

Company registration number 4699124 (England and Wales)

THREEWAYS HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

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THREEWAYS HOLDINGS LIMITED

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 LL17 0JA |

THREEWAYS HOLDINGS LIMITED

CONTENTS

| | Page |
|---|-------------|
| Strategic report | 1 - 2 |
| Directors' report | 3 |
| Directors' responsibilities statement | 4 |
| Independent auditor's report | 5 - 8 |
| Profit and loss account | 9 |
| Group statement of comprehensive income | 10 |
| Group balance sheet | 11 |
| Company balance sheet | 12 |
| Group statement of changes in equity | 13 |
| Company statement of changes in equity | 14 |
| Group statement of cash flows | 15 |
| Notes to the financial statements | 16 - 35 |

THREEWAYS HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present the strategic report for the year ended 30 November 2022.

Fair review of the business

The group continues to operate motor and motor home dealerships with ancillary businesses and a petrol station with shop and Subway franchise sited alongside the A55 Expressway at Abergele.

The group's location alongside the main Expressway in to the North Wales holiday area combined with the products and services that it offers have resulted in the group enjoying something of a post Covid boom such that the directors have been able to report a pre-tax profit in excess of £1 million for the second consecutive year. The board are delighted with these results and will seek to hold on to as much of these improved profits as possible but are mindful that the current cost of living crisis and inflation may mean a downturn in trade as customers discretionary spending comes under pressure and also the business suffers its own cost pressures.

In summary, our results for 2022 are as follows:-

| | 2022 | 2021 | % change |
|-------------------|-------------|-------------|----------|
| Turnover | £30,312,558 | £24,155,346 | +25.49% |
| Gross profit | £3,325,160 | £2,923,662 | +13.73% |
| Profit Before Tax | £1,003,628 | £1,076,307 | -6.75% |
| Return on Sales | 3.31% | 4.46% | -1.15% |

The group Balance Sheet position continues to strengthen. The Net Current Assets position has improved by 57.66%, principally due to an increase in stock from £2,713,283 to £3,648,167.

Total Net Assets have increased by 14.25%, as profits continue to be reinvested in the group.

Principal risks and uncertainties

The main risks faced by the group relate to the continuing economic impact of the cost of living crisis and inflation, Brexit and the environmental impacts of a move from the internal combustion engine to alternative fuel vehicles.

Whilst the UK left the EU at the end of December 2020, the longer-term effects remain unclear as the UK negotiates a series of trade deals. The imposition of tariffs on vehicles into the UK could significantly increase the list price of vehicles and adversely affect demand. Environmental concerns regarding petrol and diesel cars continue and whilst the number of electric vehicles sold is increasing, we have yet to see "full electric" reaching a critical mass. The Government has announced the ban on the sale of petrol and diesel engine cars from 2030. This will undoubtedly focus the minds of all manufacturers as it is a seismic shift for the industry.

Other information and explanations

Going Concern Review

We have undertaken a review of our cash position going forward through to August 2024. The year-end position shows a strong position with £510,833 in hand. Budgets have been prepared in line with our Manufacturer Partners expectations which show a cash balance remaining in a strong position. Given the principal risks and uncertainties referred to above, we have performed "what if" scenarios. We are pleased to report we do not foresee any problems in any scenario.

Future Developments

The retail motor industry model continues to change. 2022 has seen an increase in online trading prompted by the restrictions imposed during lockdown preventing showroom visits. Nevertheless, a good number of customers still prefer to engage face to face with another person when spending a significant amount of money.

THREEWAYS HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

On behalf of the board

S Williams
Director

29 August 2023

THREEWAYS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present their annual report and financial statements for the year ended 30 November 2022.

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.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £227,584, of which £114,500 was paid to the shareholders of the holding company and £113,084 was paid to non-controlling interests. The directors do not recommend payment of a further dividend.

Directors

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

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

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

S Williams
Director

29 August 2023

THREEWAYS HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

THREEWAYS HOLDINGS LIMITED

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 2022 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 and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 November 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THREEWAYS HOLDINGS LIMITED

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

THREEWAYS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THREEWAYS HOLDINGS LIMITED

In identifying and assessing risks of material misstatement the audit engagement team:

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks, that the group operates in;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities;
- obtained an understanding of how the group is complying with the legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures;
- assessed the susceptibility of the group's financial statements to material misstatement, including:
 - obtaining an understanding of the control environment and business performance including remuneration policies and performance targets;
 - evaluating the design of the internal controls established to mitigate risks of fraud and determining whether they have been implemented;
 - inquiring of management and those charged with governance about any know actual, suspected or alleged fraud;
 - inspecting minutes of meetings of those charged with governance;
 - discussing matters among the audit engagement team regarding how and where the financial statements may be susceptible to material misstatement due to fraud, including how fraud may occur.

Risks, legislation and regulations identified

Audit response

Revenue recognition

Testing a sample of transactions recognised either side of the reporting date to determine whether revenue was recorded in the correct period.

Management override of controls

Testing the appropriateness of journal entries and other judgements;
Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

FRS102 and Companies Act 2006

Review of the financial statement disclosures and testing to supporting documentation; and
Completion of disclosure checklists to identify areas of non-compliance.

Tax compliance regulations

Inspection of correspondences with local tax authorities.

Employment law and health and safety

ISAs limit the required audit procedures to identify non-compliance with these laws and regulations to inquiry of management and where appropriate, those charged with governance (as noted above) and inspection of legal and regulatory correspondence, if any.

Our audit procedures were designed to respond to risks of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THREEWAYS HOLDINGS LIMITED

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

29 August 2023

Chartered Accountants
Statutory Auditor

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

THREEWAYS HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2022

| | Notes | 2022 £ | 2021 £ |
|---|-----------|------------------|------------------|
| Turnover | 3 | 30,312,558 | 24,155,346 |
| Cost of sales | | (26,987,398) | (21,231,684) |
| Gross profit | | 3,325,160 | 2,923,662 |
| Administrative expenses | | (2,264,715) | (1,952,454) |
| Other operating income | 3 | 1,880 | 176,572 |
| Exceptional item | 4 | (21,661) | (42,218) |
| Operating profit | 5 | 1,040,664 | 1,105,562 |
| Interest payable and similar expenses | 9 | (37,036) | (29,255) |
| Profit before taxation | | 1,003,628 | 1,076,307 |
| Tax on profit | 10 | (218,676) | (204,922) |
| Profit for the financial year | 26 | 784,952 | 871,385 |
| Profit for the financial year is attributable to: | | | |
| - Owners of the parent company | | 671,868 | 782,137 |
| - Non-controlling interests | | 113,084 | 89,248 |
| | | 784,952 | 871,385 |

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

THREEWAYS HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2022

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| Profit for the year | 784,952 | 871,385 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>784,952</u> | <u>871,385</u> |
| Total comprehensive income for the year is attributable to: | | |
| - Owners of the parent company | 671,868 | 782,137 |
| - Non-controlling interests | <u>113,084</u> | <u>89,248</u> |
| | <u>784,952</u> | <u>871,385</u> |

THREEWAYS HOLDINGS LIMITED

GROUP BALANCE SHEET AS AT 30 NOVEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| Fixed assets | | | | | |
| Goodwill | 13 | | 8,125 | | 16,250 |
| Tangible assets | 14 | | 3,490,020 | | 3,564,474 |
| | | | <u>3,498,145</u> | | <u>3,580,724</u> |
| Current assets | | | | | |
| Stocks | 18 | 3,648,167 | | 2,713,283 | |
| Debtors | 19 | 463,559 | | 384,338 | |
| Cash at bank and in hand | | 1,398,642 | | 1,045,065 | |
| | | <u>5,510,368</u> | | <u>4,142,686</u> | |
| Creditors: amounts falling due within one year | 20 | (4,002,403) | | (3,186,201) | |
| Net current assets | | | <u>1,507,965</u> | | <u>956,485</u> |
| Total assets less current liabilities | | | <u>5,006,110</u> | | <u>4,537,209</u> |
| Creditors: amounts falling due after more than one year | 21 | | (423,928) | | (527,428) |
| Provisions for liabilities | | | | | |
| Deferred tax liability | 23 | 113,135 | | 98,104 | |
| | | <u>(113,135)</u> | | <u>(98,104)</u> | |
| Net assets | | | <u><u>4,469,047</u></u> | | <u><u>3,911,677</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 25 | | 1,300,004 | | 1,300,002 |
| Profit and loss reserves | 26 | | 3,143,992 | | 2,586,624 |
| Equity attributable to owners of the parent company | | | <u>4,443,996</u> | | <u>3,886,626</u> |
| Non-controlling interests | | | <u>25,051</u> | | <u>25,051</u> |
| | | | <u><u>4,469,047</u></u> | | <u><u>3,911,677</u></u> |

The financial statements were approved by the board of directors and authorised for issue on 29 August 2023 and are signed on its behalf by:

S Williams
Director

THREEWAYS HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 30 NOVEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|--|-------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 14 | 3,016,549 | | 3,032,545 | |
| Investments | 15 | 10,335 | | 10,335 | |
| | | <u>3,026,884</u> | | <u>3,042,880</u> | |
| Current assets | | | | | |
| Debtors | 19 | 691,689 | | 779,824 | |
| Cash at bank and in hand | | 455,791 | | 80,704 | |
| | | <u>1,147,480</u> | | <u>860,528</u> | |
| Creditors: amounts falling due within one year | 20 | (224,016) | | (381,050) | |
| Net current assets | | | 923,464 | | 479,478 |
| Total assets less current liabilities | | | <u>3,950,348</u> | | <u>3,522,358</u> |
| Creditors: amounts falling due after more than one year | 21 | | (367,385) | | (451,267) |
| Provisions for liabilities | | | | | |
| Deferred tax liability | 23 | 1,500 | | 1,342 | |
| | | <u>(1,500)</u> | | <u>(1,342)</u> | |
| Net assets | | | <u>3,581,463</u> | | <u>3,069,749</u> |
| Capital and reserves | | | | | |
| Called up share capital | 25 | 1,300,004 | | 1,300,002 | |
| Profit and loss reserves | 26 | 2,281,459 | | 1,769,747 | |
| Total equity | | | <u>3,581,463</u> | | <u>3,069,749</u> |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £626,212 (2021 - £662,824 profit).

The financial statements were approved by the board of directors and authorised for issue on 29 August 2023 and are signed on its behalf by:

S Williams
Director

Company Registration No. 4699124

THREEWAYS HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2022

| | Notes | Share capital £ | Profit and loss reserves £ | Total controlling interest £ | Non- controlling interest £ | Total £ |
|--|-------|--------------------|----------------------------------|---------------------------------------|--------------------------------------|------------|
| Balance at 1 December 2020 | | 1,300,002 | 1,909,487 | 3,209,489 | 25,051 | 3,234,540 |
| Year ended 30 November 2021: | | | | | | |
| Profit and total comprehensive income for the year | | - | 782,137 | 782,137 | 89,248 | 871,385 |
| Dividends | 11 | - | (105,000) | (105,000) | (89,248) | (194,248) |
| Balance at 30 November 2021 | | 1,300,002 | 2,586,624 | 3,886,626 | 25,051 | 3,911,677 |
| Year ended 30 November 2022: | | | | | | |
| Profit and total comprehensive income for the year | | - | 671,868 | 671,868 | 113,084 | 784,952 |
| Issue of share capital | 25 | 2 | - | 2 | - | 2 |
| Dividends | 11 | - | (114,500) | (114,500) | (113,084) | (227,584) |
| Balance at 30 November 2022 | | 1,300,004 | 3,143,992 | 4,443,996 | 25,051 | 4,469,047 |

THREEWAYS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2022

| | Notes | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-----------|--------------------|-------------------------------|------------|
| Balance at 1 December 2020 | | 1,300,002 | 1,211,923 | 2,511,925 |
| Year ended 30 November 2021: | | | | |
| Profit and total comprehensive income for the year | | - | 662,824 | 662,824 |
| Dividends | 11 | - | (105,000) | (105,000) |
| Balance at 30 November 2021 | | 1,300,002 | 1,769,747 | 3,069,749 |
| Year ended 30 November 2022: | | | | |
| Profit and total comprehensive income for the year | | - | 626,212 | 626,212 |
| Issue of share capital | 25 | 2 | - | 2 |
| Dividends | 11 | - | (114,500) | (114,500) |
| Balance at 30 November 2022 | | 1,300,004 | 2,281,459 | 3,581,463 |

THREEWAYS HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 31 | 174,613 | | 1,231,176 | |
| Interest paid | | (37,036) | | (29,255) | |
| Income taxes paid | | (202,139) | | (106,975) | |
| Net cash (outflow)/inflow from operating activities | | | (64,562) | | 1,094,946 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (25,431) | | (89,481) | |
| Net cash used in investing activities | | | (25,431) | | (89,481) |
| Financing activities | | | | | |
| Proceeds from issue of shares | 2 | | | - | |
| Repayment of bank loans | | (105,713) | | (92,432) | |
| Dividends paid to equity shareholders | | (114,500) | | (105,000) | |
| Dividends paid to non-controlling interests | | (113,084) | | (89,248) | |
| Net cash used in financing activities | | | (333,295) | | (286,680) |
| Net (decrease)/increase in cash and cash equivalents | | | (423,288) | | 718,785 |
| Cash and cash equivalents at beginning of year | | | 934,121 | | 215,336 |
| Cash and cash equivalents at end of year | | | 510,833 | | 934,121 |
| Relating to: | | | | | |
| Cash at bank and in hand | | | 1,398,642 | | 1,045,065 |
| Bank overdrafts included in creditors payable within one year | | | (887,809) | | (110,944) |

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

Company information

Threeways Holdings Limited ("the company") is a private company, limited by shares, domiciled and incorporated in England and Wales. 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 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.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

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

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Threeways Holdings Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 30 November 2022. 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.

1.4 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 2023, 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.

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.

1.5 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.

1.6 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 and the maximum useful life allowable under FRS102.

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.

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.7 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 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 |

Freehold land is not depreciated.

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.

1.8 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.

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.9 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.

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.

1.10 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 cost and replacement 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.

1.11 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.

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.12 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.

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.

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

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.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 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.

1.15 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.

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

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.

1.16 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.

1.17 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.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

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 - 99.9%

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:

| | 2022 £ | 2021 £ |
|--|-------------------|-------------------|
| Turnover analysed by class of business | | |
| Operation of self service car cleaning machine | 144,080 | 142,088 |
| Operation of petrol station and ancillary shop | 9,226,183 | 7,256,312 |
| Operation of car dealership and garage | 18,836,483 | 14,221,819 |
| Operation of motor home and caravan dealership | 1,889,076 | 2,299,412 |
| Operation of fast food franchise | 216,736 | 235,715 |
| | <u>30,312,558</u> | <u>24,155,346</u> |
| | 2022 £ | 2021 £ |
| Other revenue | | |
| Grants received | - | 156,697 |
| | <u>-</u> | <u>156,697</u> |

The group did not receive any Coronavirus Job Retention Scheme grants during the year (2021 - £136,667).

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

4 Exceptional item

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Expenditure | | |
| Exceptional costs incurred from fire damage | 21,661 | 42,218 |

In 2021, one of the buildings used within the group suffered fire damage cause by a faulty electrical distribution board. As a result, the group required to hire generators, fuel for the generators and additional costs in order to minimise disruption to the group while the damage is repaired and the electrical distribution board is replaced.

5 Operating profit

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Operating profit for the year is stated after charging/(crediting): | | |
| Government grants | - | (156,697) |
| Depreciation of owned tangible fixed assets | 99,885 | 104,624 |
| Amortisation of intangible assets | 8,125 | 8,125 |
| Stocks impairment losses recognised or reversed | 1,297 | 4,044 |

6 Auditor's remuneration

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the group and company | 16,500 | 8,750 |

7 Employees

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

| | Group 2022 Number | 2021 Number | Company 2022 Number | 2021 Number |
|------------------------------------|-------------------------|----------------|---------------------------|----------------|
| Directors | 6 | 6 | 6 | 6 |
| Finance and administration | 2 | 2 | 2 | 2 |
| Car dealership and garage | 28 | 28 | - | - |
| Petrol station and ancilliary shop | 21 | 24 | - | - |
| Motor home and caravan dealership | 5 | 5 | - | - |
| Total | 62 | 65 | 8 | 8 |

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

7 Employees

(Continued)

Their aggregate remuneration comprised:

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|-----------------------|--------------------|------------------|----------------------|----------------|
| Wages and salaries | 1,329,683 | 1,199,012 | 120,792 | 107,418 |
| Social security costs | 133,469 | 116,397 | 8,878 | 6,875 |
| Pension costs | 26,528 | 24,329 | 2,464 | 2,148 |
| | <u>1,489,680</u> | <u>1,339,738</u> | <u>132,134</u> | <u>116,441</u> |

8 Directors' remuneration

| | 2022 £ | 2021 £ |
|---|---------------|---------------|
| Remuneration for qualifying services | 72,000 | 79,474 |
| Company pension contributions to defined contribution schemes | 1,274 | 1,389 |
| | <u>73,274</u> | <u>80,863</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2).

9 Interest payable and similar expenses

| | 2022 £ | 2021 £ |
|---|---------------|---------------|
| Interest on bank overdrafts and loans | 30,036 | 24,755 |
| Other interest on financial liabilities | 7,000 | 4,500 |
| Total finance costs | <u>37,036</u> | <u>29,255</u> |

10 Taxation

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Current tax | | |
| UK corporation tax on profits for the current period | 203,645 | 202,139 |
| Deferred tax | | |
| Origination and reversal of timing differences | (11,713) | 2,783 |
| Changes in tax rates | 26,744 | - |
| Total deferred tax | <u>15,031</u> | <u>2,783</u> |
| Total tax charge | <u>218,676</u> | <u>204,922</u> |

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

10 Taxation

(Continued)

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:

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Profit before taxation | 1,003,628 | 1,076,307 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 190,689 | 204,498 |
| Tax effect of expenses that are not deductible in determining taxable profit | 19,072 | 17,329 |
| Permanent capital allowances in excess of depreciation | (7,660) | (23,782) |
| Depreciation on assets not qualifying for tax allowances | - | 2,550 |
| Amortisation on assets not qualifying for tax allowances | 1,544 | 1,544 |
| Deferred tax | 15,031 | 2,783 |
| Taxation charge | 218,676 | 204,922 |

11 Dividends

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Recognised as distributions to equity holders: | | |
| Interim paid | 114,500 | 105,000 |

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

| | Notes | 2022 £ | 2021 £ |
|----------------|-------|-----------|-----------|
| In respect of: | | | |
| Stocks | 18 | 5,346 | 4,044 |
| Recognised in: | | | |
| Cost of sales | | 5,346 | 4,044 |

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

12 Impairments

(Continued)

Reversals of previous impairment losses have been recognised in profit or loss as follows:

| | Notes | 2022 £ | 2021 £ |
|----------------|-------|-----------|-----------|
| In respect of: | | | |
| Stocks | 18 | 4,049 | - |
| Recognised in: | | | |
| Cost of sales | | 4,049 | - |

13 Intangible fixed assets

| Group | Goodwill £ |
|---|---------------|
| Cost | |
| At 1 December 2021 and 30 November 2022 | 125,000 |
| Amortisation and impairment | |
| At 1 December 2021 | 108,750 |
| Amortisation charged for the year | 8,125 |
| At 30 November 2022 | 116,875 |
| Carrying amount | |
| At 30 November 2022 | 8,125 |
| At 30 November 2021 | 16,250 |

The company had no intangible fixed assets at 30 November 2022 or 30 November 2021.

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

14 Tangible fixed assets

| Group | Land and buildings Freehold £ | Plant and machinery £ | Fixtures, fittings & equipment £ | Motor vehicles £ | Total £ |
|---|--|-----------------------------|---|---|------------|
| Cost | | | | | |
| At 1 December 2021 | 3,209,342 | 983,402 | 506,887 | 20,306 | 4,719,937 |
| Additions | - | 21,982 | 3,449 | - | 25,431 |
| At 30 November 2022 | 3,209,342 | 1,005,384 | 510,336 | 20,306 | 4,745,368 |
| Depreciation and impairment | | | | | |
| At 1 December 2021 | 193,954 | 616,270 | 327,782 | 17,457 | 1,155,463 |
| Depreciation charged in the year | 13,422 | 58,367 | 27,383 | 713 | 99,885 |
| At 30 November 2022 | 207,376 | 674,637 | 355,165 | 18,170 | 1,255,348 |
| Carrying amount | | | | | |
| At 30 November 2022 | 3,001,966 | 330,747 | 155,171 | 2,136 | 3,490,020 |
| At 30 November 2021 | 3,015,388 | 367,132 | 179,105 | 2,849 | 3,564,474 |
| Company | | | Land and buildings Freehold £ | Fixtures, fittings & equipment £ | Total £ |
| Cost | | | | | |
| At 1 December 2021 and 30 November 2022 | | | 3,209,342 | 74,075 | 3,283,417 |
| Depreciation and impairment | | | | | |
| At 1 December 2021 | | | 193,954 | 56,918 | 250,872 |
| Depreciation charged in the year | | | 13,422 | 2,574 | 15,996 |
| At 30 November 2022 | | | 207,376 | 59,492 | 266,868 |
| Carrying amount | | | | | |
| At 30 November 2022 | | | 3,001,966 | 14,583 | 3,016,549 |
| At 30 November 2021 | | | 3,015,388 | 17,157 | 3,032,545 |

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

14 Tangible fixed assets

(Continued)

The carrying value of land and buildings comprises:

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|----------------|--------------------|------------------|----------------------|------------------|
| Freehold | 2,997,873 | 3,011,295 | 2,997,873 | 3,011,295 |
| Long leasehold | 4,093 | 4,093 | 4,093 | 4,093 |
| | <u>3,001,966</u> | <u>3,015,388</u> | <u>3,001,966</u> | <u>3,015,388</u> |

15 Fixed asset investments

| | Notes | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|-----------------------------|-------|--------------------|-----------|----------------------|-----------|
| Investments in subsidiaries | 16 | - | - | 10,335 | 10,335 |

Movements in fixed asset investments Company

| | Shares in subsidiaries £ |
|---|--------------------------------|
| Cost or valuation | |
| At 1 December 2021 and 30 November 2022 | 10,335 |
| Carrying amount | |
| At 30 November 2022 | 10,335 |
| At 30 November 2021 | 10,335 |

16 Subsidiaries

Details of the company's subsidiaries at 30 November 2022 are as follows:

| Name of undertaking | Registered office | Class of shares held | % Held Direct Indirect | |
|--|---|-------------------------|---------------------------|-------|
| Easy Clean Car Centre Limited | Faenol Avenue, Abergele, Conwy, LL22 7HT | Ordinary | 100.00 | - |
| Threeways Garage Limited | Threeways Garage, Faenol Avenue, Abergele, Cwyl, LL22 7HT | Ordinary A Shares | 100.00 | - |
| Threeways Motor Homes Limited | Threeways Garage, Faenol Avenue, Abergele, Conwy, LL22 7HT | Ordinary | 100.00 | - |
| Threeways Service Station (Abergele) Limited | C/O Threeways Garage Ltd, Faenol Avenue, Abergele, LL22 7HT | Ordinary | 100.00 | - |
| Threeways Subway Limited | C/O Threeways Garage Ltd, Faenol Avenue, Abergele, United Kingdom, LL22 7HT | Ordinary | 49.00 | 51.00 |

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

16 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.

17 Financial instruments

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|--|--------------------|-----------|----------------------|-----------|
|--|--------------------|-----------|----------------------|-----------|

18 Stocks

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|--|--------------------|-----------|----------------------|-----------|
|--|--------------------|-----------|----------------------|-----------|

| | | | | |
|-------------------------------------|-----------|-----------|---|---|
| Finished goods and goods for resale | 3,648,167 | 2,713,283 | - | - |
|-------------------------------------|-----------|-----------|---|---|

The carrying amount of stocks includes £2,002,068 (2021 - £1,584,925) pledged as security for liabilities.

19 Debtors

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|---|--------------------|----------------|----------------------|----------------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 372,238 | 242,043 | 415,762 | 445,761 |
| Amounts owed by group undertakings | - | - | 275,000 | 334,063 |
| Other debtors | 18,049 | 97,967 | 927 | - |
| Prepayments and accrued income | 73,272 | 44,328 | - | - |
| | <u>463,559</u> | <u>384,338</u> | <u>691,689</u> | <u>779,824</u> |

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

20 Creditors: amounts falling due within one year

| | Notes | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|------------------------------------|-------|--------------------|------------------|----------------------|----------------|
| Bank loans and overdrafts | 22 | 993,898 | 219,246 | 86,472 | 89,168 |
| Trade creditors | | 2,346,993 | 2,001,055 | - | - |
| Amounts owed to group undertakings | | - | - | 31,471 | 27,649 |
| Corporation tax payable | | 203,645 | 202,139 | 44,695 | 56,742 |
| Other taxation and social security | | 204,505 | 338,833 | 1,806 | 2,432 |
| Other creditors | | 90,662 | 245,634 | 13,159 | 168,132 |
| Accruals and deferred income | | 162,700 | 179,294 | 46,413 | 36,927 |
| | | <u>4,002,403</u> | <u>3,186,201</u> | <u>224,016</u> | <u>381,050</u> |

Included in trade creditors is vehicle stocking finance amounting to £2,002,068 (2021 - £1,584,925) and is secured by a charge on the vehicles concerned.

21 Creditors: amounts falling due after more than one year

| | Notes | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|---------------------------|-------|--------------------|-----------|----------------------|-----------|
| Bank loans and overdrafts | 22 | 423,928 | 527,428 | 367,385 | 451,267 |

Amounts included above which fall due after five years are as follows:

| | | | | |
|------------------------|---|--------|---|--------|
| Payable by instalments | - | 68,336 | - | 68,336 |
|------------------------|---|--------|---|--------|

22 Loans and overdrafts

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|-------------------------|--------------------|----------------|----------------------|----------------|
| Bank loans | 530,017 | 635,730 | 453,857 | 540,435 |
| Bank overdrafts | 887,809 | 110,944 | - | - |
| | <u>1,417,826</u> | <u>746,674</u> | <u>453,857</u> | <u>540,435</u> |
| Payable within one year | 993,898 | 219,246 | 86,472 | 89,168 |
| Payable after one year | 423,928 | 527,428 | 367,385 | 451,267 |

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.

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

22 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%.

The aggregate of secured liabilities at the year end was £3,519,936 (2021 - £2,461,107).

23 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:

| | Liabilities 2022 £ | Liabilities 2021 £ |
|---|--------------------------|--------------------------|
| Group | | |
| Accelerated capital allowances | 113,135 | 98,104 |
| | <u> </u> | <u> </u> |
| | Liabilities 2022 £ | Liabilities 2021 £ |
| Company | | |
| Accelerated capital allowances | 1,500 | 1,342 |
| | <u> </u> | <u> </u> |
| | Group 2022 £ | Company 2022 £ |
| Movements in the year: | | |
| Liability at 1 December 2021 | 98,104 | 1,342 |
| Credit to profit or loss | (11,713) | (144) |
| Effect of change in tax rate - profit or loss | 26,744 | 302 |
| | <u> </u> | <u> </u> |
| Liability at 30 November 2022 | 113,135 | 1,500 |
| | <u> </u> | <u> </u> |

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.

24 Retirement benefit schemes

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 26,528 | 24,329 |
| | <u> </u> | <u> </u> |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

25 Share capital

| Group and company | 2022 | 2021 | 2022 | 2021 |
|------------------------------|------------------|------------------|------------------|------------------|
| Ordinary share capital | Number | Number | £ | £ |
| Issued and fully paid | | | | |
| Ordinary shares of £1 each | - | 1,300,002 | - | 1,300,002 |
| A Ordinary shares of £1 each | 650,002 | - | 650,002 | - |
| B Ordinary shares of £1 each | 650,002 | - | 650,002 | - |
| | <u>1,300,004</u> | <u>1,300,002</u> | <u>1,300,004</u> | <u>1,300,002</u> |

During the year, the company's Ordinary shares were redesignated into two classes of ordinary shares which have the following rights:

A Ordinary shares

These shares have a full right to vote, a right to receive a dividend and right to participate on a distribution and to capital on a winding up.

B Ordinary shares

These shares have a limited right to vote only on Reserved Matters, a right to receive a dividend and a right to participate on a distribution and to capital on a winding up.

26 Reserves

Profit and loss reserves

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

27 Financial commitments, guarantees and contingent liabilities

At the year end, the group held new vehicles valued at £234,662 (2021 - £256,234) 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 2022, which would, if included in the balance sheet, be matched by a corresponding current asset.

The Threeways Holdings group has a group overdraft facility for which each group company has given security against its assets. The company could then under the terms of this facility become liable for the amounts due to the bank by the group for this facility. As at 30 November 2022, the groups net overdraft position was £nil (2021 - £nil). The overdraft facility utilised as at 30 November 2022 however was £887,809 (2021 - £110,944).

Shell have a legal charge over land held by Threeways Holdings Limited in respect of an agreement with Threeways Service Station (Abergele) Limited for fuel purchases. At the year end, the Shell creditor was in the sum of £100,043 (2021 - £129,507).

There is a contingent liability arising from Threeways Holdings Limited giving guarantees in respect of all its subsidiaries as at 30 November 2022.

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

28 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 | |
|----------------------------|------------------|------------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Within one year | 20,750 | 20,750 | - | - |
| Between two and five years | 83,000 | 83,000 | - | - |
| In over five years | 1,051,333 | 1,072,083 | - | - |
| | <u>1,155,083</u> | <u>1,175,833</u> | <u>-</u> | <u>-</u> |

29 Related party transactions

The following amounts were outstanding at the reporting end date:

| Amounts due to related parties | 2022 | 2021 |
|---------------------------------------|---------------|----------------|
| | £ | £ |
| Group | | |
| Key management personnel | <u>13,162</u> | <u>168,135</u> |

The loans are unsecured and repayable on demand.

30 Directors' transactions

Dividends totalling £227,584 (2021 - £194,248) were paid in the year in respect of shares held by the company's directors.

THREEWAYS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

31 Cash generated from group operations

| | 2022 £ | 2021 £ |
|--|----------------|------------------|
| Profit for the year after tax | 784,952 | 871,385 |
| Adjustments for: | | |
| Taxation charged | 218,676 | 204,922 |
| Finance costs | 37,036 | 29,255 |
| Amortisation and impairment of intangible assets | 8,125 | 8,125 |
| Depreciation and impairment of tangible fixed assets | 99,885 | 104,624 |
| Movements in working capital: | | |
| (Increase)/decrease in stocks | (934,884) | 314,891 |
| Increase in debtors | (79,221) | (127,124) |
| Increase/(decrease) in creditors | 40,044 | (174,902) |
| Cash generated from operations | <u>174,613</u> | <u>1,231,176</u> |

32 Analysis of changes in net funds/(debt) - group

| | 1 December 2021 £ | Cash flows £ | 30 November 2022 £ |
|---------------------------------|-------------------------|------------------|--------------------------|
| Cash at bank and in hand | 1,045,065 | 353,577 | 1,398,642 |
| Bank overdrafts | (110,944) | (776,865) | (887,809) |
| | <u>934,121</u> | <u>(423,288)</u> | <u>510,833</u> |
| Borrowings excluding overdrafts | (635,730) | 105,713 | (530,017) |
| | <u>298,391</u> | <u>(317,575)</u> | <u>(19,184)</u> |