

Company Registration No. 00758842 (England and Wales)

WORTLEA ESTATES (LEEDS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



WORTLEA ESTATES (LEEDS) LIMITED

COMPANY INFORMATION

Directors	A M Keith	(Appointed 2 July 2021)
	D M Keith	(Appointed 2 July 2021)

Company number	00758842
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Registered office	Whitehall Road Leeds LS12 5NL
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Auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
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WORTLEA ESTATES (LEEDS) LIMITED

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WORTLEA ESTATES (LEEDS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Fair review of the business

During the year to 31 December 2020, the group's profit on ordinary activities before tax was £65k (2019: £471k).

The group's turnover declined by 25% to £63m (2019: £84m), this was as a direct consequence of the Covid 19 pandemic which resulted in all parts of the business being physically closed for various periods throughout the year.

Both New and Used car sales were hit by the closures and volume declined by some 27% on the previous year. Service fared better as the closures were for shorter periods and volume here declined by 10.1%.

The Pandemic has brought forward significant changes to the way that the business has operated since March 2020 with increased focus on online activity and the need to develop our internal communications systems to meet with the demands of large numbers of staff having to work remotely. This has resulted in more effective and efficient working methods.

The level of stock held at year-end was £10.907m (2019 - £14.533m).

Principal risks and uncertainties

The management of the business 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.

a) Emissions control

Over recent years there has been a marked shift away from diesel vehicles with petrol and alternative fuels growing in popularity. In 2020 Diesel sales accounted for 16% of UK registrations (25.2%) with Petrol at 55.4% (64.1%) and Hybrid and Electric cars at 28.6% (10.7%). All our brands have a strategy to increase the share of Electric vehicles within their ranges which will address the shift in the market that we are currently experiencing as a result of both customer preference and Government regulation.

b) General economic conditions

The general economic environment and levels of consumer and business confidence have a direct impact on levels of demand in the motor retail sector. In addition, fuel prices, interest rates, and levels of unemployment can all significantly impact sales levels. Demand levels are closely monitored by the business on an on-going basis (via sales and enquiry analysis) and action taken accordingly if these measures deviate from expectation.

c) Covid-19

The outbreak of Covid-19 is a very significant humanitarian and economic event facing many countries and businesses. Government support has helped to restrict the impact on the cash flow of the business and helped to ensure that as many job roles could be kept on as possible. Despite the severe disruption during March, April and May, and again at the end of the year, cash flow remained positive and the business has seen demand returning after the second period of lock down.

In this period of enormous uncertainty it is extremely difficult to make future predictions but the directors consider that the impact of Covid-19 will be a temporary disruption and will ultimately pass. Given the widespread government-led support to businesses, including certain guidance to banks, certain risks are mitigated, and given the group's low level of net borrowings we do not anticipate that the impact on the business will be harmful in the medium term.

d) Manufacturer relationships

The group relies on the strength of its relationships with the vehicle manufacturers to deliver a significant component of company profitability. Changes in the fortunes and strategy of the group's key manufacturer partners could directly and materially impact the group's result. This risk is mitigated by the fact that the group represents a number different brands, thereby reducing exposure to any one manufacturer partner.

WORTLEA ESTATES (LEEDS) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

e) Used vehicle prices

Used vehicle price volatility can present a significant risk in the event that the market price moves rapidly between the point of purchase and the point of sale of a used vehicle. This leads to reduced margins and increased provisions on unsold stock. This risk is mitigated by a combination of regular monitoring of the used vehicle market by the group used car buyers, a focus on stock turn to reduce the length of time that used vehicles are held in stock, and regular review and re-pricing to ensure that vehicles are priced competitively in the market.

f) Group people and reputation

The group has invested heavily in its people and its reputation over a number of years. It is therefore reliant on these individuals to a degree in delivering the group result and reinforcing the underlying D M Keith brand. The group undertakes a regular review of remuneration and packages to ensure that it attracts and retains the best people.

Promoting the success of the group - Section 172 Statement

The directors have acted to promote the long-term success of the group for the benefit of all its stakeholders during the year ending 31 December 2020.

The group's employees are fundamental to the delivery of this strategy and we are a responsible employer in our approach to all aspects of their employment. The health, safety and well-being of our team is of primary consideration in the way we do business. The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Our aim is to be fully compliant with employment law, GDPR, modern slavery, competition law, FCA requirements, Health & Safety, anti-corruption and anti-bribery regulations, together with other legal or regulatory requirements for the sector we operate in.

The group gives full and fair consideration for the employment of disabled persons having regard to their particular aptitudes and abilities. Where existing employees become disabled, it is the group's policy wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The directors believe that it is essential for the continued success and reputation of the business to maintain positive relationships with our customers, suppliers and vehicle manufacturer partners. Our business is built upon the prioritisation of customer satisfaction and quality and having positive relationships with all our suppliers. We meet with our manufacturing partners regularly throughout the year and take the appropriate action, when necessary, to prevent involvement in modern slavery, corruption, bribery and breaches of competition law.

The directors monitor any impact of the group's operations on the environment and local community and the group accepts its wider social responsibilities and is involved with local good causes. We comply with environmental legislation, pursue waste saving opportunities, recycle what we can and have invested to reduce our carbon footprint. The group monitors its energy and water consumption to reduce usage where possible.

The directors operate the business in a responsible manner with good governance to ensure all stakeholders are treated fairly and to maintain and improve our strong reputation and high standards of business conduct.

Key performance indicators

The directors have monitored the progress of the overall group strategy and the individual strategic elements by reference to gross margin and operating profit, which are set out in the attached accounts.

WORTLEA ESTATES (LEEDS) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the board

A handwritten signature in black ink, appearing to read 'D-M Keith', written over a circular stamp or seal.

D-M Keith
Director

21 December 2021

WORTLEA ESTATES (LEEDS) LIMITED

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 combines the activity of co-coordinating the functions of a group of trading companies in the motor distribution industry with managing a number of properties.

Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid. 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:

D H Innes	(Resigned 2 July 2021)
R H R innes	(Resigned 2 July 2021)
G B Roberts	(Resigned 2 July 2021)
R N Roberts	(Resigned 2 July 2021)
J L Terry	(Resigned 2 July 2021)
A M Keith	(Appointed 2 July 2021)
D M Keith	(Appointed 2 July 2021)

Financial instruments

Liquidity risk

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

Interest 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 interest rate exposure of the financial assets and liabilities of the group as at 31 December 2020 is shown in the consolidated statement of financial position. The consolidated statement of financial position includes trade debtors and creditors which do not attract interest.

Credit risk

The group's principal financial assets are freehold property, stock, cash and trade debtors. The credit risk associated with freehold property, stock and cash is limited and therefore the principal credit risk arises from its trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. These credit limits are reviewed regularly by the directors together with the aged debtors and collection history.

WORTLEA ESTATES (LEEDS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Employee involvement

The group has strong family values and consequently places extreme importance on its engagement with its employees. This is achieved in the following ways:-

- Every site has a "Family Gathering" at least once a week where the management share information about the financial performance of the business and discuss the key issues facing the site and the wider group. All employees are in attendance with these meetings which take place during the working day.
- There is a "Champions" company who meet with the board regularly, acting on behalf of their colleagues, sharing concerns and putting forward ideas which are often acted upon. The Champions developed the Family Values for the business which are Fit, Fun, Family, Fearless which drive our business.
- All managers have regular meetings with their relevant board member and are also paid according to the profitability of their department thereby allowing them to share in the company's success.
- Employee meetings are held using video conferencing to share the latest news about the group.
- All employees receive personally signed Birthday cards from the managing director.

Business relationships

It is important for the group to maintain strong relationships with its external stakeholders as well as employees in order that they can understand the future plans and historic performance of the business.

- We hold regular meetings at Board Level with our Manufacturer partners to discuss our respective performance and strategies and how we can work together for the common good.
- The Directors hold quarterly meetings with our Bankers and other funding partners. We also provide them with monthly financial updates to keep them abreast at all times of our results and needs.
- We communicate with our customers via the Drivetime Magazine in order to involve them in the Family feel of the company and to distinguish ourselves from other businesses in the sector.

Future developments

On 2 July 2021 D.M.Keith Limited acquired the whole of the issued share capital of Wortlea Estates (Leeds) Limited.

Auditor

UHY Hacker Young Manchester LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

The subsidiary Ringways Garages (Leeds) Limited qualifies as a large company and has consumed more than 40,000 kWh of energy. Therefore included within the subsidiary accounts is the energy and carbon report. These can be found at the company's registered office.

WORTLEA ESTATES (LEEDS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of directors' responsibilities

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:

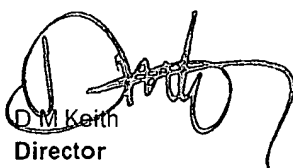
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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.

On behalf of the board


D M Keith
Director

21 December 2021

WORTLEA ESTATES (LEEDS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WORTLEA ESTATES (LEEDS) LIMITED

Opinion

We have audited the financial statements of Wortlea Estates (Leeds) Limited (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.

WORTLEA ESTATES (LEEDS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WORTLEA ESTATES (LEEDS) LIMITED

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.

WORTLEA ESTATES (LEEDS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WORTLEA ESTATES (LEEDS) LIMITED

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 group'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 group operates in, focusing 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 group'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 stocks, 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.

WORTLEA ESTATES (LEEDS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WORTLEA ESTATES (LEEDS) LIMITED

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.



Paul Daly BEng FCA (Senior Statutory Auditor)
For and on behalf of

21 December 2021

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

WORTLEA ESTATES (LEEDS) LIMITED

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

	Notes	2020 £	2019 £
Turnover	3	63,042,915	84,459,775
Cost of sales		(56,709,887)	(77,150,323)
Gross profit		6,333,028	7,309,452
Administrative expenses		(6,598,426)	(6,681,236)
Other operating income		457,459	-
Operating profit	4	192,061	628,216
Interest receivable and similar income	8	20,000	24,000
Interest payable and similar expenses	9	(146,985)	(181,491)
Profit before taxation		65,076	470,725
Tax on profit	10	(49,401)	(87,819)
Profit for the financial year	22	15,675	382,906
Other comprehensive income			
Actuarial (loss)/gain on defined benefit pension schemes		(423,000)	158,000
Tax relating to other comprehensive income		246,610	(55,300)
Total comprehensive income/ (loss) for the year		(160,715)	485,606
Profit for the financial year is attributable to:			
- Owners of the parent company		12,695	379,639
- Non-controlling interests		2,980	3,267
		15,675	382,906
Total comprehensive income/ (loss) for the year is attributable to:			
- Owners of the parent company		(163,695)	482,339
- Non-controlling interests		2,980	3,267
		(160,715)	485,606

WORTLEA ESTATES (LEEDS) LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		5,187,259		5,317,116
Current assets					
Stocks	14	10,906,863		14,533,471	
Debtors	15	3,529,481		2,296,415	
Cash at bank and in hand		242,662		319,832	
		14,679,006		17,149,718	
Creditors: amounts falling due within one year	16	(13,698,975)		(16,291,311)	
Net current assets			980,031		858,407
Total assets less current liabilities			6,167,290		6,175,523
Creditors: amounts falling due after more than one year	17		(314,327)		(412,234)
Provisions for liabilities					
Deferred tax liability	19	117,039		363,650	
			(117,039)		(363,650)
Net assets excluding pension surplus			5,735,924		5,399,639
Defined benefit pension surplus	20		542,000		1,039,000
Net assets			6,277,924		6,438,639
Capital and reserves					
Called up share capital	21		147,283		147,283
Share premium account	22		27,645		27,645
Revaluation reserve	22		403,360		403,360
Profit and loss reserves	22		5,689,001		5,852,696
Equity attributable to owners of the parent company			6,267,289		6,430,984
Non-controlling interests			10,635		7,655
			6,277,924		6,438,639

WORTLEA ESTATES (LEEDS) LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on 21 December 2021 and are signed on its behalf by:



D M Keith
Director

WORTLEA ESTATES (LEEDS) LIMITED


COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11	1,212,600		1,238,400	
Investments	12	126,750		126,750	
		<u>1,339,350</u>		<u>1,365,150</u>	
Current assets					
Debtors	15	1,140,000		1,106,992	
Cash at bank and in hand		7,397		7,395	
		<u>1,147,397</u>		<u>1,114,387</u>	
Creditors: amounts falling due within one year	16	<u>(78,588)</u>		<u>(26,698)</u>	
Net current assets		<u>1,068,809</u>		<u>1,087,689</u>	
Total assets less current liabilities		<u>2,408,159</u>		<u>2,452,839</u>	
Creditors: amounts falling due after more than one year	17	<u>(314,327)</u>		<u>(412,234)</u>	
Net assets		<u><u>2,093,832</u></u>		<u><u>2,040,605</u></u>	
Capital and reserves					
Called up share capital	21	147,283		147,283	
Share premium account	22	110,425		110,425	
Profit and loss reserves	22	1,836,124		1,782,897	
Total equity		<u><u>2,093,832</u></u>		<u><u>2,040,605</u></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 £53,227 (2019 - £77,696 profit).

The financial statements were approved by the board of directors and authorised for issue on 21 December 2021 and are signed on its behalf by:


D.M. Keith
Director

Company Registration No. 00758842

WORTLEA ESTATES (LEEDS) LIMITED

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

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 January 2019		147,283	27,645	403,360	5,598,674	6,176,962	6,592	6,183,554
Year ended 31 December 2019:								
Profit for the year		-	-	-	379,639	379,639	3,267	382,906
Other comprehensive income:								
Actuarial gains on defined benefit plans		-	-	-	158,000	158,000	-	158,000
Tax relating to other comprehensive income		-	-	-	(55,300)	(55,300)	-	(55,300)
Total comprehensive income for the year		-	-	-	482,339	482,339	3,267	485,606
Dividends		-	-	-	(228,317)	(228,317)	(2,204)	(230,521)
Balance at 31 December 2019		147,283	27,645	403,360	5,852,696	6,430,984	7,655	6,438,639
Year ended 31 December 2020:								
Profit for the year		-	-	-	12,695	12,695	2,980	15,675
Other comprehensive income/ (expense):								
Actuarial losses on defined benefit plans		-	-	-	(423,000)	(423,000)	-	(423,000)
Tax relating to other comprehensive expense		-	-	-	246,610	246,610	-	246,610
Total comprehensive income/ (expense) for the year		-	-	-	(163,695)	(163,695)	2,980	(160,715)
Balance at 31 December 2020		147,283	27,645	403,360	5,689,001	6,267,289	10,635	6,277,924

WORTLEA ESTATES (LEEDS) LIMITED

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

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2019		147,283	110,425	1,855,430	2,113,138
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	77,696	77,696
Dividends		-	-	(150,229)	(150,229)
Balance at 31 December 2019		147,283	110,425	1,782,897	2,040,605
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	53,227	53,227
Balance at 31 December 2020		147,283	110,425	1,836,124	2,093,832

WORTLEA ESTATES (LEEDS) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	26		8,334		362,356
Interest paid			(146,985)		(181,491)
Income taxes paid			(99,883)		(118,565)
Net cash (outflow)/inflow from operating activities			(238,534)		62,300
Investing activities					
Purchase of tangible fixed assets		(47,083)		(13,015)	
Net cash used in investing activities			(47,083)		(13,015)
Financing activities					
Repayment of bank loans		(45,358)		(48,147)	
Dividends paid to equity shareholders		-		(228,317)	
Dividends paid to non-controlling interests		-		(2,204)	
Net cash used in financing activities			(45,358)		(278,668)
Net decrease in cash and cash equivalents			(330,975)		(229,383)
Cash and cash equivalents at beginning of year			(385,086)		(155,703)
Cash and cash equivalents at end of year			(716,061)		(385,086)
Relating to:					
Cash at bank and in hand			242,662		319,832
Bank overdrafts included in creditors payable within one year			(958,723)		(704,918)

WORTLEA ESTATES (LEEDS) LIMITED

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

1 Accounting policies

Company information

Wortlea Estates (Leeds) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Whitehall Road, Leeds, LS12 5NL.

The group consists of Wortlea Estates (Leeds) Limited and all of its subsidiaries.

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 the revaluation of 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 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

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 cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

WORTLEA ESTATES (LEEDS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Wortlea Estates (Leeds) Limited 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.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.4 Going concern

At the time of approving the financial statements, the directors have best taken into account the uncertainties related to the effects of COVID-19 and have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report.

Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.5 Turnover

Turnover comprises sales of motor vehicles and parts, income from financing agreements and income from servicing, repairing and hiring of vehicles, exclusive of Value Added Tax and trade discounts.

Turnover from sale of goods is recognised upon transfer to a third party of economic benefits arising from the use of an asset or service. In practice this means that revenue is recognised when vehicles are invoiced and physically despatched or when the service has been undertaken.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, 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	50 year straight line
Leasehold land and buildings	5 year straight line
Plant and equipment	4 year straight line
Fixtures and fittings	4 year straight line
Computers	1 year straight line

WORTLEA ESTATES (LEEDS) LIMITED

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

1 Accounting policies

(Continued)

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 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Vehicles held on consignment from manufacturers that are subject to interest charges, or where the terms of the consignment agreement and commercial practice indicate principal benefits and inherent risks of ownership similar to those attached to owned assets, are included at cost in the balance sheet and the related liabilities are included in creditors.

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.

1.10 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.

WORTLEA ESTATES (LEEDS) LIMITED

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

1 Accounting policies

(Continued)

1.11 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.

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

WORTLEA ESTATES (LEEDS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.12 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.

1.13 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.

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.

1.14 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.

1.15 Retirement benefits

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

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

WORTLEA ESTATES (LEEDS) LIMITED

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

1 Accounting policies

(Continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.16 Leases

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.

1.17 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.

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

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Consignment stock

Vehicles held on consignment have been included in 'vehicle stocks' within 'stocks' on the basis that the group has determined that it holds the significant risks and rewards attached to these vehicles.

WORTLEA ESTATES (LEEDS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty (Continued)

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 valuation

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including 'Glass' and CAP valuation guides. The directors maintain oversight of ageing stock profiles and monthly review of any provision required is performed.

3 Turnover and other revenue

	2020 £	2019 £
Turnover analysed by class of business		
Vehicle sales	58,607,170	78,861,450
Aftersales	4,435,745	5,598,325
	<u>63,042,915</u>	<u>84,459,775</u>
	2020 £	2019 £
Other significant revenue		
Interest income	20,000	24,000
Grants received	457,459	-
	<u>477,459</u>	<u>24,000</u>

All turnover arose in the United Kingdom.

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(457,459)	-
Depreciation of owned tangible fixed assets	176,940	177,156
Operating lease charges	154,163	153,138
	<u>173,644</u>	<u>330,294</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, company and the company's subsidiaries	38,900	46,600
	<u>38,900</u>	<u>46,600</u>

WORTLEA ESTATES (LEEDS) LIMITED

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

5 Auditor's remuneration (Continued)

For other services

Other assurance services	-	32,450
Taxation compliance services	4,000	12,000
	<u>4,000</u>	<u>44,450</u>

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
Sales and admin	146	150	-	-
Directors	7	7	5	5
Total	<u>153</u>	<u>157</u>	<u>5</u>	<u>5</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	4,677,112	4,821,602	-	-
Social security costs	448,899	479,943	-	-
Pension costs	288,498	275,812	-	-
	<u>5,414,509</u>	<u>5,577,357</u>	<u>-</u>	<u>-</u>

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	<u>659,839</u>	<u>540,771</u>

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

	2020 £	2019 £
Remuneration for qualifying services	274,175	268,852
Company pension contributions to defined contribution schemes	<u>6,000</u>	<u>10,000</u>

WORTLEA ESTATES (LEEDS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on the net defined benefit asset	20,000	24,000

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	32,153	45,259
Interest on finance leases and hire purchase contracts	114,832	136,232
Total finance costs	146,985	181,491

10 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	63,605	100,261
Adjustments in respect of prior periods	(261)	(400)
Total current tax	63,344	99,861
Deferred tax		
Origination and reversal of timing differences	(13,943)	(12,042)
Total tax charge	49,401	87,819

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	65,076	470,725
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	12,364	89,438
Tax effect of expenses that are not deductible in determining taxable profit	57,604	35,537
Change in unrecognised deferred tax assets	23,235	(26,089)
Under/(over) provided in prior years	(261)	(400)
Adjustment to tax rate on deferred tax balances	(43,541)	(10,667)
Taxation charge	49,401	87,819

WORTLEA ESTATES (LEEDS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation

(Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2020 £	2019 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(246,610)	55,300

11 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost						
At 1 January 2020	6,364,681	291,651	402,396	359,148	43,862	7,461,738
Additions	-	-	26,735	3,024	17,324	47,083
Disposals	-	-	(36,125)	(38,144)	(13,833)	(88,102)
At 31 December 2020	6,364,681	291,651	393,006	324,028	47,353	7,420,719
Depreciation and impairment						
At 1 January 2020	1,175,187	253,047	355,813	318,637	41,938	2,144,622
Depreciation charged in the year	97,390	18,531	25,643	20,694	14,682	176,940
Eliminated in respect of disposals	-	-	(36,125)	(38,144)	(13,833)	(88,102)
At 31 December 2020	1,272,577	271,578	345,331	301,187	42,787	2,233,460
Carrying amount						
At 31 December 2020	5,092,104	20,073	47,675	22,841	4,566	5,187,259
At 31 December 2019	5,189,494	38,604	46,583	40,511	1,924	5,317,116

WORTLEA ESTATES (LEEDS) LIMITED

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

11 Tangible fixed assets

(Continued)

Company	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 January 2020 and 31 December 2020	1,290,000	13,707	1,303,707
Depreciation and impairment			
At 1 January 2020	51,600	13,707	65,307
Depreciation charged in the year	25,800	-	25,800
At 31 December 2020	77,400	13,707	91,107
Carrying amount			
At 31 December 2020	1,212,600	-	1,212,600
At 31 December 2019	1,238,400	-	1,238,400

12 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	13	-	-	126,750	126,750

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2020 and 31 December 2020	126,750
Carrying amount	
At 31 December 2020	126,750
At 31 December 2019	126,750

WORTLEA ESTATES (LEEDS) LIMITED

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

13 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
Ringways Garages (Leeds) Limited	Whitehall Road, Leeds, LS12 5NL	Ordinary	100.00
Ringways Garages (Doncaster) Limited	Whitehall Road, Leeds, LS12 5NL	Ordinary	100.00
Ringways (Hire & Leasing) Ltd	Whitehall Road, Leeds, LS12 5NL	Ordinary	98.00
Ringplant Limited	Whitehall Road, Leeds, LS12 5NL	Ordinary	100.00
Ridgestone Finance Limited	Whitehall Road, Leeds, LS12 5NL	Ordinary	100.00

14 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Raw materials and consumables	184,267	259,955	-	-
Vehicle stock	10,722,596	14,273,516	-	-
	<u>10,906,863</u>	<u>14,533,471</u>	<u>-</u>	<u>-</u>

15 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	1,937,393	1,682,602	-	-
Other debtors	1,221,341	293,926	1,140,000	1,106,992
Prepayments and accrued income	348,754	311,836	-	-
	<u>3,507,488</u>	<u>2,288,364</u>	<u>1,140,000</u>	<u>1,106,992</u>
Deferred tax asset (note 19)	21,993	8,051	-	-
	<u>3,529,481</u>	<u>2,296,415</u>	<u>1,140,000</u>	<u>1,106,992</u>

WORTLEA ESTATES (LEEDS) LIMITED

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

16 Creditors: amounts falling due within one year

		Group 2020	2019	Company 2020	2019
	Notes	£	£	£	£
Bank loans and overdrafts	18	1,011,272	704,918	52,549	-
Other borrowings	18	-	-	18,539	18,539
Trade creditors		10,849,001	14,104,647	-	-
Corporation tax payable		63,605	100,261	-	-
Other taxation and social security		582,347	459,400	-	-
Accruals and deferred income		1,192,750	922,085	7,500	8,159
		<u>13,698,975</u>	<u>16,291,311</u>	<u>78,588</u>	<u>26,698</u>

The vehicle stocking loans, included in trade creditors totalling £10,324,926 (2019 - £13,467,249), and bank overdrafts, bear interest at variable rates linked to the base rate, are repayable on demand and are secured by way of fixed and floating charge over the assets of the company and the group.

17 Creditors: amounts falling due after more than one year

		Group 2020	2019	Company 2020	2019
	Notes	£	£	£	£
Bank loans and overdrafts	18	<u>314,327</u>	<u>412,234</u>	<u>314,327</u>	<u>412,234</u>

The bank loan bears interest at variable rates linked to the base rate and is secured over the assets of the company and group.

18 Loans and overdrafts

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Bank loans	366,876	412,234	366,876	412,234
Bank overdrafts	958,723	704,918	-	-
Loans from group undertakings	-	-	18,539	18,539
	<u>1,325,599</u>	<u>1,117,152</u>	<u>385,415</u>	<u>430,773</u>
Payable within one year	1,011,272	704,918	71,088	18,539
Payable after one year	<u>314,327</u>	<u>412,234</u>	<u>314,327</u>	<u>412,234</u>

WORTLEA ESTATES (LEEDS) LIMITED

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

19 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 £	Assets 2020 £	Assets 2019 £
Group				
Accelerated capital allowances	-	-	2,213	6,418
Retirement benefit obligations	117,039	363,650	-	-
Other	-	-	19,780	1,633
	<u>117,039</u>	<u>363,650</u>	<u>21,993</u>	<u>8,051</u>

The company has no deferred tax assets or liabilities.

	Group 2020 £	Company 2020 £
Movements in the year:		
Liability at 1 January 2020	355,599	-
Credit to profit or loss	(13,943)	-
Credit to other comprehensive income	(246,610)	-
Liability at 31 December 2020	<u>95,046</u>	<u>-</u>

20 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>194,498</u>	<u>198,812</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.

WORTLEA ESTATES (LEEDS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Retirement benefit schemes

(Continued)

Defined benefit schemes

The Ringways group operates a defined benefit, fully funded, contributory scheme to provide retirement and death benefits for eligible employees based on their final salaries. The scheme is managed separately and subject to independent valuation at least every three years on the basis of which the qualified actuary certifies the rates of the employer's contributions, together with the specified contributions payable by the employees and proceeds from the scheme's assets, are sufficient to fund the benefits payable under the scheme. Total contributions expected from 2020 sum to £nil (2019 - £nil).

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2020 by First Actuarial, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method, and both the assets and liabilities include the value of pensions on payment, which are secured with insured annuities.

The fair value of the schemes assets are not intended to be realised in the short term and may be subject to significant change before they are realised. The present value of the schemes liabilities are derived from cash flow projections over long periods and thus, are inherently uncertain.

The information disclosed below is in respect of the whole of the plans for which the Ringways Group is legally responsible.

	2020 %	2019 %
<i>Key assumptions</i>		
Discount rate	1.3%	2%
RPI inflation	2.9%	2.9%
RCI inflation	2.2%	1.9%
	<u> </u>	<u> </u>
<i>Mortality assumptions</i>	2020	2019
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	21.7	21.7
- Females	23.5	23.4
	<u> </u>	<u> </u>
Retiring in 20 years		
- Males	23	23
- Females	25	24.9
	<u> </u>	<u> </u>

WORTLEA ESTATES (LEEDS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from obligations in respect of defined benefit plans are as follows:

Group	2020 £	2019 £
Present value of defined benefit obligations	(12,951,000)	(11,445,000)
Fair value of plan assets	13,493,000	12,484,000
Surplus in scheme	542,000	1,039,000

The company had no post employment benefits at 31 December 2020 or 1 January 2020.

Group	2020 £	2019 £
Net interest on net defined benefit liability/(asset)	(20,000)	(24,000)
Other costs and income	94,000	77,000
Total costs	74,000	53,000

Group	2020 £	2019 £
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(1,487,000)	(1,195,000)
Less: calculated interest element	245,000	311,000
Return on scheme assets excluding interest income	(1,242,000)	(884,000)
Actuarial changes related to obligations	1,665,000	726,000
Total costs/(income)	423,000	(158,000)

	Group 2020 £
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 January 2020	11,445,000
Benefits paid	(384,000)
Actuarial gains and losses	1,665,000
Interest cost	225,000
At 31 December 2020	12,951,000

The defined benefit obligations arise from plans which are wholly or partly funded.

WORTLEA ESTATES (LEEDS) LIMITED

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

20 Retirement benefit schemes

(Continued)

	Group 2020 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 January 2020	12,484,000
Interest income	245,000
Return on plan assets (excluding amounts included in net interest)	1,242,000
Benefits paid	(384,000)
Other	(94,000)
At 31 December 2020	<u>13,493,000</u>

The actual return on plan assets was £1,487,000 (2019 - £1,195,000).

Fair value of plan assets at the reporting period end

	Group 2020 £	2019 £
Equity instruments	2,437,000	1,388,000
Annuities	937,000	943,000
Other assets	8,876,000	10,110,000
Cash	47,000	43,000
	<u>1,196,000</u>	<u>-</u>
	<u>13,493,000</u>	<u>12,484,000</u>

21 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>147,283</u>	<u>147,283</u>	<u>147,283</u>	<u>147,283</u>

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

22 Reserves

Profit and loss reserves

Retained earnings represents cumulative profits/ losses made, net of dividends paid.

WORTLEA ESTATES (LEEDS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 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	214,775	246,937	-	-
Between two and five years	325,444	127,495	-	-
In over five years	11,303	-	-	-
	<u>551,522</u>	<u>374,432</u>	<u>-</u>	<u>-</u>

24 Events after the reporting date

On 2 July 2021 D.M.Keith Limited acquired the whole of the issued share capital of Wortlea Estates (Leeds) Limited. At this point D.M.Keith Limited, a company registered in England & Wales, became the ultimate parent company.

25 Related party transactions

Transactions with related parties

One of the directors of the group is also a partner at Schofield Sweeney LLP, solicitors. During the year Schofield Sweeney LLP provided legal services with a value of £10,129 (2019 - £1,185) to the group. There is no balance outstanding at the balance sheet date.

26 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	15,675	382,906
Adjustments for:		
Taxation charged	49,401	87,819
Finance costs	146,985	181,491
Investment income	(20,000)	(24,000)
Depreciation and impairment of tangible fixed assets	176,940	177,157
Final salary pension admin expenses	94,000	77,000
Movements in working capital:		
Decrease in stocks	3,626,608	4,581,159
(Increase)/ decrease in debtors and other financial instruments	(1,219,125)	755,845
Decrease in creditors	(2,862,150)	(5,857,021)
Cash generated from operations	<u>8,334</u>	<u>362,356</u>

WORTLEA ESTATES (LEEDS) LIMITED

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

27 Analysis of changes in net debt - group

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	319,832	(77,170)	242,662
Bank overdrafts	(704,918)	(253,805)	(958,723)
	<u>(385,086)</u>	<u>(330,975)</u>	<u>(716,061)</u>
Borrowings excluding overdrafts	(412,234)	45,358	(366,876)
	<u>(797,320)</u>	<u>(285,617)</u>	<u>(1,082,937)</u>