

WOODALL NICHOLSON HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

WOODALL NICHOLSON HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J. M. Randerson F. G. Barrett J. S. Sharrock
Registered number	08381707
Registered office	Wigan Road Westhoughton Bolton Lancashire BL5 2EE
Independent auditor	Langtons Professional Services Limited Chartered Accountants & Statutory Auditor The Plaza 100 Old Hall Street Liverpool L3 9QJ
Bankers	National Westminster Bank Plc 38 Market Street Leigh WN7 1DX
Solicitors	DWF LLP 1 Scott Place 2 Hardman Street Manchester M3 3AA

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

The Directors present their strategic report and financial statements for the year ended 31 December 2020. The prior period results are for the year ended 31 December 2019.

Business review

During the year the Company's turnover decreased by 3.75% to £82.0 million and Operating profits (before exceptional items) decreased 1.94% to £6.3 million with the reduction attributable to disruption due to Covid19 with all UK sites partially closed, for safety reasons and exceptional levels of workforce absence due to prudent isolation, during the first half of the year.

At the year end the Company had shareholder's funds of £15.9m compared to £13.7m the previous year and the Company's current assets exceed its current liabilities by £1.3m.

The Directors are extremely pleased with how well the business has performed through this difficult period with a successful integration of the acquisitions made in the year ended 31 December 2019 and an acceleration of product development that will form a basis for strong growth over the coming years. The Directors consider the Company's financial position to be strong.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

COVID19

As noted above during 2020 the Company was affected by the global pandemic arising from COVID19.

The Company has now taken measures to protect the welfare of its employees through flexible working and stricter hygiene internal controls and remains focused upon managing the risk associated with COVID-19 extremely diligently. This includes but is not limited to:

- Improved provisions for employee safety to reduce staff absenteeism due to COVID-19.
- Greater diligence around credit risk with customers, setting credit limits and terms and evaluation of customers and sales.
- Increased analysis of the supply base, ensuring any risk of impact to operations that could affect the Company is understood and foreseen.

Other Risks

The Directors believe that apart from risks associated with Covid-19 issues the main risks of the business are

- Lack of demand in key markets
- Loss of key customers
- Failures in the supply chain
- Fluctuations in the Groups working capital requirements and funding requirements

Lack of demand in key markets is managed by having a diversified portfolio of products.

Loss of key customers is managed by developing and continuing good working relationships and providing excellent service and quality at competitive costs.

The risk of failure in key suppliers is managed by developing long term relationships with our key suppliers, that are predominantly UK based.

Risks identified resulting from the Group's working capital requirements are mitigated by entering into a range of banking facilities where required and operating a diversified portfolio of businesses with different working capital cycles.

Financial key performance indicators

The Directors monitor performance through the production of detailed annual budgets and forecasts that cover all trading divisions in the Group and comparison of actual performances against these budgets.

WOODALL NICHOLSON HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Key performance indicators:

	2020	2019	Change %
Turnover for Group (£000)	82,041	85,236	(4)
Operating profit (excluding exceptional items) for Group (£000)	6,307	6,432	(2)
Net current assets (excluding Intercompany) for Group (£000)	5,542	7,888	(29)
Operating return on net assets (%)	40	47	(15)
Reportable accidents	6	3	100

The Directors are satisfied with the performance of the business during the period especially accounting for the disruption due to COVID 19.

Directors' statement of compliance with duty to promote the success of the Group

This section aims to address the responsibility of the Directors of the Company acting in good faith, to be promoting the success for the benefit of its members as its whole. The Directors and Senior management of Woodall Nicholson Holdings Limited give careful consideration to the factors set out below in discharging their duties.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Matter & How the Directors and Senior Management have discharged their duties

Decision making:

Decision making within the business is always taken with promoting the success of the business in mind from a Director and Senior Management level to all employees in the Company.

Performance of the Company is reviewed internally by Directors, frequently through financial reporting and non financial metrics as well as corporate reviews taking place multiple times throughout the fiscal year. Budgeting from a 5 year level takes place to ensure the long term planning of the company is set and strategic direction taken, as well as short term quarterly forecasting in order to ensure targets are met. All of this is done in line with corporate management to ensure accordance with the firms strategy and delivery of plans agreed by the Company Board and Senior Management.

Employees:

Employees are central to the long term success of any company and the same is true of Woodall Nicholson Holdings Limited. We have a diverse skill base and range of experience across our UK and International sites and recognise that maintaining and growing this is key to the business' future.

The business has apprentice programs to ensure that a pipeline of development is always in existence, and also offers a variety of programs of training across all areas.

Employee welfare is a critical component of our relationship with our employees, and this has been illustrated by the reaction to the COVID 19 pandemic, where the business promoted isolation if required, working from home for relevant staff, and stricter internal hygiene measures throughout.

Suppliers and Customers:

Creating and maintaining relationships with our supplier and customer base is key to the nature of our industry. The majority of our commercial arrangements with customers cover repeat long term business and this is reflected in how we manage our supply base – through long term relationships with experienced and skilled Sales and Procurement teams that foster and develop close relationships with our key businesses to ensure that we grow successfully together.

Impact on community and environment:

Impact on the environment is an important factor in all business decision making, especially in the automotive industry.

Woodall Nicholson businesses hold ISO 14001 2015 environmental management system accreditation, all aspects of environmental controls are managed through the EMS, including compliance obligations, legal requirements, objectives, operational planning and control. This is used in conjunction with internal, corporate and external BSI audits to ensure we adhere to environmental regulations.

Energy and Carbon Reporting

In line with the Streamlined Energy and Carbon Reporting (SECR) requirements we have reported on the underlying energy use.

In the period covered by the report the Company has undertaken preliminary audits to identify opportunities to improve energy efficiency and reduce energy consumption. The business has already followed some of the recommendations with an estimated saving of 270,818 kWh per year from switching the Westhoughton site from Oil to Natural gas. The Company is intending to implement the other recommendations with estimated saving of 354,379 kWh per year. The estimated total cost of the recommendations is £105,140, with an expected payback period of less than two years. Recommendations include replacing lighting with LED equivalents and fitting sensors to automate operation.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Energy Consumption and Greenhouse Gas Emissions

	Year ended 31 st December 2020	Year ended 31 st December 2019	Variance
	Energy units	Energy Units	%
Scope 1: Combustion of fuel and operation of facilities, refrigeration			
Natural Gas (kWh)	1,152,572	949,604	21.4%
Direct Transport (kWh)	1,134,429	1,335,013	(15.0)%
Fuel Oil (kWh)	700,942	2,417,210	(71.0)%
Total Scope 1: kWh Total Excl. Refrigerant	2,987,943	4,701,827	(36.4)%
	tCO ₂ e	tCO ₂ e	%
Natural Gas (kWh)	211.9	174.6	21.4%
Direct Transport (kWh)	272.9	321.2	(15.0)%
Fuel Oil (kWh)	187.9	647.4	(71.0)%
Total Scope 1: tCO₂eTotal Excl. Refrigerant	672.7	1,143.2	(36.4)%
Scope 2: Electricity purchased and heat and light generated for own use			
	Year ended 31 st December 2020	Year ended 31 st December 2019	Variance
	Energy units	Energy Units	%
Location Based (LB) (kWh)	877,142	1,217,886	(28.0)%
Market Based (MB) (kWh)	877,142	1,217,886	(28.0)%
	tCO ₂ e	tCO ₂ e	%
Location Based (LB) (kWh)	204.5	311.3	(34.3)%
Market Based (MB) (kWh)	99.5	148.4	(32.9)%
	Energy units	Energy Units	%
Total Gross Scope 1 & 2 (LB/MB) – Excl Refrigerant	3,865,085	5,919,713	(34.7)%
	tCO ₂ e	tCO ₂ e	%
Total Gross Scope 1 & 2 (LB) – Excl Refrigerant	877.3	1,454.4	(39.7)%
Total Gross Scope 1 & 2 (MB) – Excl Refrigerant	772.3	1,291.5	(40.2)%
Intensity Ratios – unit /£m turnover			
	Energy units	Energy Units	%
Total Gross Scope 1 & 2 (LB/MB) – Excl Refrigerant	47,112	69,451	(32.2)%
	tCO ₂ e	tCO ₂ e	%
Total Gross Scope 1 & 2 (LB) – Excl Refrigerant	10.7	17.1	(37.3)%
Total Gross Scope 1 & 2 (MB) – Excl Refrigerant	9.4	15.2	(37.9)%

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Methodology

Conversion factors

All conversion factors that have been used are taken from the 2019 “UK Government GHG” Conversion Factors for Company Reporting” document.

Utilities

Invoices from electricity and natural gas suppliers were provided, with energy consumption expressed in kilowatt hours. Emissions were calculated using the average UK mix.

Fuel consumption is recorded by fuel cards, expressed in litres. Energy consumption and emissions were calculated using the average forecourt mineral blend of fuels.

This report was approved by the board on 19 May 2021 and signed on its behalf.

J. S. Sharrock
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Results and dividends

The profit for the year, after taxation, amounted to £2,236,489 (2019 - £4,769,327).

Dividends amounting to £93,493 (2019 - £375,000) were paid during the year. The Directors do not recommend any further dividends for the year.

Principal activity

The principal activity of the Company during the year was that of an investment company, providing management and advisory services. The principal activities of the Group during the year were the design and manufacture of limousines, hearses and coaches, other specialist vehicle conversion work and the sale of related spares and pre-owned vehicles.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make 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 Group will continue in business.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Directors

The Directors who served during the year were:

G. K. Hudson (resigned 31 March 2020)
B. J. Davidson (resigned 31 March 2020)
W. J. Ley (resigned 31 March 2020)
P. M. Newton (resigned 31 March 2020)
M. P. Rogan (resigned 31 March 2020)
M. J. Widdall (resigned 31 March 2020)
J. M. Randerson
F. G. Barrett
J. S. Sharrock

Future developments

The Directors are satisfied with the results for the period and are positive for the future, based on ongoing improvement and product development initiatives within the business.

Research and development activities

The Group has expended approximately £1,020k (2019 - £764k) on development and improvement to the Group's range of products during the year.

Engagement with employees

The Group supports the employment of disabled people wherever possible, both in recruitment and by retention of those who become disabled during their employment.

Appropriate steps are taken to inform and consult employees regarding matters affecting them and the Group.

The Group's policy regarding health and safety is to ensure that, as far as is reasonably practicable, there is a working environment which will minimise the risk to health and safety of employees and those persons who are authorised to be on its premises.

Engagement with suppliers, customers and others

Creating and maintaining relationships with our supplier and customer base is key to the nature of our industry. The majority of our commercial arrangements with customers cover repeat long term business and this is reflected in how we manage our supply base – through long term relationships with an experienced and skilled Sales and Procurement teams that foster and develop close relationships with our key businesses to ensure that we grow successfully together.

Matters covered in the strategic report

A business review, principal risks and uncertainties, financial key performance indicators, statement of compliance with S172 of the Companies Act and Streamlined Energy and Carbon Reporting are disclosed in the Strategic Report.

WOODALL NICHOLSON HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Disclosure of information to auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditor

Under section 487(2) of the Companies Act 2006, Langtons Professional Services Limited will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 19 May 2021 and signed on its behalf.

J. S. Sharrock
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOODALL NICHOLSON HOLDINGS LIMITED

Opinion

We have audited the financial statements of Woodall Nicholson Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statement of Changes in Equity 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 Financial Reporting Standard 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 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOODALL NICHOLSON HOLDINGS LIMITED (CONTINUED)

Opinion 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 Group 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 Group 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 Group Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOODALL NICHOLSON HOLDINGS LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group 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:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006), the relevant tax compliance regulations in the UK and the EU General Data Protection Regulation (GDPR).

We understood how the Company is complying with those frameworks by making enquiries of management. Through consideration of the results of our audit procedures we were able to either corroborate or provide contrary evidence which was then followed up.

Based on our understanding we designed our audit procedures to identify non-compliance with laws and regulations. Our procedures involved:

enquiries of management; and

journal entry testing, with a focus on manual consolidation journals and journals indicating large or unusual transactions based on our understanding of the business.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage revenue and earnings. Where the risk was considered to be higher, including areas impacting key performance indicators or management remuneration, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. These procedures included those on revenue recognition detailed above, the assessment of items identified by management as non-recurring and testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOODALL NICHOLSON HOLDINGS LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

Andrew McCall (Senior Statutory Auditor)

for and on behalf of

Langtons Professional Services Limited

Chartered Accountants

Statutory Auditor

The Plaza

100 Old Hall Street

Liverpool

L3 9QJ

19 May 2021

WOODALL NICHOLSON HOLDINGS LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	82,041,282	85,236,407
Cost of sales	5	(68,482,399)	(71,108,167)
Exceptional cost of sales	15	(1,966,437)	-
Gross profit		11,592,446	14,128,240
Distribution costs		(1,509,199)	(1,919,979)
Administrative expenses		(6,508,939)	(5,787,355)
Other operating income	6	767,503	11,518
Operating profit	7	4,341,811	6,432,424
Interest receivable and similar income	11	1,366	7,011
Interest payable and similar expenses	12	(1,221,746)	(529,828)
Profit before tax		3,121,431	5,909,607
Tax on profit	13	(884,942)	(1,140,280)
Profit for the financial year		2,236,489	4,769,327
Profit for the year attributable to:			
Owners of the parent		2,236,489	4,769,327
		2,236,489	4,769,327

The notes on pages 22 to 48 form part of these financial statements.

WOODALL NICHOLSON HOLDINGS LIMITED

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

	Note	2020 £	2019 £
Profit for the financial year		2,236,489	4,769,327
Other comprehensive income			
Currency translation differences		(511)	-
Other comprehensive income for the year		(511)	-
Total comprehensive income for the year		<u>2,235,978</u>	<u>4,769,327</u>
Profit for the year attributable to:			
Owners of the parent Company		2,236,489	4,769,327
		<u>2,236,489</u>	<u>4,769,327</u>
Total comprehensive income attributable to:			
Owners of the parent Company		2,235,978	4,769,327
		<u>2,235,978</u>	<u>4,769,327</u>

The notes on pages 22 to 48 form part of these financial statements.

WOODALL NICHOLSON HOLDINGS LIMITED
REGISTERED NUMBER: 08381707

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	16	7,536,524	8,216,107
Tangible assets	17	8,064,277	7,340,544
		<u>15,600,801</u>	<u>15,556,651</u>
Current assets			
Stocks	19	15,035,484	11,672,470
Debtors: amounts falling due within one year	20	8,291,291	8,281,655
Cash at bank and in hand	21	12,562,791	8,593,227
		<u>35,889,566</u>	<u>28,547,352</u>
Creditors: amounts falling due within one year	22	(34,550,662)	(20,659,572)
Net current assets		<u>1,338,904</u>	<u>7,887,780</u>
Total assets less current liabilities		<u>16,939,705</u>	<u>23,444,431</u>
Creditors: amounts falling due after more than one year	23	(323,630)	(9,030,727)
Provisions for liabilities			
Deferred taxation	27	(439,467)	(367,364)
Other provisions	28	(301,065)	(313,282)
		<u>(740,532)</u>	<u>(680,646)</u>
Net assets		<u><u>15,875,543</u></u>	<u><u>13,733,058</u></u>

WOODALL NICHOLSON HOLDINGS LIMITED
REGISTERED NUMBER: 08381707

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Capital and reserves			
Called up share capital	29	1,020	1,020
Share premium account	30	3,482	3,482
Profit and loss account	30	15,871,041	13,728,556
Equity attributable to owners of the parent			
Company		<u>15,875,543</u>	<u>13,733,058</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 May 2021.

F. G. Barrett
Director

J. S. Sharrock
Director

The notes on pages 22 to 48 form part of these financial statements.

WOODALL NICHOLSON HOLDINGS LIMITED
REGISTERED NUMBER: 08381707

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	18	20,387,409	20,529,625
		<u>20,387,409</u>	<u>20,529,625</u>
Current assets			
Debtors: amounts falling due within one year	20	1,080,060	246,355
Cash at bank and in hand	21	-	159,674
		<u>1,080,060</u>	<u>406,029</u>
Creditors: amounts falling due within one year	22	(8,946,179)	(9,683,520)
Net current liabilities		<u>(7,866,119)</u>	<u>(9,277,491)</u>
Total assets less current liabilities		<u>12,521,290</u>	<u>11,252,134</u>
Creditors: amounts falling due after more than one year	23	-	(4,024,949)
Net assets		<u><u>12,521,290</u></u>	<u><u>7,227,185</u></u>

WOODALL NICHOLSON HOLDINGS LIMITED
REGISTERED NUMBER: 08381707

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Capital and reserves			
Called up share capital	29	1,020	1,020
Share premium account	30	3,482	3,482
Profit and loss account brought forward		7,222,683	890,404
Profit for the year		5,387,598	6,707,279
Other changes in the profit and loss account		(93,493)	(375,000)
		<hr/>	<hr/>
Profit and loss account carried forward		12,516,788	7,222,683
		<hr/>	<hr/>
		12,521,290	7,227,185

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 May 2021.

F. G. Barrett
Director

J. S. Sharrock
Director

The notes on pages 22 to 48 form part of these financial statements.

WOODALL NICHOLSON HOLDINGS LIMITED

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2019	1,020	3,482	9,334,229	9,338,731
Comprehensive income for the year				
Profit for the year	-	-	4,769,327	4,769,327
Total comprehensive income for the year	-	-	4,769,327	4,769,327
Dividends: Equity capital	-	-	(375,000)	(375,000)
Total transactions with owners	-	-	(375,000)	(375,000)
At 1 January 2020	1,020	3,482	13,728,556	13,733,058
Comprehensive income for the year				
Profit for the year	-	-	2,236,489	2,236,489
Currency translation differences	-	-	(511)	(511)
Total comprehensive income for the year	-	-	2,235,978	2,235,978
Dividends: Equity capital	-	-	(93,493)	(93,493)
Total transactions with owners	-	-	(93,493)	(93,493)
At 31 December 2020	1,020	3,482	15,871,041	15,875,543

The notes on pages 22 to 48 form part of these financial statements.

WOODALL NICHOLSON HOLDINGS LIMITED

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2019	1,020	3,482	890,404	894,906
Comprehensive income for the year				
Profit for the year	-	-	6,707,279	6,707,279
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(375,000)	(375,000)
Total transactions with owners	-	-	(375,000)	(375,000)
At 1 January 2020	1,020	3,482	7,222,683	7,227,185
Comprehensive income for the year				
Profit for the year	-	-	5,387,598	5,387,598
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(93,493)	(93,493)
Total transactions with owners	-	-	(93,493)	(93,493)
At 31 December 2020	<u>1,020</u>	<u>3,482</u>	<u>12,516,788</u>	<u>12,521,290</u>

The notes on pages 22 to 48 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The entity is a private limited liability company, limited by shares registered in England and Wales within the United Kingdom. The registered office and company number can be found on the Company Information page.

These consolidated financial statements include both group and company results.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. The consolidated financial statements do not, however, include the three parent entities. A separate consolidated set of financial statements are available from the ultimate parent entity. As a result, balances and transactions with other group entities are not eliminated in full as this consolidated set of financial statements does not include all group entities.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The Directors have concluded that it is appropriate to prepare the accounts on a going concern basis as the Group had adequate cash resources and financial projections indicate that the Group will continue to trade within its existing bank facilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Income Statement over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Negative goodwill arose on the acquisition of a business when the fair value of the separable assets and liabilities acquired exceeded the fair value of the consideration paid. Negative goodwill is capitalised and amortised through the Consolidated Statement of Comprehensive Income in the period in which the non-monetary assets acquired are recovered. In the case of fixed assets this is the period over which they are depreciated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Long-term leasehold property	- over period of lease
Short-term leasehold property	- 33% straight line
Plant and machinery	- 10% - 50% straight line
Motor vehicles	- 25% or 33% reducing balance
Office equipment	- 33% straight line

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Consolidated Statement of Comprehensive Income.

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the period of the lease.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.12 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.14 Government grants

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

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

2.15 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.16 Finance costs

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

2.17 Dividends

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.18 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.19 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.20 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.21 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.22 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.24 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.25 Product warranties

A provision is made for the three year warranty claims that are anticipated to be made over the life of the Group's products. This provision is based on historic sales of vehicles and the provision is included within accruals.

2.26 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.27 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors have made judgements regarding the depreciation of fixed assets, the carrying value of vehicles in work in progress and the provision for warranty claims.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	80,112,091	84,038,133
Rest of Europe	1,759,871	1,063,185
Rest of the world	169,320	135,089
	<u>82,041,282</u>	<u>85,236,407</u>

5. Cost of sales

Included in cost of sales is the following:

	2020 £	2019 £
Paint booth fire insurance settlement	<u>1,680,530</u>	<u>-</u>

The paint booth fire insurance settlement relates to an insurance claim made after the destruction of a paint booth due to fire.

6. Other operating income

	2020 £	2019 £
Government grants receivable	17,503	11,518
Insurance claims receivable	750,000	-
	<u>767,503</u>	<u>11,518</u>

The insurance claims receivable relate to a business interruption claim made by the Company during 2020 to cover for the loss due to COVID 19. The claim has been agreed in principle with the Companies Insurer and a quantified claim for 2020 has been validated by the Company's loss adjusters and submitted to the Insurer, but a final settlement figure has yet to be agreed. The receivable amount reflects the Companies view of a worst case scenario settlement of the claim for the 2020 period.

WOODALL NICHOLSON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Research & development charged as an expense	-	763,941
Exchange differences	(1,180)	-
Other operating lease rentals	<u>338,672</u>	<u>333,586</u>

8. Auditor's remuneration

	2020	2019
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	<u>25,000</u>	<u>23,100</u>
	<u>25,000</u>	<u>23,100</u>
All other services	<u>28,861</u>	<u>13,850</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Employees

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	15,232,633	13,231,164	-	-
Social security costs	1,379,343	1,078,765	-	-
Cost of defined contribution scheme	397,462	350,622	-	-
	<u>17,009,438</u>	<u>14,660,551</u>	<u>-</u>	<u>-</u>

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

	2020 No.	2019 No.
Production	419	346
Administration	106	88
Directors	3	9
	<u>528</u>	<u>443</u>

The Company has no employees.

10. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	546,924	756,357
Company contributions to defined contribution pension schemes	18,672	21,053
	<u>565,596</u>	<u>777,410</u>

During the year retirement benefits were accruing to 3 Directors (2019 - 3) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £230,357 (2019 - £305,190).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £7,706 (2019 - £11,054).

WOODALL NICHOLSON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Interest receivable

	2020 £	2019 £
Other interest receivable	1,366	7,011
	<u>1,366</u>	<u>7,011</u>

12. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	83,516	149,177
Other loan interest payable	934,311	379,118
Loans from group undertakings	202,790	-
Finance leases and hire purchase contracts	632	1,373
Other interest payable	497	160
	<u>1,221,746</u>	<u>529,828</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	775,906	1,072,019
Adjustments in respect of previous periods	(994)	903
	<u>774,912</u>	<u>1,072,922</u>
Group taxation relief	37,927	-
	<u>812,839</u>	<u>1,072,922</u>
Total current tax	<u>812,839</u>	<u>1,072,922</u>
Deferred tax		
Origination and reversal of timing differences	46,857	67,358
Changes to tax rates	25,246	-
	<u>72,103</u>	<u>67,358</u>
Total deferred tax	<u>72,103</u>	<u>67,358</u>
Taxation on profit on ordinary activities	<u>884,942</u>	<u>1,140,280</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>3,121,432</u>	<u>5,909,608</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	593,072	1,122,826
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	163,056	82,515
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	20,586	93,501
Fixed asset differences	(3,102)	8,225
Adjustments to tax charge in respect of prior periods	(994)	903
Non-taxable income	-	(1,978)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(188,693)
Unrelieved loss on foreign subsidiaries	139,078	44,188
Adjustment due to pre acquisition trading	-	(211)
Other differences leading to an increase (decrease) in the tax charge	(1,169)	1,169
Change in rate of provision for deferred taxation	(25,585)	(22,165)
Total tax charge for the year	<u>884,942</u>	<u>1,140,280</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

14. Dividends

	2020 £	2019 £
Dividends on G Ordinary shares	93,493	375,000
	<u>93,493</u>	<u>375,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Exceptional items

	2020 £	2019 £
Fair value adjustment - stock provisions	837,711	-
Fair value adjustment - warranty provisions	1,128,726	-
	<u>1,966,437</u>	<u>-</u>

As a part of the change in ownership of the group on 31 March 2020, the group performed a fair value exercise and as a consequence the company adopted a more prudent basis for calculating stock and warranty provisions which has resulted in an exceptional increase in the provisions during the year.

16. Intangible assets**Group**

	Patents £	Develop- ment expend- iture £	Trade- marks £	Goodwill £	Negative goodwill £
Cost					
At 1 January 2020	19,124	638,160	255,605	8,531,868	(667,252)
Additions	-	349,429	1,409	57,784	-
Disposals	-	-	-	(200,000)	-
At 31 December 2020	<u>19,124</u>	<u>987,589</u>	<u>257,014</u>	<u>8,389,652</u>	<u>(667,252)</u>
Amortisation					
At 1 January 2020	-	508,303	10,499	709,847	(667,252)
Charge for the year on owned assets	-	26,252	24,511	837,442	-
At 31 December 2020	<u>-</u>	<u>534,555</u>	<u>35,010</u>	<u>1,547,289</u>	<u>(667,252)</u>
Net book value					
At 31 December 2020	<u>19,124</u>	<u>453,034</u>	<u>222,004</u>	<u>6,842,363</u>	<u>-</u>
At 31 December 2019	<u>19,124</u>	<u>129,856</u>	<u>245,106</u>	<u>7,822,021</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

16. Intangible assets (continued)

	Total £
Cost	
At 1 January 2020	8,777,505
Additions	408,622
Disposals	(200,000)
	<hr/>
At 31 December 2020	8,986,127
	<hr/>
Amortisation	
At 1 January 2020	561,397
Charge for the year on owned assets	888,205
	<hr/>
At 31 December 2020	1,449,602
	<hr/>
Net book value	
At 31 December 2020	<u>7,536,525</u>
At 31 December 2019	<u>8,216,107</u>

Negative goodwill arose on the acquisition of a business and represents the difference between the consideration for the purchase of the business and the fair value of the separable net assets acquired.

Company

The company has no intangible assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Tangible fixed assets

Group

	Freehold property £	Leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation						
At 1 January 2020	3,237,329	1,640,401	7,386,831	184,061	340,596	12,789,218
Additions	98,514	50,608	1,561,346	-	22,982	1,733,450
Disposals	(18,822)	-	(42,303)	-	-	(61,125)
At 31 December 2020	3,317,021	1,691,009	8,905,874	184,061	363,578	14,461,543
Depreciation						
At 1 January 2020	719,978	283,055	4,050,925	121,436	273,279	5,448,673
Charge for the year on owned assets	77,599	54,154	848,319	12,141	12,121	1,004,334
Charge for the year on financed assets	-	-	-	4,350	-	4,350
Disposals	(17,788)	-	(42,303)	-	-	(60,091)
At 31 December 2020	779,789	337,209	4,856,941	137,927	285,400	6,397,266
Net book value						
At 31 December 2020	<u>2,537,232</u>	<u>1,353,800</u>	<u>4,048,933</u>	<u>46,134</u>	<u>78,178</u>	<u>8,064,277</u>
At 31 December 2019	<u>2,517,351</u>	<u>1,357,345</u>	<u>3,335,906</u>	<u>62,625</u>	<u>67,317</u>	<u>7,340,544</u>

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

	2020 £	2019 £
Freehold	2,537,232	1,382,713
Long leasehold	1,212,908	1,230,877
Short leasehold	140,891	1,261,106
	<u>3,891,031</u>	<u>3,874,696</u>

WOODALL NICHOLSON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Tangible fixed assets (continued)

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

	2020 £	2019 £
Plant and machinery	13,050	74,401
	<u>13,050</u>	<u>74,401</u>

18. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	20,529,625
Additions	(142,216)
	<u>20,387,409</u>
At 31 December 2020	
Net book value	
At 31 December 2020	<u>20,387,409</u>
<i>At 31 December 2019</i>	<u>20,529,625</u>

WOODALL NICHOLSON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

19. Stocks

	Group 2020 £	Group 2019 £
Raw materials and consumables	5,717,746	4,552,191
Work in progress (goods to be sold)	7,549,343	4,925,431
Finished goods and goods for resale	1,768,395	2,194,848
	<u>15,035,484</u>	<u>11,672,470</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

20. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	6,167,365	7,241,234	88,200	-
Amounts owed by group undertakings	80,839	-	739,001	34,668
Other debtors	896,691	219,854	17,279	150,585
Prepayments and accrued income	1,146,396	820,567	235,580	21,600
Deferred taxation	-	-	-	39,502
	<u>8,291,291</u>	<u>8,281,655</u>	<u>1,080,060</u>	<u>246,355</u>

21. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	12,562,791	8,593,227	-	159,674
Less: bank overdrafts	(3,346,511)	-	(3,346,511)	-
	<u>9,216,280</u>	<u>8,593,227</u>	<u>(3,346,511)</u>	<u>159,674</u>

WOODALL NICHOLSON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

22. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	3,346,511	-	3,346,511	-
Bank loans	-	800,000	-	800,000
Payments received on account	784,887	83,418	-	-
Trade creditors	20,043,397	15,207,521	-	359,610
Amounts owed to group undertakings	4,284,345	-	5,372,806	7,937,005
Corporation tax	575,504	703,162	-	-
Other taxation and social security	3,557,503	2,382,802	12,603	12,603
Obligations under finance lease and hire purchase contracts	5,778	14,906	-	-
Other creditors	1,175,625	275,295	-	-
Accruals and deferred income	777,112	1,192,468	214,259	574,302
	<u>34,550,662</u>	<u>20,659,572</u>	<u>8,946,179</u>	<u>9,683,520</u>

Bank overdrafts are secured on all assets of the company and by way of an intercompany guarantee with other group companies.

Obligations under finance lease and hire purchase contracts are secured on the assets concerned.

23. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	-	6,387,500	-	1,387,500
Other loans	-	2,637,449	-	2,637,449
Net obligations under finance leases and hire purchase contracts	-	5,778	-	-
Accruals and deferred income	323,630	-	-	-
	<u>323,630</u>	<u>9,030,727</u>	<u>-</u>	<u>4,024,949</u>

Obligations under finance lease and hire purchase contracts are secured on the assets concerned.

WOODALL NICHOLSON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

24. Loans

The following liabilities disclosed under creditors are secured by the Group:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due within one year				
Bank loans	-	800,000	-	800,000
	-	800,000	-	800,000
Amounts falling due 1-2 years				
Bank loans	-	800,000	-	800,000
	-	800,000	-	800,000
Amounts falling due 2-5 years				
Bank loans	-	5,587,500	-	587,500
Other loans	-	2,637,449	-	2,637,449
	-	8,224,949	-	3,224,949
Amounts falling due after more than 5 years				
	-	9,824,949	-	4,824,949

The bank loans were secured by a debenture dated 17 July 2013 over all assets of the Company together with an unlimited guarantee across all companies within the Group.

25. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	Group 2019 £
Within one year	5,879	15,538
Between 1-5 years	-	5,878
	<u>5,879</u>	<u>21,416</u>

WOODALL NICHOLSON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

26. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Financial assets measured at fair value through profit or loss	12,562,791	8,593,227	-	159,674
Financial assets that are debt instruments measured at amortised cost	7,138,586	7,398,714	842,503	149,571
	<u>19,701,377</u>	<u>15,991,941</u>	<u>842,503</u>	<u>309,245</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(29,533,553)</u>	<u>(26,405,118)</u>	<u>-</u>	<u>-</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade, group and other debtors.

Financial liabilities measured at amortised cost comprise trade, group and other creditors, accruals, bank, other and debenture loans.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

27. Deferred taxation

Group

	2020 £
At beginning of year	(367,364)
Charged to the profit or loss	(72,103)
Arising on business combinations	-
At end of year	<u>(439,467)</u>

Company

	2020 £
At beginning of year	39,502
Charged to the profit or loss	(39,502)
At end of year	<u>-</u>

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	(447,404)	(413,386)	-	-
Other timing differences	7,937	46,022	-	39,502
	<u>(439,467)</u>	<u>(367,364)</u>	<u>-</u>	<u>39,502</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

28. Provisions

Group

	Government grants £
At 1 January 2020	313,282
Charged to profit or loss	(12,217)
At 31 December 2020	<u>301,065</u>

29. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
112,650 (2019 - 112,650) A1 Ordinary shares of £0.001 each	112.65	112.65
112,650 (2019 - 112,650) A2 Ordinary shares of £0.001 each	112.65	112.65
112,650 (2019 - 150,200) B Ordinary shares of £0.001 each	112.65	150.20
75,100 (2019 - 75,100) C Ordinary shares of £0.001 each	75.10	75.10
270,360 (2019 - 270,360) D Ordinary shares of £0.001 each	270.36	270.36
30,040 (2019 - 30,040) E Ordinary shares of £0.001 each	30.04	30.04
20 (2019 - 20) F Ordinary shares of £1.000 each	20.00	20.00
249,000 (2019 - 249,000) G Ordinary shares of £0.001 each	249.00	249.00
37,550 (2019 -) H Ordinary shares of £0.001 each	37.55	-
	<u>1,020.00</u>	<u>1,020.00</u>

The rights attaching to each class of share can be found in the Articles of Association of the Company, a copy of which is freely available from Companies House, Cardiff.

30. Reserves

Share premium account

Represents the additional premium paid on issue of shares at above par value.

Profit and loss account

Includes all current and prior period retained profits and losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

31. Contingent liabilities

The Company has entered into a cross guarantee with its parent company such that it will guarantee the lending of its parent should it be unable to meet its liabilities as and when they fall due. At 31 December 2020, the maximum potential exposure is £88,740,487.

32. Contingent assets

The group has made a business interruption insurance claim as a result of the Covid-19 pandemic. The claim has been agreed in principle by the group's insurer and a claim has been submitted by the group's loss adjuster but no settlement has been agreed. As per note 6, a prudent provision of £750,000 has been included within other debtors to reflect that a claim has been made, the final settlement is expected to be in excess of this provision but it is not yet practicable to quantify the final settlement.

33. Capital commitments

At 31 December 2020 the Group and Company had capital commitments as follows:

	Group 2020	<i>Group 2019</i>
	£	<i>£</i>
Contracted for but not provided in these financial statements	<u>-</u>	<u>307,707</u>

34. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund. Contributions totalling £84,524 (2019 - £95,117) were payable to the fund at the reporting date and are included in creditors.

35. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020	<i>Group 2019</i>
	£	<i>£</i>
Not later than 1 year	232,069	<i>201,656</i>
Later than 1 year and not later than 5 years	185,351	<i>364,103</i>
	<u>417,420</u>	<u><i>565,759</i></u>

36. Other financial commitments

The Group has provided a bond of £54,000 (2019 - £54,000) to HM Revenue & Customs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

37. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 and has not disclosed transactions with other wholly owned group companies.

38. Controlling party

The shareholders of the Company are the ultimate controlling parties.

39. Subsidiary exemption from audit

The directors consider that the group is entitled to exemption from the requirement to have an audit of its subsidiary undertakings under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required any of the subsidiaries to obtain an audit for the year in question in accordance with section 476 of the Act.

Villmount Limited (NI604140), Treka Bus Limited (04063157), Promech Solutions Limited (09691800), JM Engineering (Scarborough) Limited (06429273) and Vehicle Conversion Specialists Limited (07214183) have taken advantage of this exemption.

WOODALL NICHOLSON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

40. Subsidiary undertakings

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Woodall Nicholson Limited	England and Wales	Manufacturer and converter of vehicles	Ordinary	100 %
Coleman Milne Limited	England and Wales	Dormant	Ordinary	100 %
Mellor Coachcraft Limited	England and Wales	Dormant	Ordinary	100 %
Villmount Limited	England and Wales	Dormant	Ordinary	100 %
Treka Bus Limited	England and Wales	Manufacture of both coach built and van conversion accessible minibuses.	Ordinary	100 %
Woodall Nicholson Trustee Limited	England and Wales	Dormant	Ordinary	100 %
Woodall Nicholson Binz International GmBH	Germany	Manufacturer and converter of vehicles	Ordinary	100 %
Promech Solutions Limited	England and Wales	Engineering fabrication	Ordinary	100 %
JM Engineering (Scarborough) Limited	England and Wales	Engineering, specialising in stainless steel and sheet metal work	Ordinary	100 %
Vehicle Conversion Specialists Limited	England and Wales	Bespoke specialist coach built vehicles primarily for the emergency service market	Ordinary	100 %

Mellor Coachcraft Limited, Coleman Milne Limited and Binz International GmBH are direct subsidiaries of Woodall Nicholson Limited, which is itself a direct subsidiary of Woodall Nicholson Holdings Limited.

Treka Bus Limited is a direct subsidiary of Villmount Limited, which is itself a direct subsidiary of Woodall

Nicholson Holdings Limited.

Woodall Nicholson Trustee Limited is a direct subsidiary of Woodall Nicholson Holdings Limited.

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