Company Registration No. 4699124 (England and Wales)	
THREEWAYS HOLDINGS LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2019	

COMPANY INFORMATION

Directors S Williams

J L Cunnah C Cunnah S Williams (Jnr) T A Cunnah Z Roberts

Secretary S Williams

Company number 4699124

Registered office Faenol Avenue

Abergele Conwy LL22 7HT

Auditor Harold Smith

Unit 32, Llys Edmund Prys St Asaph Business Park

St Asaph Denbighshire LL17 0JA

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STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2019

The directors present the strategic report for the year ended 30 November 2019.

Fair review of the business

The car dealership and garage business has experienced an overall increase in revenue compared with the previous years results and the directors are satisfied with the profits generated given the trading environment which continues to be difficult. The improvements in this part of the business is one of the main reasons for the increased profits of the group this year.

The petrol station business has also provided a stronger performance than last year and an increase in contribution to group profits. Margins on fuel sales have increased slightly during the year and fuel sales during the year have also increased despite being in a highly competitive trading environment.

The self-service car cleaning machine business has held up to the volumes and profits achieved in recent years.

The motor home and caravan dealership business has declined slightly this year. The directors continue to look for ways to improve both sales volumes and profitability of this part of the business.

The fast food franchise has contributed to the groups performance from its first full year of trading compared to 3 months of trading in the previous year.

Principal risks and uncertainties

The principal risks and uncertainties to which the business are exposed are typical for the sector in which it operates and the directors consider that there are no exceptional risks to which the business is exposed.

The typical risks are wider economic changes in the UK which might affect the spending power of the customers of the business.

It is unlikely that the franchises which the group represent are going to see any major shift in market share that would affect the group in any negative way and the relationship with the franchises continues to be good.

The uncertainty of the effects of Covid-19 on the group are explained in note 28 on page 32.

Development and performance

Group sales have increased by 4.7% to £26,930,879 (£25,723,156 in 2018) and gross profits are up by 9.16% to £2,593,190 (£2,375,580 in 2018) whilst overhead costs have increased by 8.16% to £2,140,659 (£1,979,154 in 2018). Operating profit has then increased by 14.57% to £454,195 (£396,426 in 2018).

The business is well sited along the increasingly busy A55 with good visibility to passing trade and the directors continue to search for ways of maximising the revenues that they can generate from the site. They are continually looking at ways of improving footfall to the site by looking at new business opportunities and by continually refining their customer service levels to satisfy existing and new customers.

In the absence of issues that may arise from risks identified above the directors are confident that they will be able to drive the business forward at established levels and beyond.

Key performance indicators

Relations with Fiat, Hyundai, Suzuki, Isuzu and Spar continue to be good and the group performance against benchmark indicators from these franchises continue to improve.

The sales and management team continue to benefit from weekly performance meetings which are helpful in identifying any negative trends developing.

On behalf of the board

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2019

C Cunnah **Director** 14 May 2020

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2019

The directors present their annual report and financial statements for the year ended 30 November 2019.

Principal activities

The principal activity of the group continues to be that of retail sale of new and used motor vehicles and motor homes together with ancillary garage activities and also operation of petrol station with ancillary shop and facilities.

Directors

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

- S Williams
- J L Cunnah
- C Cunnah
- S Williams (Jnr)
- T A Cunnah
- Z Roberts

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £165,140, of which £72,000 was paid to the shareholders of the holding company and £66,400 was paid to non-controlling interests. The directors do not recommend payment of a further dividend.

Auditor

The auditor, Harold Smith, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

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

C Cunnah S Williams (Jnr)
Director Director

14 May 2020

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2019

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 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THREEWAYS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Threeways Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2019 which comprise the group profit and loss account, 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, the company statement of cash flows 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 group's and the parent company's affairs as at 30 November 2019 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

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THREEWAYS HOLDINGS 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THREEWAYS HOLDINGS 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.

Christopher Jones BSc ACA (Senior Statutory Auditor) for and on behalf of Harold Smith

14 May 2020

Chartered Accountants Statutory Auditor

Unit 32, Llys Edmund Prys St Asaph Business Park St Asaph Denbighshire LL17 0JA

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2019

	Notes	2019 £	2018 £
_		00 000 070	05 700 450
Turnover	3	26,930,879	25,723,156
Cost of sales		(24,337,689)	(23,347,576)
Gross profit		2,593,190	2,375,580
Administrative expenses		(2,140,659)	(1,979,154)
Other operating income		1,664	-
Operating profit	4	454,195	396,426
Interest payable and similar expenses	8	(75,331)	(87,003)
Profit before taxation		378,864	309,423
Tax on profit	9	(76,011)	(61,743)
Profit for the financial year	24	302,853	247,680
Profit for the financial year is attributable to:		000.740	470 770
- Owners of the parent company		233,713	178,772
- Non-controlling interests		69,140	68,908
		302,853	247,680

The profit and loss account has been prepared on the basis that all operations are continuing operations.

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2019

	2019	2018
	£	£
Profit for the year	302,853	247,680
Other comprehensive income	-	-
Total comprehensive income for the year	302,853	247,680
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	233,713	178,772
- Non-controlling interests	69,140	68,908
	302,853	247,680

GROUP BALANCE SHEET

AS AT 30 NOVEMBER 2019

		20	19	2018	
	Notes	£	£	£	£
Fixed assets					
Goodwill	11		32,500		40,625
Tangible assets	12		3,655,693		3,711,129
			3,688,193		3,751,754
Current assets					
Stocks	16	3,612,106		3,290,752	
Debtors	17	493,297		462,821	
Cash at bank and in hand		463,756		978,799	
		4,569,159		4,732,372	
Creditors: amounts falling due within one					
year	18	(4,508,839)		(4,787,342)	
Net current assets/(liabilities)			60,320		(54,970
Total assets less current liabilities			3,748,513		3,696,784
Creditors: amounts falling due after more than one year	19		(636,663)		(714,124
Provisions for liabilities	21		(105,176)		(113,699
Net assets			3,006,674		2,868,961
Capital and reserves					
Called up share capital	23		1,300,002		1,300,002
Profit and loss reserves	24		1,681,621		1,543,908
Equity attributable to owners of the parent					
company			2,981,623		2,843,910
Non-controlling interests			25,051		25,051
			3,006,674		2,868,961

The financial statements were approved by the board of directors and authorised for issue on 14 May 2020 and are signed on its behalf by:

C Cunnah S Williams (Jnr)
Director Director

COMPANY BALANCE SHEET

AS AT 30 NOVEMBER 2019

		201	19	201	18
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		3,065,979		3,066,704
nvestments	13		10,335		10,335
			3,076,314		3,077,039
Current assets					
Debtors	17	414,598		545,000	
Cash at bank and in hand		-		387,894	
		414,598		932,894	
Creditors: amounts falling due within one year	18	(569,501)		(1,120,632)	
Net current liabilities			(154,903)		(187,738)
Total assets less current liabilities			2,921,411		2,889,301
Creditors: amounts falling due after more than one year	19		(636,663)		(714,124)
Provisions for liabilities	21		(1,659)		(1,660)
Net assets			2,283,089		2,173,517
Cavital and recomes					
Capital and reserves Called up share capital	23		1,300,002		1,300,002
Profit and loss reserves	23 24		983,087		873,515
Tolic and 1055 reserves	4				
Total equity			2,283,089		2,173,517

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 £205,572 (2018 - £119,076 profit).

The financial statements were approved by the board of directors and authorised for issue on 14 May 2020 and are signed on its behalf by:

C Cunnah S Williams (Jnr)
Director Director

Company Registration No. 4699124

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2019

		Share capital	Profit and	To té bn-	controlling	Total
		lo	ss reserves	controlling	interest	
	Notes	£	£	interest £	£	£
Balance at 1 December 2017		1,300,002	1,437,136	2,737,138	22,583	2,759,721
Year ended 30 November 2018: Profit and total comprehensive income					_	
for the year		_	178,772	178,772	68,908	247,680
Dividends	10	-	(72,000)	(72,000)	(66,440)	(138,440)
Balance at 30 November 2018		1,300,002	1,543,908	2,843,910	25,051	2,868,961
Year ended 30 November 2019: Profit and total comprehensive income						
for the year		_	233,713	233,713	69,140	302,853
Dividends	10	-	(96,000)	(96,000)	(69,140)	(165,140)
Balance at 30 November 2019		1,300,002	1,681,621	2,981,623	25,051	3,006,674

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2019

	Share capital Profit and loss reserves		Total	
	Notes	£	£	£
Balance at 1 December 2017		1,300,002	826,438	2,126,440
Year ended 30 November 2018: Profit and total comprehensive income for the year Dividends	10		119,077 (72,000)	119,077 (72,000)
Balance at 30 November 2018		1,300,002	873,515	2,173,517
Year ended 30 November 2019: Profit and total comprehensive income for the year Dividends	10	-	205,572 (96,000)	205,572 (96,000)
Balance at 30 November 2019		1,300,002	983,087	2,283,089

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 NOVEMBER 2019

		201	9	2018		
	Notes	£	£	£	£	
Cash flows from operating activities						
Cash generated from operations	31		783,556		1,134,049	
Interest paid			(75,331)		(87,003)	
Income taxes paid			(33,733)		(60,483)	
Net cash inflow from operating activities			674,492		986,563	
Investing activities						
Purchase of tangible fixed assets		(67,042)		(437,100)		
Proceeds on disposal of tangible fixed assets						
				60,000		
Net cash used in investing activities			(67,042)		(377,100)	
Financing activities						
Repayment of bank loans		(86,332)		(105,917)		
Dividends paid to equity shareholders		(96,000)		(72,000)		
Dividends paid to non-controlling interests		(69,140)		(66,440)		
Net cash used in financing activities			(251,472)		(244,357)	
Net increase in cash and cash equivalents			355,978		365,106	
Cash and cash equivalents at beginning of year	ar		(884,603)		(1,249,709)	
Cash and cash equivalents at end of year			(528,625)		(884,603)	
Relating to:						
Cash at bank and in hand			463,756		978,799	
Bank overdrafts included in creditors payable						
within one year			(992,381)		(1,863,402)	

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 NOVEMBER 2019

		201	9	2018	3
	Notes	£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	32		(395,968)		251,487
Interest paid			(42,084)		(50,264)
Income taxes paid			-		(8,145)
Net cash (outflow)/inflow from operating act	ivities				
			(438,052)		193,078
Incomplished and incident					
Investing activities Purchase of tangible fixed assets		(16,887)		(147,380)	
Dividends received		130,000		145,000	
Dividenda received					
Net cash generated from/(used in) investing					
activities			113,113		(2,380)
Financing activities					
Repayment of bank loans		(86,332)		(105,917)	
Dividends paid to equity shareholders		(96,000)		(72,000)	
Net cash used in financing activities			(182,332)		(177,917)
not such accumination g activities					
Net (decrease)/increase in cash and cash					
equivalents			(507,271)		12,781
Cash and cash equivalents at beginning of year	r		387,894		375,113
And and are the second and are the			(440.077)		007.004
Cash and cash equivalents at end of year			(119,377)		387,894
Relating to:					
Cash at bank and in hand			_		387,894
Bank overdrafts included in creditors payable					001,001
within one year			(119,377)		-
•					

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

Company information

Threeways Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales, company number 4699124. The registered office is Faenol Avenue, Abergele, Conwy, LL22 7HT.

The group consists of Threeways Holdings 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 a mounts in these financial statements are rounded to the nearest \pounds .

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

1.2 Basis of consolidation

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

The consolidated financial statements incorporate those of Threeways Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 November 2019. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

1.3 Going concern

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand.

The nature of the company's business is such that there can be considerable unpredictable variation in the timing of cash inflows. The directors have prepared projected cash flow information for the period ending 12 months from the date of their approval of these financial statements. On the basis of this cash flow information and discussions with the company's bankers, the directors consider that the company will continue to operate within the facility currently agreed and within that which they expect will be agreed on December 2020, when the company's bankers are due to consider renewing the facility for a further year.

However, the margin of facilities over requirements is not large and, inherently there can be no certainty in relation to these matters. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the company's bankers.

Additionally, the directors have assessed the potential effects of Covid-19 on the group and deem their current financial position, support of their bank, franchises and creditors to be sufficient to sustain the group through this unprecedented crisis.

In conclusion, in the opinion of the directors, there is sufficient funding available to meet the Company's trading requirements for the foreseeable future. These financial statements do not include any adjustment that might be required if the application of the going concern basis proves to be inappropriate.

1.4 Turnover

Turnover represents amounts receivable from the sale of new and used motor vehicles, motor homes, motor services, fuel, ancillary shop goods and the provision of self service car cleaning facilities net of VAT and trade discounts.

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.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies (Continued)

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:

Land and buildings Freehold 2% on cost

Plant and machinery 15% reducing balance basis
Fixtures, fittings & equipment 15% reducing balance basis
Motor vehicles 25% reducing balance basis

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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

1.8 Impairment of fixed assets

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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 replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

1.11 Financial instruments

The group 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 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

1.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.14 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1.15 Employee benefits

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

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

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

1.16 Retirement benefits

The company operates a defined contribution scheme for the benefit of a section of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.17 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

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.

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.

Car parts stock provisions

Stock is provided against based on the date of last use on a % basis as follows:

12 - 24 months - 25%

24 - 36 months - 50%

36 - 48 months - 75%

over 48 months - 95%

Vehicle stock valuations

Stocks are valued at the lower of cost and net realisable value. The value of the vehicles can have a significant influence on the stock valuation in the financial statements. A comprehensive review of the stock holding is carried out regularly.

3 Turnover and other revenue

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

	2019	2018
	£	£
Turnover analysed by class of business		
Operation of self service car cleaning machine	112,026	102,247
Operation of petrol station and ancillary shop	7,728,105	7,596,528
Operation of car dealership and garage	16,702,934	15,564,282
Operation of motor home and caravan dealership	2,174,225	2,393,665
Operation of fast food franchise	213,589	63,517
Temporary rental of land	•	2,917
	26,930,879	25,723,156

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2019

4	Operating profit		
		2019	2018
		£	£
	Operating profit for the year is stated after charging:		
	Depreciation of owned tangible fixed assets	122,478	109,082
	(Profit)/loss on disposal of tangible fixed assets	-	7
	Amortisation of intangible assets	8,125	8,125
	Cost of stocks recognised as an expense	24,240,452	23,307,796
	Stocks impairment losses recognised or reversed	97,237	39,780
5	Auditor's remuneration		
		2019	2018
	Fees payable to the company's auditor and associates:	£	•
		4	£
	For audit services	2	£.
	For audit services Audit of the financial statements of the group and company	9,000	6,900
		-	
		-	
	Audit of the financial statements of the group and company	-	·

6 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Directors	6	6	6	6
Finance and administration	3	3	3	3
Car dealership and garage	30	29	-	-
Petrol station and anxcilliary shop	21	19	-	-
Motor home and caravan dealership	6	6	-	-
Total	66	63	9	9
Their aggregate remuneration comprised:	_		_	
Their aggregate remuneration comprised:	Group		Company	
Their aggregate remuneration comprised:	Group 2019 £	2018 £	Company 2019 £	2018 £
	2019 £	£	2019 £	£
Their aggregate remuneration comprised: Wages and salaries Social security costs	2019		2019	£ 130,805
Wages and salaries	2019 £ 1,207,492	£ 1,122,874	2019 £ 128,360	£

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2019

7	Directors' remuneration		
		2019 £	2018 £
	Remuneration for qualifying services Company pension contributions to defined contribution schemes	97,861 1,306	64,000 -
		99,167	64,000
8	Interest payable and similar expenses		
		2019 £	2018 £
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	57,331	62,003
	Other interest on financial liabilities	18,000	25,000
		<u> </u>	
		75,331	87,003
9	Taxation		
		2019	2018
		£	£
	Current tax		
	UK corporation tax on profits for the current period	84,483	33,680
	Adjustments in respect of prior periods	51 ———	18
	Total current tax	84,534	33,698
	Deferred tax		
	Origination and reversal of timing differences	(8,523)	28,045
	· ·		
	Total tax charge	76,011	61,743
	•		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

9	Taxation	(Continued)
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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:

		2019 £	2018 £
	Profit before taxation	378,864	309,423
	Expected tax charge based on the standard rate of corporation tax in the UK of		
	19.00% (2018: 19.00%)	71,984	58,790
	Tax effect of expenses that are not deductible in determining taxable profit	20,721	18,177
	Tax effect of utilisation of tax losses not previously recognised	(286)	(687)
	Adjustments in respect of prior years	51	18
	Permanent capital allowances in excess of depreciation	(12,030) 2,550	(46,694) 2,550
	Depreciation on assets not qualifying for tax allowances Amortisation on assets not qualifying for tax allowances	2,550 1,544	1,544
	Deferred tax	(8,523)	28,045
	Taxation charge	76,011	61,743
	·		
10	Dividends		
	2 Mashas	2019	2018
		£	£
	Interim paid	96,000	72,000
11	Intangible fixed assets		
	Group		Goodwill
	Cost		£
	At 1 December 2018 and 30 November 2019		125,000
	Amortisation and impairment		
	At 1 December 2018		84,375
	Amortisation charged for the year		8,125
	At 30 November 2019		92,500
	Carrying amount		
	At 30 November 2019		32,500
	At 30 November 2018		40,625
	The company had no intangible fixed assets at 30 November 2019 or 30 November 2	018.	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2019

Tangible fixed assets					
Group	Land and buildings Freehold	Plant andFi machinery	ixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 December 2018	3,192,455	1,300,766	455,422	20,306	4,968,949
Additions	16,887	44,369	5,786		67,042
At 30 November 2019	3,209,342	1,345,135	461,208	20,306	5,035,991
Depreciation and impairment					•
At 1 December 2018	153,688	860,734	229,847	13,551	1,257,820
Depreciation charged in the year	13,422	72,661	34,706	1,689	122,478
At 30 November 2019	167,110	933,395	264,553	15,240	1,380,298
Carrying amount					
At 30 November 2019	3,042,232	41 1 ,740	196,655	5,066	3,655,693
At 30 November 2018	3,038,767	440,032	225,575	6,755	3,711,129
Company				ixtures, fittings	Total
			buildings Freehold	& equipment	
			£	£	£
Cost					
At 1 December 2018			3,192,455	74,075	3,266,530
Additions			16,887		16,887
At 30 November 2019			3,209,342	74,075	3,283,417
Depreciation and impairment					
At 1 December 2018			153,688	46,138	199,826
Depreciation charged in the year			13,422	4,190	17,612
At 30 November 2019			167,110	50,328	217,438
Carrying amount					
At 30 November 2019			3,042,232	23,747	3,065,979
At 30 November 2018			3,038,767	27,937	3,066,704

FOR THE YEAR ENDED 30 NOVEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12	Tangible fixed assets					(Continued)
	The carrying value of land and buildings co	omprises:				
			Group 2019 £	2018 £	Company 2019 £	2018 £
	Freehold Long leasehold		3,038,139 4,093	3,038,767	3,038,139 4,093	3,038,767
			3,042,232	3,038,767	3,042,232	3,038,767
13	Fixed asset investments		C		C	
			Group 2019	2018	Company 2019	2018
		Notes	£	£	£	£
	Investments in subsidiaries	14			10,335	10,335
	Movements in fixed asset investments					
Company					SI	nares in group undertakings

	_
	£
Cost or valuation	
At 1 December 2018 and 30 November 2019	10,335
Carrying amount	
At 30 November 2019	10,335
At 30 November 2018	10,335
At 30 November 2018	10,335

14 Subsidiaries

Details of the company's subsidiaries at 30 November 2019 are as follows:

Name of undertaking	Registered office	Class of shares held		% Held Direct Indirect	
Easy Clean Car Centre Limited	England and Wales	Ordinary	100.00	-	
Threeways Garage Limited	England and Wales	Ordinary A Shares	100.00	-	
Threeways Motor Homes Limited	England and Wales	Ordinary	100.00	-	
Threeways Service Station (Abergele) Limited	England and Wales	Ordinary	100.00	-	
Threeways Subway Limited	England and Wales	Ordinary	49.00	51.00	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2019

14 Subsidiaries (Continued)

Threeways Holdings Limited has the power to exercise dominant influence and control over Threeways Subway Limited. Additionally, Threeways Holdings Limited and Threeways Subway Limited are managed on a unified basis. Therefore, control exists even though Threeways Holdings Limited does not own more than half the voting power of Threeways Subway Limited.

The above subsidiaries are exempt from audit under section 479A of the Companies Act 2006.

15 Financial instruments

		Group 2019	2018	Company 2019	2018
		£	£	£	£
	Carrying amount of financial assets				
	Debt instruments measured at amortised cost	360,345	320,591	414,598	545,000
	Carrying amount of financial liabilities				
	Measured at amortised cost	4,836,961	5,323,089	1,180,049	1,784,194
16	Stocks				
		Group		Company	
		2019	2018	2019	2018
		£	£	£	£
	Finished goods and goods for resale	3,612,106	3,290,752	-	-

The carrying amount of vehicle stocks of £2,388,518 (2018 - £1,889,084) is pledged as security for vehicle funding liabilities.

17 Debtors

	Group		Company	
	2019	2018	2019	2018
Amounts falling due within one year:	£	£	£	£
Trade debtors	360,345	320,591	294,998	185,000
Amounts owed by group undertakings	-	-	119,600	360,000
Other debtors	33,132	46,986	-	-
Prepayments and accrued income	99,820	95,244		
	493,297	462,821	414,598	545,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2019

18	Creditors: amounts falling due within	one year				
			Group		Company	
			2019	2018	2019	2018
		Notes	£	£	£	£
	Bank loans and overdrafts	20	1,073,698	1,953,590	200,694	90,188
	Trade creditors		2,722,688	2,212,767	-	-
	Amounts owed to group undertakings		-	-	126,915	723,694
	Corporation tax payable		84,483	33,682	21,084	-
	Other taxation and social security		224,058	144,695	5,031	50,562
	Other creditors		186,129	218,727	186,126	218,724
	Accruals and deferred income		217,783	223,881	29,651	37,464
			4,508,839	4,787,342	569,501	1,120,632

Included in trade creditors is vehicle stocking finance amounting to £2,388,518 (2018 - £1,889,084) and is secured by a charge on the vehicles concerned.

19	Creditors:	amounts	falling	due after	more	than one	year
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	·		Group 2019	2018	Company 2019	2018
		Notes	£	£	£	£
	Bank loans and overdrafts	20	636,663	714,124 	636,663	714,124
	Amounts included above which fall d	lue after five years	s are as follows:			
	Payable by instalments		283,859	371,958	283,859	371,958
20	Loans and overdrafts					
			Group		Company	
			2019	2018	2019	2018
			£	£	£	£
	Bank loans		717,980	804,312	717,980	804,312
	Bank overdrafts		992,381	1,863,402	119,377	-
			1,710,361	2,667,714	837,357	804,312
	Payable within one year		1,073,698	1,953,590	200,694	90,188
	Payable after one year		636,663	714,124	636,663	714,124

The long-term loans and bank overdraft facilities are secured by fixed charges over land owned by Threeways Holdings Limited and a composite company multilateral guarantee given by all companies within the group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2019

20 Loans and overdrafts (Continued)

The long term debt is due to be repaid in May 2026. The rate of interest being charged is approximately 3%.

21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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:

Group	Liabilities 2019 £	Liabilities 2018 £
Accelerated capital allowances	105,176	113,699
Company	Liabilities 2019 £	Liabilities 2018 £
Accelerated capital allowances	1,659	1,660
Movements in the year:	Group 2019 £	Company 2019 £
Liability at 1 December 2018 Credit to profit or loss	113,699 (8,523)	1,660 (1)
Liability at 30 November 2019	105,176	1,659

It is not possible to quantify the amount expected to reverse over the upcoming twelve month period owing to uncertainties over the capital expenditure of the group.

22 Retirement benefit schemes

	2019	2018
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	18,450	12,539

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2019

23 Share capital

	Group	Group and company	
	2019	2018	
Ordinary share capital	£	£	
Issued and fully paid			
1,300,002 Ordinary of £1 each	1,300,002	1,300,002	

The company has one class of ordinary share which carry full voting, dividend and capital rights.

24 Reserves

Profit and loss reserves

The profit and loss account includes all current and prior period retained profits and losses.

25 Financial commitments, guarantees and contingent liabilities

At the year end, the group held new vehicles valued at £255,104 (2018 - £270,374) under floor plan arrangements with finance houses. These vehicles did not form part of the group stock disclosed in the financial statements. The floor plan stock represents a contingent liability at 30 November 2019, which would, if included in the balance sheet, be matched by a corresponding current asset.

26 Operating lease commitments

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		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year	20,750	20,750	-	-
Between two and five years	83,000	83,000	-	-
In over five years	1,113,583	1,134,333	-	-
	1,217,333	1,238,083		
				=

27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Acquisition of tangible fixed assets	21,500	21,500	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

28 Events after the reporting date

Since the year end, the Coronavirus has had an impact on the group. The directors have assessed that since the closure of the showrooms on 24 March 2020, up to 31 August 2020, the group will incur costs directly related to Covid-19 in the sum of approximately £385,000 which includes £190,0000 of stock impairment due to devaluation of vehicles over this period.

They have applied for Welsh office funding to contribute towards these costs, in addition to support from the bank and existing group facilities. The service station, self service car wash and car workshop have remained open which are all making a contributions towards the group costs.

The directors have assessed that the market for their cars is likely to decrease when business is re-opened. They are however hoping to substantially increase their market share to more than offset the smaller market which in the long term will pay off the investment now being made in sustaining current operations during this difficult period.

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	98,731	96,762
The following amounts were outstanding at the reporting end date:		
Amounts due to related parties	2019	2018
Group	£	£
Key management personnel	186,127	218,727

The loans are unsecured.

30 Directors' transactions

Dividends totalling £72,570 (2018 - £30,000) were paid in the year in respect of shares held by the company's directors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2019

31	Cash generated from group operations		
		2019	2018
		£	£
	Profit for the year after tax	302,853	247,680
	Adjustments for:		
	Taxation charged	76,011	61,743
	Finance costs	75,331	87,003
	(Gain)/loss on disposal of tangible fixed assets	-	7
	Amortisation and impairment of intangible assets	8,125	8,125
	Depreciation and impairment of tangible fixed assets	122,478	109,082
	Movements in working capital:		
	(Increase)/decrease in stocks	(321,354)	297,837
	Increase in debtors	(30,476)	(825)
	Increase in creditors	550,588	323,397
	Cash generated from operations	783,556	1,134,049
32	Cash (absorbed by)/generated from operations - company		
		2019	2018
		£	£
	Profit for the year after tax	205,572	119,077
	Adjustments for:		
	Taxation charged/(credited)	21,083	(341)
	Finance costs	42,084	50,264
	Investment income	(130,000)	(145,000)
	Depreciation and impairment of tangible fixed assets	17,612	18,352
	Movements in working capital:		
	Decrease/(increase) in debtors	130,402	(36,989)
	(Decrease)/increase in creditors	(682,721)	246,124

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