opinions, questions, and ideas.

- c. The need to foster the company's business relationships with suppliers, customers and others.

The directors ensure that all business relationships are based upon trust and conducted in a professional manner. Suppliers are paid regularly through a process of statement reconciliation and monthly BACS payments in accordance with terms. The directors have published all statutory documents on the company's respective websites, including details of policies regarding Data Protection and Modern Slavery. "Driving Excellence" is actively promoted throughout the operating motor businesses. Our customers are surveyed throughout all areas of the businesses, with reports shared weekly with our customer care and management team, so that any concerns can be identified and rectified immediately when they arise. Employees throughout the businesses are rewarded for providing great customer service, and results show an overall customer satisfaction rate of around 97%.

- d. The impact of the company's operations on the community and the environment.

The group actively seeks to support the communities that are local to the trading operations in the portfolio. During the year examples would be the purchase of kit and sponsorship for local sporting teams, donations to local charitable events, and allowing employee engagement to spend time working for local good causes and events.

- e. The desirability of the company maintaining a reputation for high standards of business conduct

The Group actively promotes its core values one of which is being consistent and professional in all that we do. Every member of its motor trade business as part of their induction has our values explained and discussed with our management team. The operations are proud of the continuing outstanding results in the numerous customer surveys that are monitored and the results are then reported upon weekly.

- f. The need to act fairly as between members of the company

As a board of directors, our intention is to behave responsibly towards all our stakeholders and treat them fairly and equally, so they too may benefit from the success of our business. All key stakeholders meet on a regular basis to ensure shareholder views are fairly represented in key decisions.

RJTK INVESTMENTS LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Fair review of the business

The results for the year which are set out in the profit and loss account show turnover of £86,998,759 (2019 - £88,975,715) and an operating profit of £1,788,812 (2019 - £1,383,353). At 31st December 2020 the company had net assets of £7,881,223 (2019 – £6,882,575). The directors consider the performance for the year and the financial position at the year end to be satisfactory.

The company's key financial and other performance indicators during the year were as follows:

	2020	2019
Gross margin	10.9%	11.9%
Operating profit	£1,788,812	£1,383,353

Non-financial key performance indicators are new and used vehicle units, and retail service hours sold, which were:

	2020	2019
New units	1,511	1,724
Used units	3,927	4,432
Retail Service Hours	34,377	35,120
Property Investments held	2	2

We launched our first Autohub branded operation at our Gainsborough site to sell all makes, sales and servicing 1st September 2020, funded by existing stakeholders and reserves. This business is in its early stages and the directors are looking forward to this growth opportunity.

Future developments

The directors continue to actively seek new opportunities to secure the longevity of the business.

On 19th February 2021 the business acquired a further Kia dealership in Spittlegate Level, Grantham formerly trading as Victor Wood, financed from reserves and existing stakeholders. The directors are looking forwards to the completion of a new build Kia dealership in Louth by the end of summer to ensure sustainability within the Lincolnshire territory.

The Covid-19 pandemic has had an impact on the future trading of the company, but with careful management and the excellent dedication of our team, the results have been encouraging since emerging from lockdown, and despite the necessary changes that have been put in place, the directors are optimistic about delivering a result similar to "pre-lockdown levels" of profitability in 2021.

RJTK INVESTMENTS LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

The management of the operations and the nature of the group's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

Manufacturers supply of new and improved vehicles

The group is reliant on new vehicle products from the manufacturer. This exposes the group to risks in a number of areas as the group is dependent on its manufacturer/suppliers in respect of availability of new vehicle products, quality of new vehicle products and the pricing of new vehicle products.

The directors are confident that future new products from its manufacturer/suppliers will continue to be competitively priced and high quality and therefore consider that this "manufacturer risk" is minimal. The directors also mitigate this by maximizing the used vehicle operations and aftersales opportunities.

Economic downturn

The success of the business is reliant on consumer spending. An economic downturn, resulting in a reduction in consumer spending power, will have a direct impact on the income achieved by the group.

In response to this risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies are modified to reflect the new market conditions.

Development and performance

The strategy remains as previous years to build on the current position established by the group, together with a strong manufacturer brand nationally. This strategy is based largely on well-established models within its range, and the development of new models yet to be launched, including electric variants in line with the market trend.

Market Conditions

New vehicle sales continue to be the area of greatest volatility; however, the current and future product ranges of the franchise is well represented and should allow the group to meet its market share. The wider economy, whilst improving remains uncertain, the directors believe the group's long standing in the local market, its product range and high level of customer service is well placed to take advantage of the economic growth as it develops.

In December 2020, a Brexit deal was agreed with the EU setting out the basis for future trading with the EU. In the short term, the principal impact on the group relates to disruptions in the supply of new vehicles and parts.

Covid-19

Following the outbreak of the Covid-19 strain of Coronavirus the directors have put in place steps to mitigate and monitor the risks on uncertainty as they evolve in each of the operations. Steps taken include: closely following government guidelines, regularly updating stakeholders, safeguarding employees by various measures such as providing hand sanitizer's, face coverings, social distance markings and displays, restricting visitors' numbers on site and flexible working from home where possible and adapting the business operations to meet the changing requirements. Following the initial impact of the pandemic in quarter 2, business has remained resilient. Following the recent UK vaccination rollout which appears to be working there is still uncertainty surrounding the virus mutations appearing from areas outside the UK.

On behalf of the board



R Wilson

Director

2 July 2021

RJTK INVESTMENTS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company is that of a holding company. The principal activities of the subsidiary companies continued to be that of motor retailing and associated activities, including the sale of new and used vehicles and service and repair of vehicles and that of property owners. At 31st December 2020 the group operated 2 franchises from 7 locations, and held property investments at 4 locations.

Results and dividends

The results for the year are set out on page 12.

Ordinary dividends were paid amounting to £120,000. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R Wilson
F Lord
M McVeigh

Financial instruments

Liquidity risk

The group seeks to manage risk by ensuring sufficient liquidity is available to meet foreseeable needs to invest cash assets safely and profitably.

The group's policy throughout the year has been to achieve this objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum liquidity ratios.

Interest rate risk

The group finances its operations through a mixture of bank and other external borrowings. The group's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities. The balance sheet includes trade debtors and creditors which do not attract interest and are therefore subject to fair value interest rate risk.

The group policy throughout the year has been to achieve its objective of managing interest rate risk through day to day involvement of management in business decisions rather than through setting maximum or minimum levels for the level of fixed interest rate borrowings.

Credit risk

The group's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk therefore arises from its trade debtors.

In order to manage credit risk, the directors set credit limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the finance director on a regular basis in conjunction with debt ageing and collection history.

RJTK INVESTMENTS LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Employee involvement

The group's policy is to consult and discuss with employees, through staff committees and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

In accordance with the company's articles, a resolution proposing that UHY Hacker Young Manchester LLP be reappointed as auditor of the group will be put at a General Meeting.

Energy and carbon report

Energy consumption

Aggregate of energy consumption in the year	kWh
	934,619

Emissions of CO2 equivalent

	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Gas combustion	34.72	
- Fuel consumed for owned transport	291.16	
		325.88
Scope 2 - indirect emissions		
- Electricity purchased		183.64
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company		-
Total gross emissions		509.52
Intensity ratio		
Tonnes of CO2e per £million turnover		5.86

Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting

Intensity measurement

We have used the financial control approach, whereby the group accounts for 100 percent of the GHG emission (and energy) over which it has control.

Measures taken to improve energy efficiency

We have measured our scope 1 and 2 emissions and included scope 3 emissions related to employee use of their own vehicles, where they claim mileage allowance (grey fleet).

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

RJTK INVESTMENTS LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the board



.....
R Wilson
Director

Date: 2 July 2021

RJTK INVESTMENTS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RJTK INVESTMENTS LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RJTK INVESTMENTS LTD

Opinion

We have audited the financial statements of RJTK Investments Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RJTK INVESTMENTS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RJTK INVESTMENTS LTD

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

RJTK INVESTMENTS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RJTK INVESTMENTS LTD

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- the nature of the industry and sector, control environment and business performance
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance,
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- The matters discussed among the audit engagement team and involving relevant internal specialists, including tax, and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: valuation of used vehicle stocks and recognition of supplier incentives. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks the company operates in, focussing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's FCA regulatory requirements.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management and those charged with governance concerning actual and potential litigation claims;
- In addressing the risk of fraud through inappropriate valuation of used vehicle inventory, assessing net realisable value of stock items sold after the year end was above cost or assessing their value with reference to third party data sources if unsold.
- In addressing the risk of fraud through inappropriate recording of supplier incentives, ensuring amounts recorded as due were then subsequently acknowledged as such by the supplier;
- In assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries and assessing whether judgements made in making accounting estimates are indicative of potential bias.

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. Also, 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.

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

RJTK INVESTMENTS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RJTK INVESTMENTS LTD

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.

UHY Hacker Young Manchester LLP

Paul Daly BEng FCA (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young Manchester LLP

2 July 2021

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

RJTK INVESTMENTS LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	86,998,759	88,975,715
Cost of sales		(77,491,980)	(78,364,340)
Gross profit		9,506,779	10,611,375
Administrative expenses		(10,631,361)	(11,121,639)
Other operating income		2,913,394	1,893,617
Operating profit	4	1,788,812	1,383,353
Interest receivable and similar income	8	1,845	1,020
Interest payable and similar expenses	9	(366,719)	(482,004)
Profit before taxation		1,423,938	902,369
Tax on profit	10	(287,202)	(199,201)
Profit for the financial year	26	1,136,736	703,168

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.


RJTK INVESTMENTS LTD

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	13	7,999,115	8,292,257
Investment properties	14	426,646	402,425
		<u>8,425,761</u>	<u>8,694,682</u>
Current assets			
Stocks	17	13,914,355	13,885,743
Debtors	18	2,076,749	2,845,200
Cash at bank and in hand		3,957,200	2,336,482
		<u>19,948,304</u>	<u>19,067,425</u>
Creditors: amounts falling due within one year	19	<u>(17,070,270)</u>	<u>(17,536,566)</u>
Net current assets		<u>2,878,034</u>	<u>1,530,859</u>
Total assets less current liabilities		<u>11,303,795</u>	<u>10,225,541</u>
Creditors: amounts falling due after more than one year	20	<u>(3,270,871)</u>	<u>(3,176,373)</u>
Provisions for liabilities	23	<u>(151,701)</u>	<u>(184,681)</u>
Net assets		<u><u>7,881,223</u></u>	<u><u>6,864,487</u></u>
Capital and reserves			
Called up share capital	25	457,866	457,866
Profit and loss reserves	26	7,423,357	6,406,621
Total equity		<u><u>7,881,223</u></u>	<u><u>6,864,487</u></u>

The financial statements were approved by the board of directors and authorised for issue on 2 July 2021 and are signed on its behalf by:


 R Wilson
 Director

RJTK INVESTMENTS LTD

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	15		787,866		727,866
Current assets					
Debtors	18	245,532		155,261	
Cash at bank and in hand		1,001,430		416,435	
		<u>1,246,962</u>		<u>571,696</u>	
Creditors: amounts falling due within one year	19	<u>(296,326)</u>		<u>(606)</u>	
Net current assets			950,636		571,090
Total assets less current liabilities			<u>1,738,502</u>		<u>1,298,956</u>
Creditors: amounts falling due after more than one year	20		<u>(437,500)</u>		-
Net assets			<u>1,301,002</u>		<u>1,298,956</u>
Capital and reserves					
Called up share capital	25		457,866		457,866
Profit and loss reserves	26		843,136		841,090
Total equity			<u>1,301,002</u>		<u>1,298,956</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £122,047 (2019 - £752,325 profit).

The financial statements were approved by the board of directors and authorised for issue on 2 July 2021 and are signed on its behalf by:



R Wilson
Director

Company Registration No. 08332162

RJTK INVESTMENTS LTD

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2019		457,866	6,103,453	6,561,319
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	703,168	703,168
Dividends	11	-	(400,000)	(400,000)
Balance at 31 December 2019		457,866	6,406,621	6,864,487
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	1,136,736	1,136,736
Dividends	11	-	(120,000)	(120,000)
Balance at 31 December 2020		457,866	7,423,357	7,881,223

RJTK INVESTMENTS LTD

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2019		457,866	488,765	946,631
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	752,325	752,325
Dividends	11	-	(400,000)	(400,000)
Balance at 31 December 2019		457,866	841,090	1,298,956
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	122,046	122,046
Dividends	11	-	(120,000)	(120,000)
Balance at 31 December 2020		457,866	843,136	1,301,002

RJTK INVESTMENTS LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	33	1,633,940		1,606,353	
Interest paid		(366,719)		(482,004)	
Income taxes paid		(144,194)		(254,733)	
Net cash inflow from operating activities		1,123,027		869,616	
Investing activities					
Purchase of tangible fixed assets		(261,987)		(429,391)	
Proceeds on disposal of tangible fixed assets		97,019		3,998	
Purchase of investment property		(27,520)		-	
Proceeds on disposal of investment property		3,300		-	
Other loans made		-		(74,701)	
Movement on other loans		74,701		38,564	
Interest received		1,845		1,020	
Net cash used in investing activities		(112,642)		(460,510)	
Financing activities					
Repayment of borrowings		(198,713)		(259,115)	
Proceeds of new bank loans		750,000		420,000	
Repayment of bank loans		(134,834)		(265,098)	
Movement on finance lease obligations		(103,657)		(162,585)	
Dividends paid to equity shareholders		(120,000)		(400,000)	
Net cash generated from/(used in) financing activities		192,796		(666,798)	
Net increase/(decrease) in cash and cash equivalents		1,203,181		(257,692)	
Cash and cash equivalents at beginning of year		1,079,059		1,336,751	
Cash and cash equivalents at end of year		2,282,240		1,079,059	
Relating to:					
Cash at bank and in hand		3,957,200		2,336,482	
Bank overdrafts included in creditors payable within one year		(1,674,960)		(1,257,423)	

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

RJTK Investments Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Hewitts Avenue, Hewitts Circus, Humberston, Grimsby, Lincolnshire, DN36 4SE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The consolidated group financial statements consist of the financial statements of the parent company RJTK Investments Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.3 Going concern

Following the outbreak of the Covid-19 strain of Coronavirus the directors have put in place steps to mitigate and monitor the risks on uncertainty as they evolve in each of the operations. Steps taken include: closely following government guidelines, regularly updating stakeholders, safeguarding employees by various measures such as providing hand sanitizer's, face coverings, social distance markings and displays, restricting visitors' numbers on site and flexible working from home where possible and adapting the business operations to meet the changing requirements. Following the initial impact of the pandemic in quarter 2, business has remained resilient. Following the recent UK vaccination rollout which appears to be working there is still uncertainty surrounding the virus mutations appearing from areas outside UK.

The directors believe that the group is well placed to manage its financing and other business risks satisfactorily, and have a reasonable expectation that the group will have adequate resources to continue in operation for at least 12 months from the signing of these financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Sales of motor vehicles, parts and accessories are recognised on the earlier of full payment by, or delivery date to, the customer. Any other manufacturer income in relation to achieving targets is recognised on an accrual basis. Servicing revenue is recognised on the completion of the agreed work.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% - 10% straight line, land is not depreciated
Plant and equipment	10% - 33% straight line
Fixtures and fittings	10% - 50% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Property rented to a group entity is accounted for as tangible fixed assets.

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Under supply agreements with the automotive manufacturers, the group has access to consignment stock during a consignment period. Where the nature of these supply agreements transfers the risks and rewards to the group, which in substance gives the company control over the stock during the consignment period and liabilities in respect of holding costs, the group recognises these stocks in the Balance Sheet together with the equivalent liability.

Where supply agreements do not provide risks and rewards to the group until such time as legal title actually passes at the end of the consignment period, these stocks are not included in the Balance Sheet. Both the terms under which the stocks are held and the financial commitment in respect of these stocks are disclosed in the notes to the financial statements.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Consignment stock

Under supply agreements with vehicle manufacturers, Wilson & Co (Motor Sales) Limited, a subsidiary of the group has access to consignment stock during a consignment period. Where the nature of these supply agreements transfers the risks and rewards to the company, which in substance gives the company control over the stock during the consignment period and liabilities in respect of holding costs, the group recognises these stocks on the balance sheet, together with the corresponding liability. Consignment stock has been included within the financial statements of £2,643,678 (2019 - £1,802,992).

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock

In determining the net realisable value of stock, management takes into account the most reliable evidence available at the dates the estimates are made. The company's core business is continuously subject to technology changes which may cause stock obsolescence. Moreover, future realisation of the carrying amounts of stock is affected by price changes in different market segments. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the company stock within the next financial reporting period.

Tangible fixed assets

The group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Based on management's assessment as at 31 December 2020, there is no change in estimated useful lives of those assets during the year. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

3 Turnover and other revenue

The whole of turnover is attributable to the group's principal activity of motor retail and investment property rental.

All turnover arose within the United Kingdom.

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue		(Continued)	
	2020	2019	
	£	£	
Other significant revenue			
Interest income	1,845	1,020	
Coronavirus Job Retention Scheme	1,064,158	-	
Other Coronavirus support	100,000	-	
	<u>1,066,003</u>	<u>1,020</u>	
4 Operating profit	2020	2019	
	£	£	
Operating profit for the year is stated after charging/(crediting):			
Government grants	(1,164,158)	-	
Depreciation of owned tangible fixed assets	321,450	239,744	
Depreciation of tangible fixed assets held under finance leases	122,910	200,860	
Loss on disposal of tangible fixed assets	13,750	872	
Operating lease charges	114,830	131,844	
	<u>27,832</u>	<u>372,520</u>	
5 Auditor's remuneration	2020	2019	
	£	£	
Fees payable to the company's auditor and associates:			
For audit services			
Audit of the financial statements of the group and company	2,500	2,500	
Audit of the financial statements of the company's subsidiaries	25,000	22,000	
	<u>27,500</u>	<u>24,500</u>	
For other services			
Taxation compliance services	4,000	4,000	
All other non-audit services	2,500	2,500	
	<u>6,500</u>	<u>6,500</u>	

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Servicing and parts	101	111	-	-
Selling and distribution	87	83	-	-
Administration	100	103	3	3
Total	<u>288</u>	<u>297</u>	<u>3</u>	<u>3</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	7,506,871	7,515,209	-	-
Social security costs	660,065	688,868	-	-
Pension costs	379,543	422,156	-	-
	<u>8,546,479</u>	<u>8,626,233</u>	<u>-</u>	<u>-</u>

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	230,949	239,874
Company pension contributions to defined contribution schemes	23,626	19,692
	<u>254,575</u>	<u>259,566</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	114,000	114,546
Company pension contributions to defined contribution schemes	11,628	10,571
	<u>125,628</u>	<u>125,117</u>

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Other interest income	1,845	1,020
	<u>1,845</u>	<u>1,020</u>

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	42,743	32,231
Mortgage interest	70,541	91,259
Stocking loan interest	203,288	306,933
Interest on finance leases and hire purchase contracts	49,622	51,581
Other interest	525	-
	<u>366,719</u>	<u>482,004</u>
Total finance costs	366,719	482,004

10 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	319,587	184,457
Adjustments in respect of prior periods	595	-
	<u>320,182</u>	<u>184,457</u>
Total current tax	320,182	184,457
Deferred tax		
Origination and reversal of timing differences	(32,980)	14,744
	<u>(32,980)</u>	<u>14,744</u>
Total tax charge	287,202	199,201

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	1,423,938	902,369
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	270,548	171,450
Unutilised tax losses carried forward	20,449	-
Adjustments in respect of prior years	595	-
Permanent capital allowances in excess of depreciation	-	26,115
Other tax adjustments	(4,390)	1,636
Taxation charge	287,202	199,201

11 Dividends

	2020 £	2019 £
Recognised as distributions to equity holders:		
Final paid	120,000	400,000

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2020 and 31 December 2020	70,000
Amortisation and impairment	
At 1 January 2020 and 31 December 2020	70,000
Carrying amount	
At 31 December 2020	-
At 31 December 2019	-

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2020	8,886,650	1,070,709	1,866,305	194,023	12,017,687
Additions	19,815	83,894	77,554	80,724	261,987
Disposals	(19,950)	(32,919)	(61,394)	(108,460)	(222,723)
At 31 December 2020	8,886,515	1,121,684	1,882,465	166,287	12,056,951
Depreciation and impairment					
At 1 January 2020	1,801,284	726,168	1,102,576	95,402	3,725,430
Depreciation charged in the year	137,861	99,889	163,974	42,636	444,360
Eliminated in respect of disposals	(6,191)	(9,658)	(22,929)	(73,176)	(111,954)
At 31 December 2020	1,932,954	816,399	1,243,621	64,862	4,057,836
Carrying amount					
At 31 December 2020	6,953,561	305,285	638,844	101,425	7,999,115
At 31 December 2019	7,085,366	344,541	763,729	98,621	8,292,257

The company had no tangible fixed assets at 31 December 2020 or 31 December 2019.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2020 £	2019 £	Company 2020 £	2019 £
Plant and equipment	209,475	246,834	-	-
Fixtures and fittings	94,897	161,971	-	-
Land and buildings	82,065	100,542	-	-
	386,437	509,347	-	-

14 Investment property

	Group 2020 £	Company 2020 £
Fair value		
At 1 January 2020 and 31 December 2020	402,426	-
Additions through external acquisition	27,520	-
Disposals	(3,300)	-
At 31 December 2020	426,646	-

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Investment property (Continued)

The investment property valuations have been included in the accounts at cost due to being recently acquired. The directors consider this to be the current market value.

15 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	16	-	-	787,866	727,866

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 January 2020	727,866
Additions	60,000
At 31 December 2020	787,866
Carrying amount	
At 31 December 2020	787,866
At 31 December 2019	727,866

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Wilson & Co (Motor Sales) Limited	Hewitts Avenue, Hewitts Circus, Grimsby, N E Lincolnshire, DN36 4SE	Ordinary	100.00
Wilson & Co (KIA) Ltd	Hewitts Avenue, Hewitts Circus, Humberston, Grimsby, South Humberside, DN36 4SE	Ordinary	100.00
WCO Properties Ltd	C/O Wilson & Co., Hewitts Avenue, Humberston, Grimsby, DN36 4SE	Ordinary	100.00
Automotive Hub Ltd	Hewitts Avenue, Hewitts Circus, Humberston, Grimsby, South Humberside, DN36 4SE	Ordinary	100.00

17 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Vehicle stocks	13,039,210	12,509,248	-	-
Parts stock	875,145	1,376,495	-	-
	<u>13,914,355</u>	<u>13,885,743</u>	<u>-</u>	<u>-</u>

An impairment loss of £145,313 (2019 - £139,484) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Stock to the value of £10,996,999 (2019 - £12,082,751) is pledged as security for the company's liabilities by virtue of a debenture over all the assets of the company.

Included within stock are consigned vehicles in the sum of £2,643,678 (2019 - £1,802,992). The corresponding liability is included within trade creditors.

18 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	1,348,884	2,099,222	-	-
Amounts owed by group undertakings	-	-	245,532	80,559
Other debtors	200,974	106,838	-	74,702
Prepayments and accrued income	526,891	639,140	-	-
	<u>2,076,749</u>	<u>2,845,200</u>	<u>245,532</u>	<u>155,261</u>

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	21	1,967,306	1,329,855	250,000	-
Obligations under finance leases	22	173,486	175,102	-	-
Other borrowings	21	251,615	251,615	-	-
Trade creditors		12,824,058	14,190,587	-	-
Corporation tax payable		319,353	143,365	469	606
Other taxation and social security		221,925	487,390	-	-
Other creditors		64,061	46,927	45,299	-
Accruals and deferred income		1,248,466	911,725	558	-
		<u>17,070,270</u>	<u>17,536,566</u>	<u>296,326</u>	<u>606</u>

20 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	21	1,021,380	626,128	437,500	-
Obligations under finance leases	22	282,047	384,088	-	-
Other borrowings	21	1,967,444	2,166,157	-	-
		<u>3,270,871</u>	<u>3,176,373</u>	<u>437,500</u>	<u>-</u>

21 Loans and overdrafts

		Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans		1,313,726	698,560	687,500	-
Bank overdrafts		1,674,960	1,257,423	-	-
Other loans		2,219,059	2,417,772	-	-
		<u>5,207,745</u>	<u>4,373,755</u>	<u>687,500</u>	<u>-</u>
Payable within one year		2,218,921	1,581,470	250,000	-
Payable after one year		2,988,824	2,792,285	437,500	-

The bank loans and overdrafts are secured by way of a debenture held over all assets of the group, together with a first legal charge over the group's freehold property.

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Loans and overdrafts

(Continued)

Bank loans amounting to £223,417 (2019 - £278,560) bear interest at a rate of 3.5% above the bank base rate and are due to be repaid by November 2023.

The bank loan amounting to £402,809 (2019 - £420,000) bears interest at a rate of 2.75% above the bank base rate and is due to be repaid by November 2024.

The bank loan amounting to £687,500 (2019 - £Nil) bears interest at a rate of 1.13% above the bank base rate and is due to be repaid by August 2023.

Included within other loans is a balance of £2,169,059 (2019 - £2,327,772) which bears interest at a rate of 2.75% above the applicable LIBOR rate and is due to be repaid by December 2022.

22 Finance lease obligations

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Within one year	173,486	175,102	-	-
In two to five years	282,047	384,088	-	-
	<u>455,533</u>	<u>559,190</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
Group		
Accelerated capital allowances	167,257	199,590
Short term timing differences	(15,556)	(14,909)
	<u>151,701</u>	<u>184,681</u>

The company has no deferred tax assets or liabilities.

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Deferred taxation

(Continued)

	Group 2020 £	Company 2020 £
Movements in the year:		
Liability at 1 January 2020	184,681	-
Credit to profit or loss	(32,980)	-
Liability at 31 December 2020	<u>151,701</u>	<u>-</u>

24 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>379,543</u>	<u>422,156</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions totalling £33,840 (2019 - £38,647) were payable to the fund at the reporting date.

25 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>457,866</u>	<u>457,866</u>	<u>457,866</u>	<u>457,866</u>

26 Reserves

Profit and loss reserves

Includes all current and prior period retained profits and losses.

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

27 Acquisition of a business

On 1 September 2020 the group acquired 100 percent of the issued capital of Automotive Hub Limited.

	Book Value £	Adjustments £	Fair Value £
Net assets acquired			
Cash and cash equivalents	60,000	-	60,000
Goodwill			-
Total consideration			60,000
The consideration was satisfied by:			£
Cash			60,000
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£
Turnover			1,098,987
Loss after tax			(107,627)

28 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	208,443	201,866	-	-
Between two and five years	180,000	343,749	-	-
	388,443	545,615	-	-

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

29 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Acquisition of tangible fixed assets	1,093,677	8,750	-	-

30 Related party transactions

During the year Wilson & Co (Motor Sales) Limited, a subsidiary company, paid Lord Corporate Associates Limited, a company owned and controlled by F Lord, a director of RJTK Investments Ltd, £16,828 (2019 - £17,825) for management services.

31 Directors' transactions

During the year advances were made to R Wilson of £Nil (2019 - £74,701), the balance at the year end was £Nil (2019 - £74,701) and the maximum amount outstanding during the year was £74,701 (2019 - £74,701).

Dividends totalling £120,000 (2019 - £400,000) were paid in the year in respect of shares held by the company's directors.

32 Controlling party

The controlling party is R Wilson by virtue of his majority shareholding in RJTK Investments Ltd.

33 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	1,136,735	703,168
Adjustments for:		
Taxation charged	287,202	199,201
Finance costs	366,719	482,004
Investment income	(1,845)	(1,020)
Loss on disposal of tangible fixed assets	13,750	872
Depreciation and impairment of tangible fixed assets	444,360	440,604
Movements in working capital:		
(Increase)/decrease in stocks	(28,612)	1,558,937
Decrease in debtors	693,750	206,970
Decrease in creditors	(1,278,119)	(1,984,383)
Cash generated from operations	1,633,940	1,606,353

RJTK INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

34 Analysis of changes in net debt - group

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	2,336,482	1,620,718	3,957,200
Bank overdrafts	(1,257,423)	(417,537)	(1,674,960)
	<u>1,079,059</u>	<u>1,203,181</u>	<u>2,282,240</u>
Borrowings excluding overdrafts	(3,116,332)	(416,453)	(3,532,785)
Obligations under finance leases	(559,190)	103,657	(455,533)
	<u>(2,596,463)</u>	<u>890,385</u>	<u>(1,706,078)</u>