

Company Registration No. 02133384 (England and Wales)

**DICKENS OF WREXHAM LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 JANUARY 2019**



# DICKENS OF WREXHAM LIMITED

## COMPANY INFORMATION

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**Directors** Mr P Dickens  
Mr A R Newcombe  
Mr N Dickens (Chairman)

**Secretary** Mr P Dickens

**Company number** 02133384

**Registered office** Croesfoel Industrial Park  
Rhostyllen  
Wrexham  
LL14 4BJ

**Auditor** RSM UK Audit LLP  
Chartered Accountants  
5th Floor  
One City Place  
Queens Road  
Chester  
CH1 3BQ

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# DICKENS OF WREXHAM LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 JANUARY 2019

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The directors present the strategic report for the year ended 31 January 2019.

#### **Fair review of the business and key performance indicators**

The company's balance sheet as detailed on page 8 shows a satisfactory position with shareholders' funds amounting to £427,969 (2018: £491,399). This reflects principally a decrease in vehicle stock of £395k at 31 January 2019 compared to 2018 and an increase in debtors of £33k, and a reduction in liabilities of £70k compared to 2018. The company is in a strong financial position with bank balances of £709k (2018: £480k) with no third party borrowings.

The results for the year are shown in the profit and loss account on page 7. The increase in turnover principally reflects the increase in volume of new cars sold. New vehicle units (excluding fleet) increased by 17% from 229 to 269, whilst used vehicle retail units decreased by 10% at 863 compared to 967 in the prior year.

Other key performance indicators relate to service hours. In 2019 the warranty hours increased by 32%, this was due to numerous recalls across many of the models.

	<b>2019 Hours</b>	<b>2018 Hours</b>
Warranty hours	1,974	1,490
Service hours	12,429	12,129

Overall turnover was £324k higher than prior year, and even though gross margin remained at 7% this resulted in a small loss of £63k pre tax (2018: £104k loss). Overheads showed a 2% decrease in the year to £1.04m. The directors do not propose payment of an ordinary dividend.

#### **Principal risks and uncertainties**

Whilst the new vehicle sales contract was terminated on the 30 April 2019, the after sales contract was retained for a further two year period. In our opinion this mitigates the main concern and uncertainty with new vehicle sales. The used vehicle sales and the strong after sales will remain the main core areas of our business.

#### **Economic downturn**

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

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

# DICKENS OF WREXHAM LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019


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### Future development and performance

Post year end there is an expected decrease in turnover due to termination of the new sales contract as at 30 April 2019, however used vehicle sales and after sales remained buoyant in the first part of 2019. The company will continue to focus on used vehicle sales and aftersales and hence structuring the business accordingly.

There are still uncertainties surrounding Brexit. The company is hopeful that in the event of Brexit and in the transition period, the company can prepare and minimise any disruption. In the event of the supply of new cars impacting the used car market, we will be in a position to adapt to changes as required.

On behalf of the board



Mr P Dickens

Director

Date: 10 September 2019

# DICKENS OF WREXHAM LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 JANUARY 2019

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The directors present their annual report and financial statements for the year ended 31 January 2019.

#### Principal activities

The principal activity of the company is the retailing of motor vehicles and the provision of related services.

#### Directors

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

Mr P Dickens

Ms J E Dickens

(Retired 26 April 2019)

Mr A R Newcombe

Mr N Dickens (Chairman)

#### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### 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 company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Matters of strategic importance

The matters of strategic importance as required by Schedule 7 of the large and medium sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with Section 414c(11) of the Companies Act 2006.

On behalf of the board



Mr P Dickens

Director

Date: 10 September 2019

# **DICKENS OF WREXHAM LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 JANUARY 2019**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DICKENS OF WREXHAM LIMITED**

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## **Opinion**

We have audited the financial statements of Dickens of Wrexham Limited (the 'company') for the year ended 31 January 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DICKENS OF WREXHAM LIMITED (CONTINUED)

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### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

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

### 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.



Alison Ashley (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

5th Floor

One City Place

Queens Road

Chester

CH1 3BQ

12 September 2019



# DICKENS OF WREXHAM LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2019

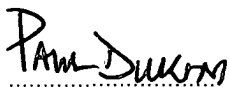
	Notes	2019 £	2018 £
Turnover	3	13,761,313	13,436,519
Cost of sales		(12,772,366)	(12,462,296)
<b>Gross profit</b>		<b>988,947</b>	<b>974,223</b>
Administrative expenses		(1,042,865)	(1,066,513)
<b>Operating loss</b>	<b>6</b>	<b>(53,918)</b>	<b>(92,290)</b>
Interest receivable and similar income	7	796	121
Interest payable and similar expenses	5	(10,169)	(11,855)
<b>Loss before taxation</b>		<b>(63,291)</b>	<b>(104,024)</b>
Tax on loss	8	(139)	(19,337)
<b>Loss for the financial year</b>		<b>(63,430)</b>	<b>(123,361)</b>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

**DICKENS OF WREXHAM LIMITED****BALANCE SHEET****AS AT 31 JANUARY 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	9		13,335		13,157
<b>Current assets</b>					
Stocks	10	2,310,916		2,705,738	
Debtors	11	275,950		243,103	
Cash at bank and in hand		709,162		480,423	
		3,296,028		3,429,264	
<b>Creditors: amounts falling due within one year</b>	12	(2,879,624)		(2,949,391)	
<b>Net current assets</b>			416,404		479,873
<b>Total assets less current liabilities</b>			429,739		493,030
<b>Provisions for liabilities</b>	13		(1,770)		(1,631)
<b>Net assets</b>			427,969		491,399
<b>Capital and reserves</b>					
Called up share capital	16		1,000		1,000
Profit and loss reserves	17		426,969		490,399
<b>Total equity</b>			427,969		491,399

The financial statements were approved by the board of directors and authorised for issue on 10 September 2019 and are signed on its behalf by:



Mr P Dickens  
Director

# DICKENS OF WREXHAM LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2019

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 February 2017	1,000	613,760	614,760
Year ended 31 January 2018: Loss and total comprehensive income for the year	-	(123,361)	(123,361)
Balance at 31 January 2018	1,000	490,399	491,399
Year ended 31 January 2019: Loss and total comprehensive income for the year	-	(63,430)	(63,430)
Balance at 31 January 2019	1,000	426,969	427,969

# DICKENS OF WREXHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

#### Company information

Dickens of Wrexham Limited is a private company limited by shares incorporated in England and Wales. The registered office and principle place of business is Croesfoel Industrial Park, Rhostyllen, Wrexham, LL14 4BJ.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### 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. The principal accounting policies adopted are set out below.

#### Reduced disclosure exemptions

This 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:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- 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.

The financial statements of the Company are consolidated in the financial statements of N&G Dickens Limited. The consolidated financial statements of N&G Dickens Limited are available from its registered office, Croesfoel Industrial Park, Rhostyllen, Wrexham, LL14 4BJ.

#### Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# DICKENS OF WREXHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies (Continued)

#### Turnover

Turnover represents invoiced sales derived from the provision of goods and services which fall within the company's continuing ordinary activities, entirely within the United Kingdom, stated net of value added tax.

Revenue from the sale of vehicles and parts is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the vehicle and parts), 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.

#### Tangible fixed assets

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

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

Plant and machinery	2- 10 years
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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 credited or charged to profit or loss.

#### Impairment of fixed assets

At each reporting period end date, the company 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### Stocks

Stocks are valued at the lower of cost and net realisable value. Parts stock cost is computed on an average cost basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Stocks of new cars held on consignment from the manufacturers are included in stock on the balance sheet on the basis that they represent company stock as soon as they are received, the associated liability is 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.

# DICKENS OF WREXHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies (Continued)

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **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.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **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 company 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 company after deducting all of its liabilities.

# DICKENS OF WREXHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

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#### 1 Accounting policies (Continued)

##### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, 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.

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

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

##### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of 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 company.

##### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

# DICKENS OF WREXHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

### 1 Accounting policies (Continued)

#### 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.

#### Retirement benefits

The company contributes into the personal pension scheme of certain employees. Pension contributions are charged to the profit and loss account as they fall due.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

#### 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 Provision

Used vehicle stocks and demonstrator stocks are revalued quarterly to CAP guide books. Parts stock is revalued annually and obsolete stock items are written off.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Retailing of motor vehicles and related services	13,460,015	13,186,512
Insurance and HP commission	154,872	144,008
Car sales bonuses	146,426	105,991
Miscellaneous income	-	8
	<u>13,761,313</u>	<u>13,436,519</u>



# DICKENS OF WREXHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

### 3 Turnover and other revenue (Continued)

	2019 £	2018 £
Other revenue		
Interest income	796	121
	<u>796</u>	<u>121</u>
	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	13,761,313	13,436,519
	<u>13,761,313</u>	<u>13,436,519</u>

### 4 Employees

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

	2019 Number	2018 Number
Sales	16	18
Administration	36	34
	<u>52</u>	<u>52</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,053,413	1,064,829
Social security costs	107,173	104,228
Pension costs	10,463	5,726
	<u>1,171,049</u>	<u>1,174,783</u>

### 5 Interest payable and similar expenses

	2019 £	2018 £
Manufacturer stocking interest	10,169	11,855
	<u>10,169</u>	<u>11,855</u>

# DICKENS OF WREXHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

### 6 Operating loss

	2019 £	2018 £
Operating loss for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	16,000	15,730
Depreciation of owned tangible fixed assets	5,037	5,774
(Profit)/loss on disposal of tangible fixed assets	-	2
Cost of stocks recognised as an expense	11,885,861	11,578,905
	<u>                    </u>	<u>                    </u>

### 7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	796	121
	<u>                    </u>	<u>                    </u>

### 8 Taxation

	2019 £	2018 £
Deferred tax		
Origination and reversal of timing differences	139	19,337
	<u>                    </u>	<u>                    </u>

The total tax charge for the year included in the profit and loss account can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2019 £	2018 £
Loss before taxation	(63,291)	(104,024)
	<u>                    </u>	<u>                    </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(12,025)	(19,765)
Change in unrecognised deferred tax assets	8,847	13,321
Group relief	3,317	4,877
Tax rate change	-	1,567
Release of deferred tax asset	-	19,337
	<u>                    </u>	<u>                    </u>
Taxation charge for the year	139	19,337
	<u>                    </u>	<u>                    </u>

# DICKENS OF WREXHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

### 9 Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
At 1 February 2018	32,206
Additions	5,215
At 31 January 2019	37,421
<b>Depreciation and impairment</b>	
At 1 February 2018	19,049
Depreciation charged in the year	5,037
At 31 January 2019	24,086
<b>Carrying amount</b>	
At 31 January 2019	13,335
At 31 January 2018	13,157

### 10 Stocks

	2019 £	2018 £
Motor vehicle and parts stock	1,720,592	2,143,575
Consigned stock	590,324	562,163
	2,310,916	2,705,738

The company holds £590,324 (2018 - £562,163) of consignment stock that is legally owned by Vauxhall on terms that give the company the right to sell the stock in the normal course of business.

During the year impairment losses of £202,313 (2018: £217,780) were charged to cost of sales against parts and used car stock.

### 11 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	29,928	24,904
Other debtors	163,677	133,828
Prepayments and accrued income	82,345	84,371
	275,950	243,103

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

### 12 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	916,489	911,694
Amounts owed to group undertakings	1,825,468	1,908,900
Taxation and social security	44,335	43,385
Other creditors	61,907	58,078
Accruals and deferred income	31,425	27,334
	<u>2,879,624</u>	<u>2,949,391</u>

Bank facilities are secured by a right of 'set off' provided by Dickens of Wrexham Limited and N&G Dickens Limited and an unlimited guarantee of N&G Dickens Limited.

The consignment stock creditor, included within trade creditors of £590,324 net of VAT (2018: £562,163), is secured against the stock which it relates to.

### 13 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	14	<u>1,770</u>	<u>1,631</u>

### 14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
<b>Balances:</b>		
Accelerated capital allowances	<u>1,770</u>	<u>1,631</u>
<b>Movements in the year:</b>		2019 £
Liability at 1 February 2018		1,631
Charge to profit or loss		<u>139</u>
Liability at 31 January 2019		<u>1,770</u>

A deferred tax asset of £108,975 (2018: £101,045) has not been recognised due to uncertainty of availability of future taxable profits.

# DICKENS OF WREXHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

### 15 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	10,463	5,726

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 16 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary of £1 each	1,000	1,000
	1,000	1,000

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

### 17 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distribution to owners.

### 18 Related party transactions

During the year the company sold a vehicle to a related party for the amount of £8,000 (2018: £Nil).

### 19 Directors' transactions

During the year the company sold a vehicle to one of its Directors for the amount of £44,048 (2018: £Nil).

### 20 Ultimate controlling party

The company's ultimate parent undertaking is N & G Dickens Limited, a company incorporated in England & Wales and controlled by Neville Dickens Discretionary Settlement 2011.

N & G Dickens Limited is the parent undertaking of the smallest and largest group of which the company is a member and for which the group accounts are prepared. Copies of the parent's consolidated financial statements which include the company can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3U7.