

REGISTERED NUMBER: 04420034 (England and Wales)

**Financial Statements for the Year Ended 31 December 2019**

**for**

**Premier Metal Works (Llandudno Junction)**  
**Limited**



ASE Audit LLP  
Statutory Auditors & Chartered Accountants  
Rowan Court  
Concord Business Park  
Manchester  
Greater Manchester  
M22 0RR

**Premier Metal Works (Llandudno Junction)**  
**Limited**

**Contents of the Financial Statements**  
**for the Year Ended 31 December 2019**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Statement of Financial Position</b>	<b>2</b>
<b>Notes to the Financial Statements</b>	<b>3</b>

**Premier Metal Works (Llandudno Junction)**  
**Limited**

**Company Information**  
**for the Year Ended 31 December 2019**

**DIRECTORS:**

M D Blagden  
K W Cumming  
G Davis  
P M Gardner  
S N Hopewell

**REGISTERED OFFICE:**

Conwy Road  
Llandudno Junction  
North Wales  
LL31 9NX

**REGISTERED NUMBER:**

04420034 (England and Wales)

**AUDITORS:**

ASE Audit LLP  
Statutory Auditors & Chartered Accountants  
Rowan Court  
Concord Business Park  
Manchester  
Greater Manchester  
M22 0RR

**Premier Metal Works (Llandudno Junction)  
Limited (Registered number: 04420034)**

**Statement of Financial Position  
31 December 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Intangible assets	4	-	15,454
Tangible assets	5	1,886,391	1,625,065
		<u>1,886,391</u>	<u>1,640,519</u>
<b>CURRENT ASSETS</b>			
Stocks	6	928,164	883,076
Debtors	7	782,334	533,808
Cash at bank and in hand		11,640	244,620
		<u>1,722,138</u>	<u>1,661,504</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	(1,462,504)	(1,477,051)
<b>NET CURRENT ASSETS</b>		<u>259,634</u>	<u>184,453</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,146,025</u>	<u>1,824,972</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	(208,838)	(213,463)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(76,734)</u>	<u>(27,362)</u>
<b>NET ASSETS</b>		<u>1,860,453</u>	<u>1,584,147</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	229,781	229,781
Revaluation reserve	13	240,613	119,407
Retained earnings		1,390,059	1,234,959
<b>SHAREHOLDERS' FUNDS</b>		<u>1,860,453</u>	<u>1,584,147</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 11/8/21 and were signed on its behalf by:



P M Gardner - Director

The notes form part of these financial statements

**Premier Metal Works (Llandudno Junction)**  
**Limited**

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2019**

**1. STATUTORY INFORMATION**

Premier Metal Works (Llandudno Junction) Limited is a private company, limited by shares, registered in England and Wales.

The company's registered office address and principal place of business is Conway Road, Llandudno Junction, North Wales, LL31 9NX and its company number is 04420034.

The presentation currency of the financial statements is Pound Sterling (£).

The principal activity of company is that of a car dealership.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The company has applied the amendments to FRS102 set out in the Triennial Review 2017 this year. The effect of the adoption of these amendments is only on disclosures, not transactions or balances.

**Going concern**

Covid-19 has caused, and will continue to cause, widespread economic disruption. Based on current bank balances and facilities, current funding and current trading, the directors believe that the company will be able to meet its debts as they fall due for the period of 12 months after the approval of these financial statements. They have therefore prepared the financial statements on a going concern basis.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

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

**Property, plant and equipment assets**

Property, plant and equipment are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows.

**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 a monthly review of any provision required is performed.

**Incentives and other rebates from brand partner**

The company receives income in the form of various incentives which are determined by the brand partner. The amount received is generally based on achieving specific objectives such as a specified sales volume, as well as other objectives including maintaining brand partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Objectives are generally set and measured on either a quarterly or annual basis.

**Premier Metal Works (Llandudno Junction)**  
**Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**2. ACCOUNTING POLICIES - continued**

Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned. This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain that the related target will be met. Where incentives are linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

The company may also receive contributions towards advertising, promotional and rent expenditure. Where such contributions are received they are recognised as a reduction in the related expenditure in the period to which they relate.

**Turnover**

Turnover from the sale of goods is recognised in the Statement of Comprehensive Income, net of discounts and value added tax, when the significant risks and rewards of ownership have been transferred to the buyer. In general this occurs when vehicles or parts have been supplied or when a service has been completed.

Commission income is recognised on a receivable basis.

**Goodwill**

Goodwill, being the amount paid in connection with acquisition of a business in 2007, is being amortised evenly over its estimated useful life of ten years. This goodwill was fully amortised at the reporting date.

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

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- Not provided
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on cost
Computer equipment	- 33% on reducing balance

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

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

Although the Companies Act 2006 requires all assets to be depreciated, in the directors opinion, this would result in an inappropriate carrying value of freehold property being stated in the financial statements. The directors consider that the market value of the property is at least equal to the residual value, hence no depreciation has been provided in the financial statements.

**Premier Metal Works (Llandudno Junction)**  
**Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**2. ACCOUNTING POLICIES - continued**

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in Equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Pension costs and other post-retirement benefits**

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

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

**Debtors**

Short term debtors are measured at transaction price less any impairment.

**Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost.

**Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 42 (2018 - 41).

**Premier Metal Works (Llandudno Junction)  
Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019**

**4. INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 1 January 2019	
and 31 December 2019	251,754
<b>AMORTISATION</b>	
At 1 January 2019	236,300
Charge for year	15,454
At 31 December 2019	251,754
<b>NET BOOK VALUE</b>	
At 31 December 2019	-
At 31 December 2018	15,454

**5. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £
<b>COST OR VALUATION</b>			
At 1 January 2019	1,503,851	255,487	361,747
Additions	24,943	3,575	7,046
Disposals	-	-	-
Revaluations	121,206	-	-
At 31 December 2019	1,650,000	259,062	368,793
<b>DEPRECIATION</b>			
At 1 January 2019	-	238,554	302,847
Charge for year	-	4,382	16,077
Eliminated on disposal	-	-	-
At 31 December 2019	-	242,936	318,924
<b>NET BOOK VALUE</b>			
At 31 December 2019	1,650,000	16,126	49,869
At 31 December 2018	1,503,851	16,933	58,900



**Premier Metal Works (Llandudno Junction)  
Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019**

**5. TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2019	48,375	143,132	2,312,592
Additions	77,040	86,480	199,084
Disposals	-	(2,090)	(2,090)
Revaluations	-	-	121,206
At 31 December 2019	<u>125,415</u>	<u>227,522</u>	<u>2,630,792</u>
<b>DEPRECIATION</b>			
At 1 January 2019	33,321	112,805	687,527
Charge for year	16,165	20,595	57,219
Eliminated on disposal	-	(345)	(345)
At 31 December 2019	<u>49,486</u>	<u>133,055</u>	<u>744,401</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>75,929</u>	<u>94,467</u>	<u>1,886,391</u>
At 31 December 2018	<u>15,054</u>	<u>30,327</u>	<u>1,625,065</u>

Cost or valuation at 31 December 2019 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Valuation in 2015	119,407	-	-
Valuation in 2019	121,206	-	-
Cost	<u>1,409,387</u>	<u>259,062</u>	<u>368,793</u>
	<u>1,650,000</u>	<u>259,062</u>	<u>368,793</u>
	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2015	-	-	119,407
Valuation in 2019	-	-	121,206
Cost	<u>125,415</u>	<u>227,522</u>	<u>2,390,179</u>
	<u>125,415</u>	<u>227,522</u>	<u>2,630,792</u>

If freehold property had not been revalued it would have been included at the following historical cost:

	2019 £	2018 £
Cost	<u>1,409,387</u>	<u>1,384,444</u>
Value of land in freehold land and buildings	<u>743,750</u>	<u>743,750</u>

Freehold property was valued on a fair value basis on 30 April 2019 by Colliers International.

**Premier Metal Works (Llandudno Junction)  
Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019**

**6. STOCKS**

	2019 £	2018 £
Vehicle stock	902,342	837,777
Parts and accessories	25,822	45,299
	<u>928,164</u>	<u>883,076</u>

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Trade debtors	402,793	240,656
Amounts owed by group undertakings	108,385	108,385
Other debtors	271,156	184,767
	<u>782,334</u>	<u>533,808</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Bank loan and overdraft	236,388	45,397
Hire purchase contracts and finance leases (see note 10)	27,135	38,883
Trade creditors	726,097	1,126,837
Taxation and social security	98,945	105,543
Other creditors	373,939	160,391
	<u>1,462,504</u>	<u>1,477,051</u>

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019 £	2018 £
Bank loan	100,153	147,620
Hire purchase contracts and finance leases (see note 10)	6,981	27,051
Other creditors	101,704	38,792
	<u>208,838</u>	<u>213,463</u>

Amounts falling due in more than five years:

Repayable by instalments		
Finance leases	-	6,108
	<u>-</u>	<u>6,108</u>

**10. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>		<b>Finance leases</b>	
	2019 £	2018 £	2019 £	2018 £
Net obligations repayable:				
Within one year	3,574	17,940	23,561	20,943
Between one and five years	-	-	6,981	20,943
In more than five years	-	-	-	6,108
	<u>3,574</u>	<u>17,940</u>	<u>30,542</u>	<u>47,994</u>

**Premier Metal Works (Llandudno Junction)**  
**Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**11. SECURED DEBTS**

The following secured debts are included within creditors:

	2019	2018
	£	£
Bank overdraft	190,991	-
Bank loan	145,550	193,017
Other loans	143,369	57,683
Hire purchase contracts and finance leases	34,116	65,934
Vehicle funding	629,383	834,606
	<u>1,143,409</u>	<u>1,151,240</u>

**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018
			£	£
229,781	Ordinary shares	£1	<u>229,781</u>	<u>229,781</u>

**13. RESERVES**

**Retained earnings**

This reserve includes all current and prior period retained profits and losses, less dividends paid.

**Revaluation reserve**

This reserve represents the surplus which has arisen on valuations of the freehold property held.

**14. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Robert Jones BA FCA (Senior Statutory Auditor)  
for and on behalf of ASE Audit LLP

**15. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £41,071 (2018: £34,968). Contributions totalling £Nil (2018: £Nil) were payable to the fund at the reporting date.

**Premier Metal Works (Llandudno Junction)**  
**Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**16. POST BALANCE SHEET EVENTS**

In response to the global Covid-19 pandemic the UK Government announced immediate lockdown measures on 23 March 2020. The company responded to this by closing its showroom but keeping the workshop open with a skeleton staff. Both the UK and Welsh Governments reviewed the situation regularly and the company was eventually allowed to reopen its showroom on 22 June, some 3 weeks after those in England. Despite the Covid-19 threat and the resultant economic turmoil, the company's focus has not changed, and will not change, unless further unforeseen disruption unfolds.

After the lockdown restrictions were introduced the company performed various measures to ensure that the company's cash resources and facilities were maintained as positively as possible. These measures included the furloughing of staff from 23 March, the deferral of the Q1 VAT payment, the deferral of some loan repayments and the drawing down of a UK Government backed CBILS loan.

On 23 October 2020 the Welsh Government imposed a 17 day "firebreak" lockdown which ended on 9 November which required all car showrooms to close although workshops were allowed to remain open. This was followed by a further lockdown period starting immediately prior to Christmas and ending on 12 April 2021. The company has taken advantage of the furlough scheme to change the hours of its employees to match the demand for the company's products and services.

The company's bankers and funders have been very supportive throughout the Covid epidemic and this, together with the positive and flexible attitude of the company's employees, has enabled the company to emerge from the crisis in a strong position.

**17. ULTIMATE CONTROLLING PARTY**

The immediate parent undertaking is deemed to be Premier Motors Llandudno Limited.