

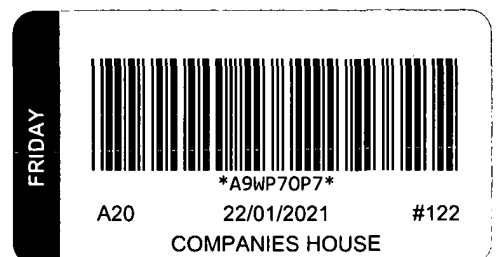
Registration number: 00702316

# R.N.Smith Holdings Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 January 2020

Crossley & Davis  
Ground Floor, Seneca House  
Links Point, Amy Johnson Way  
Blackpool  
FY4 2FF



## **R.N.Smith Holdings Limited**

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## **R.N.Smith Holdings Limited**

### **Company Information**

<b>Directors</b>	Mr D N Smith
	Mr R G Smith
	Mr G W Smith
<b>Company secretary</b>	Mr R G Smith
<b>Registered office</b>	Rayrigg Motors
	Rayrigg Road
	Windermere
	Cumbria
	LA23 3DN
<b>Auditors</b>	Crossley & Davis
	Ground Floor, Seneca House
	Links Point, Amy Johnson Way
	Blackpool
	FY4 2FF

## **R.N.Smith Holdings Limited**

### **Strategic Report for the Year Ended 31 January 2020**

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

#### **Principal activity**

The principal activity of the company is that of a holding company that provides support to its subsidiaries.

#### **Fair review of the business**

The 'R.N.Smith Holdings Group' is formed of the following companies;

R.N.Smith Holdings Limited

R.Smith(Windermere) Limited

North Lakes Childrens Services Limited

Rayrigg Motors Limited (dormant)

Rayrigg Motor Group Limited (dormant)

#### **R.N.Smith Holdings Limited**

R.N.Smith Holdings Limited acts as a holding company which provides support to its subsidiaries. The Companies only income for the year is that of dividends receivable from its subsidiaries.

#### **R.Smith(Windermere) Limited**

The directors consider the main KPIs for R.Smith(Windermere) Limited to be turnover, gross profit and operating profit.

The Company has had another excellent year of trading. Turnover for the year end 31 January 2020 is £20,985,423 (2019: £20,105,571), an increase of £879,852 (4.4%).

The increase in turnover has been mainly driven by the sale of motor vehicles, which includes the sale of a new range of car, being the Kia Niro Hybrid. The directors expect sales for this vehicle to continue to improve again the following year. Servicing, parts and forecourt sales have all remained consistent with the prior year.

Gross profit for the year end 31 January 2020 is £1,894,378 (2019: £1,844,161), an increase of £50,217. Further to the overall improvement in gross profit, the gross profit margin has remained consistent at 9%.

The increase in gross profit is as expected due to the significant increase in turnover. The strong trading position of R.Smith(Windermere) Limited has been demonstrated in maintaining a consistent margin, higher than the industry average, in competitive market conditions.

Operating profit for the year end 31 January 2020 is £101,107 (2019: £150,795), a decrease of £49,688 (33.0%).

During the year there has been significant outlay on recruitment costs due to a number of changes to staff personnel within the service department. These are one off costs not expected to arise again in the following year.

## **R.N.Smith Holdings Limited**

### **Strategic Report for the Year Ended 31 January 2020**

#### **North Lakes Childrens Services Limited**

The directors consider the main KPIs for North Lakes Childrens Services Limited to be turnover, operating profit and child welfare.

Turnover for the year end 31 January 2020 is £3,867,726 (2019: £3,399,081), a significant increase of £468,645 (13.8%) which reflects another strong year for the school. This increase is a result of additional pupils attending the school during the year.

Operating profit for the year end 31 January 2020 is £512,328 (2019: £353,921), an increase of £158,407 (44.8%). This rise in operating profit has been driven by the significant rise in turnover.

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

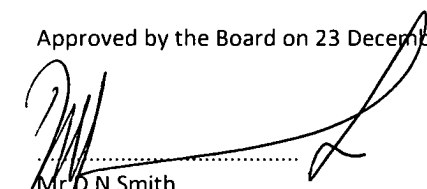
The financial risks facing the Group include potential difficulties in macro-economic trading conditions arising post year end which have been caused by the COVID-19 pandemic. There has been no noticeable impact of the COVID-19 pandemic on the current years trading results to 31 January 2020. Management closely monitor the performance of the Group and based on the results up to the date of signing of the balance sheet, the Group has continued to maintain a strong financial performance and any impact of COVID-19 has been minimal.

The uncertainty surrounding the outcome of Brexit is a risk for the industry as a whole. The risk of a hard Brexit poses possible disruption and this uncertainty could affect profitability. Despite this uncertainty the Group continues to be profitable and the directors expect this to continue for the foreseeable future.

The market for special schools remains strong despite the challenging economic and regulatory climate. An increase in the number of children being taken into care combined with an increase in exclusions from mainstream schools will continue to drive demand. The majority of fees are paid by Local Authorities at the start of a term and therefore the credit risk is minimal. The directors monitor the cashflow needs and occupancy of the schools on a regular basis. The individual companies continue to receive support from the parent company.

The Group does not have any major overseas suppliers or customers and is not exposed to exchange rate risk.

Approved by the Board on 23 December 2020 and signed on its behalf by:



Mr D N Smith  
Director

## **R.N.Smith Holdings Limited**

### **Directors' Report for the Year Ended 31 January 2020**

The directors present their report and the for the year ended 31 January 2020.

#### **Directors of the group**

The directors who held office during the year were as follows:

Mr D N Smith

Mr R G Smith - Company secretary and director

Mr G W Smith

#### **Financial instruments**

##### ***Objectives and policies***

The Group does not enter significant derivative transactions. The Groups principal financial instruments comprise bank loans, cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Groups operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

###### **Credit Risk**

The Group operates credit control policies to assess customer credit rating and provides for any debt that is deemed non-recoverable. Historically, losses from trade debtors have been low.

###### **Interest rate risk**

The Group is subject to interest risk on borrowings with floating rates of interest.

###### **Liquidity & cash flow risk**

The Groups objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and finance leases as appropriate.


#### **Future developments**

At the date of signing of the balance sheet, discussions have taken place to dispose of the 80% shareholding of North Lakes Children Services Limited, a subsidiary of the R.Smith(Windermere) Limited.

#### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 23 December 2020 and signed on its behalf by:



Mr D N Smith  
Director

## **R.N.Smith Holdings Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **R.N.Smith Holdings Limited**

### **Independent Auditor's Report to the Members of R.N.Smith Holdings Limited**

#### **Opinion**

We have audited the financial statements of R.N.Smith Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2020, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 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 31 January 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

As auditors we have assessed management's evaluation of the Group's ability to continue as a going concern in light of COVID-19. We have reviewed the future performance and the management's assessment of going concern and are satisfied with the conclusions arrived at.

Not all future events can be predicted such as the resulting implications of COVID-19 and the terms of the withdrawal from the European Union and therefore this statement is not a guarantee of the company's ability to continue to trade as a going concern.



## **R.N.Smith Holdings Limited**

### **Independent Auditor's Report to the Members of R.N.Smith Holdings Limited**

#### **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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 Statement of Directors' Responsibilities [set out on page 5], 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.

## **R.N.Smith Holdings Limited**

### **Independent Auditor's Report to the Members of R.N.Smith Holdings Limited**

#### **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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **R.N.Smith Holdings Limited**

### **Independent Auditor's Report to the Members of R.N.Smith 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.



Mr P Swarbrick (Senior Statutory Auditor)  
For and on behalf of Crossley & Davis, Statutory Auditor

Ground Floor, Seneca House  
Links Point, Amy Johnson Way  
Blackpool  
FY4 2FF

23 December 2020

# R.N.Smith Holdings Limited

## Consolidated Profit and Loss Account for the Year Ended 31 January 2020

		(As restated)	
	Note	2020 £	2019 £
Turnover	3	24,850,150	23,484,761
Cost of sales		<u>(19,295,963)</u>	<u>(18,495,281)</u>
Gross profit		5,554,187	4,989,480
Administrative expenses		(5,079,794)	(4,319,100)
Other operating income	4	<u>82,930</u>	<u>75,866</u>
Operating profit	6	<u>557,323</u>	<u>746,246</u>
Other interest receivable and similar income	7	-	313
Interest payable and similar expenses	8	<u>(126,051)</u>	<u>(127,205)</u>
		<u>(126,051)</u>	<u>(126,892)</u>
Profit before tax		431,272	619,354
Tax on profit	12	<u>(108,504)</u>	<u>(109,061)</u>
Profit for the financial year		<u>322,768</u>	<u>510,293</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		280,742	495,141
Minority interests		<u>42,026</u>	<u>15,152</u>
		<u>322,768</u>	<u>510,293</u>

The group has no recognised gains or losses for the year other than the results above.

# R.N.Smith Holdings Limited

## Consolidated Statement of Comprehensive Income for the Year Ended 31 January 2020

	(As restated)	
	2020	2019
	£	£
Profit for the year	<u>322,768</u>	<u>510,293</u>
Total comprehensive income for the year	<u><u>322,768</u></u>	<u><u>510,293</u></u>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	280,742	495,141
Minority interests	<u>42,026</u>	<u>15,152</u>
	<u><u>322,768</u></u>	<u><u>510,293</u></u>

The notes on pages 18 to 36 form an integral part of these financial statements.

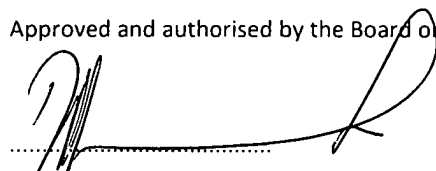
**R.N.Smith Holdings Limited**

**(Registration number: 00702316)**

**Consolidated Balance Sheet as at 31 January 2020**

			(As restated)
	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	2,730,507	2,743,621
Investment property	15	570,000	570,000
		<u>3,300,507</u>	<u>3,313,621</u>
<b>Current assets</b>			
Stocks	17	1,741,774	2,427,499
Debtors	18	757,556	938,883
Cash at bank and in hand		330,420	188,747
		<u>2,829,750</u>	<u>3,555,129</u>
<b>Creditors: Amounts falling due within one year</b>	20	<u>(3,346,779)</u>	<u>(4,272,710)</u>
<b>Net current liabilities</b>		<u>(517,029)</u>	<u>(717,581)</u>
<b>Total assets less current liabilities</b>		2,783,478	2,596,040
<b>Creditors: Amounts falling due after more than one year</b>	20	(913,251)	(931,498)
<b>Provisions for liabilities</b>	21	<u>(26,348)</u>	<u>(20,800)</u>
<b>Net assets</b>		<u>1,843,879</u>	<u>1,643,742</u>
<b>Capital and reserves</b>			
Called up share capital	23	15,000	15,000
Revaluation reserve		729,469	729,469
Other reserves		36,267	36,267
Profit and loss account		<u>1,306,664</u>	<u>1,148,553</u>
Equity attributable to owners of the company		2,087,400	1,929,289
Minority interests		<u>(243,521)</u>	<u>(285,547)</u>
Shareholders' funds		<u>1,843,879</u>	<u>1,643,742</u>

Approved and authorised by the Board on 23 December 2020 and signed on its behalf by:

  
 Mr D N Smith  
 Director

The notes on pages 18 to 36 form an integral part of these financial statements.

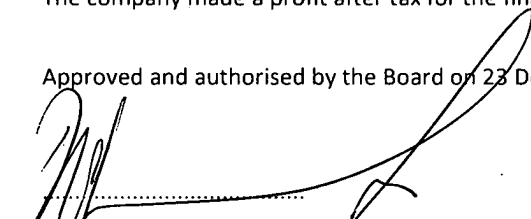
**R.N.Smith Holdings Limited**

**(Registration number: 00702316)**  
**Balance Sheet as at 31 January 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	16	1,000	1,000
<b>Current assets</b>			
Debtors	18	212,269	297,641
<b>Creditors: Amounts falling due within one year</b>	20	-	(29,261)
<b>Net current assets</b>		<u>212,269</u>	<u>268,380</u>
<b>Net assets</b>		<u>213,269</u>	<u>269,380</u>
<b>Capital and reserves</b>			
Called up share capital	23	15,000	15,000
Profit and loss account		<u>198,269</u>	<u>254,380</u>
<b>Shareholders' funds</b>		<u>213,269</u>	<u>269,380</u>

The company made a profit after tax for the financial year of £66,520 (2019 - profit of £341,222).

Approved and authorised by the Board on 23 December 2020 and signed on its behalf by:



Mr D N Smith  
Director

**R.N.Smith Holdings Limited**

**Consolidated Statement of Changes in Equity for the Year Ended 31 January 2020**  
**Equity attributable to the parent company**

	Share capital	Revaluation reserve	Other reserves	Profit and loss account	Total	Non-controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 February 2019	15,000	729,469	36,267	1,180,737	1,961,473	(317,731)	1,643,742
Prior period adjustment	-	-	-	(32,184)	(32,184)	32,184	-
At 1 February 2019 (As restated)	15,000	729,469	36,267	1,148,553	1,929,289	(285,547)	1,643,742
Profit for the year	-	-	-	280,742	280,742	42,026	322,768
Total comprehensive income	-	-	-	280,742	280,742	42,026	322,768
Dividends	-	-	-	(122,631)	(122,631)	-	(122,631)
At 31 January 2020	15,000	729,469	36,267	1,306,664	2,087,400	(243,521)	1,843,879
	Share capital	Revaluation reserve	Other reserves	Profit and loss account	Total	Non-controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 February 2018	15,000	729,469	36,267	799,397	1,580,133	(317,731)	1,262,402
Prior period adjustment	-	-	-	(17,032)	(17,032)	17,032	-
At 1 February 2018 (As restated)	15,000	729,469	36,267	782,365	1,563,101	(300,699)	1,262,402
Profit for the year	-	-	-	495,141	495,141	15,152	510,293
Total comprehensive income	-	-	-	495,141	495,141	15,152	510,293
Dividends	-	-	-	(128,953)	(128,953)	-	(128,953)
At 31 January 2019	15,000	729,469	36,267	1,148,553	1,929,289	(285,547)	1,643,742

The notes on pages 18 to 36 form an integral part of these financial statements.



# R.N.Smith Holdings Limited

## Statement of Changes in Equity for the Year Ended 31 January 2020

	Share capital	Profit and loss account	Total
	£	£	£
At 1 February 2019	15,000	254,380	269,380
Profit for the year	-	66,520	66,520
Total comprehensive income	-	66,520	66,520
Dividends	-	(122,631)	(122,631)
At 31 January 2020	15,000	198,269	213,269
	Share capital	Profit and loss account	Total
	£	£	£
At 1 February 2018	15,000	42,111	57,111
Profit for the year	-	341,222	341,222
Total comprehensive income	-	341,222	341,222
Dividends	-	(128,953)	(128,953)
At 31 January 2019	15,000	254,380	269,380

The notes on pages 18 to 36 form an integral part of these financial statements.

# R.N.Smith Holdings Limited

## Consolidated Statement of Cash Flows for the Year Ended 31 January 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Profit for the year		322,768	510,293
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	78,077	75,795
Profit on disposal of tangible assets	5	-	(241,530)
Finance income	7	-	(313)
Finance costs	8	126,051	127,205
Income tax expense	12	108,504	109,061
		<u>635,400</u>	<u>580,511</u>
Working capital adjustments			
Decrease/(increase) in stocks	17	685,725	(206,622)
Decrease/(increase) in trade debtors	18	181,327	(58,497)
Decrease in trade creditors	20	(858,420)	(731,599)
(Decrease)/increase in long term creditors		<u>(1,149)</u>	<u>(3,257)</u>
Cash generated from operations		642,883	(419,464)
Income taxes paid	12	<u>(96,387)</u>	<u>(51,166)</u>
Net cash flow from operating activities		<u>546,496</u>	<u>(470,630)</u>
<b>Cash flows from investing activities</b>			
Interest received		-	313
Acquisitions of tangible assets		(76,466)	(32,497)
Proceeds from sale of tangible assets		<u>11,503</u>	<u>241,530</u>
Net cash flows from investing activities		<u>(64,963)</u>	<u>209,346</u>
<b>Cash flows from financing activities</b>			
Interest paid	8	(126,051)	(127,205)
Movement on bank borrowings		(34,812)	(114,189)
Proceeds from other borrowing draw downs		-	908,282
Repayment of other borrowing		-	170,000
Payments to finance lease creditors		18,023	(15,736)
Dividends paid		<u>(122,631)</u>	<u>(128,953)</u>
Net cash flows from financing activities		<u>(265,471)</u>	<u>692,199</u>
Net increase in cash and cash equivalents		216,062	430,915
Cash and cash equivalents at 1 February		<u>114,358</u>	<u>(316,557)</u>
Cash and cash equivalents at 31 January		<u><u>330,420</u></u>	<u><u>114,358</u></u>

The notes on pages 18 to 36 form an integral part of these financial statements.

# R.N.Smith Holdings Limited

## Statement of Cash Flows for the Year Ended 31 January 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Profit for the year		66,520	341,222
Adjustments to cash flows from non-cash items			
Profit on disposal of tangible assets	5	-	(241,530)
Finance income		(122,631)	(128,953)
Income tax expense	12	-	29,261
		(56,111)	-
Working capital adjustments			
Decrease/(increase) in trade debtors		85,372	(241,530)
Cash generated from operations		29,261	(241,530)
Income taxes paid	12	(29,261)	-
Net cash flow from operating activities		-	(241,530)
<b>Cash flows from investing activities</b>			
Interest received		122,631	128,953
Proceeds from sale of tangible assets		-	241,530
Net cash flows from investing activities		122,631	370,483
<b>Cash flows from financing activities</b>			
Dividends paid		(122,631)	(128,953)
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 1 February		-	-
Cash and cash equivalents at 31 January		-	-

The notes on pages 18 to 36 form an integral part of these financial statements.

## **R.N.Smith Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2020**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Rayrigg Motors

Rayrigg Road

Windermere

Cumbria

LA23 3DN

These financial statements were authorised for issue by the Board on 23 December 2020.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

## **R.N.Smith Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2020**

#### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 January 2020.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

#### **Going concern**

The financial statements have been prepared on a going concern basis.

Management has considered the consequences of COVID-19 along with other events and conditions and have determined that COVID-19 does not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

#### **Changes to presentation of comparative figures**

Some items included in the Consolidated Profit and Loss Account and debtors and creditors note have been reanalysed in the comparative column for the year end 31 January 2019. There have been no changes to the comparative Consolidated Balance Sheet or profit after tax.

## R.N.Smith Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 January 2020

#### Prior period errors

The reserves at the balance sheet date for R.N.Smith Holdings Limited were amended due to a prior year adjustment. The adjustment has been made to introduce profit attributable to minority interests and restate the equity attributable to minority interests in the prior year.

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £	Relating to periods before the prior period disclosed in these financial statements £
(Profit)/loss attributable to minority interests	-	(15,152)	29,526
Equity attributable to minority interests	-	32,184	17,032
Retained earnings brought forward	-	(17,032)	(46,558)

#### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the group's activities.

#### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

## **R.N.Smith Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2020**

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

The company has applied the option under FRS 102 section 35.10(d) to use previously applied GAAP revaluation of freehold property as deemed cost on transition.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold land and buildings	No depreciation provided
Plant and machinery	20% straight line
Motor vehicles	25% reducing balance
Improvements to property	12 year straight line

The directors believe that the policy of not providing depreciation on freehold property is necessary in order for the financial statements to give a true and fair view. The directors confirm that buildings are maintained to high standards of condition and the fair value is not significantly impaired by the passage of time. Consequently, any element of depreciation is not considered to be material. The directors review the market values with sufficient regularity to enable them to identify any material diminution in value, should that occur.

#### **Investment property**

Investment property is initially recognised at cost which includes purchase cost and any directly attributable expenditure. Investment property is subsequently carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

#### **Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

## **R.N.Smith Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2020**

#### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life. Goodwill has been fully amortised.

#### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

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

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Included in stock are items consigned and owned by the entity but manufactured and held elsewhere. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.



## **R.N.Smith Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2020**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

## R.N.Smith Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 January 2020

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### 3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Motor trade	20,982,424	20,085,680
Childrens services	3,867,726	3,399,081
	<u>24,850,150</u>	<u>23,484,761</u>

#### 4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2020	2019
	£	£
Rental income	59,830	33,337
Management charges receivable	23,100	42,529
	<u>82,930</u>	<u>75,866</u>

#### 5 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2020	2019
	£	£
Gain (loss) on disposal of property, plant and equipment	<u>-</u>	<u>241,530</u>

#### 6 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	78,077	75,795
Profit on disposal of property, plant and equipment	<u>-</u>	<u>(241,530)</u>

# **R.N.Smith Holdings Limited**

## **Notes to the Financial Statements for the Year Ended 31 January 2020**

### **7 Other interest receivable and similar income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest income on bank deposits	-	302
Other finance income	-	11
	<u>-</u>	<u>313</u>

### **8 Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and borrowings	11,203	19,571
Interest on obligations under finance leases and hire purchase contracts	1,629	1,833
Interest expense on other finance liabilities	113,187	105,647
Other finance costs	32	154
	<u>126,051</u>	<u>127,205</u>

### **9 Staff costs**

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,246,145	2,943,787
Social security costs	82,268	76,930
Other short-term employee benefits	19,939	17,754
Pension costs, defined contribution scheme	18,998	10,862
Other employee expense	81,631	81,670
	<u>3,448,981</u>	<u>3,131,003</u>

## R.N.Smith Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 January 2020

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Service	13	9
Administration and support	16	16
Teachers	16	12
Carers	60	58
Sales	14	11
Managers	2	2
Other departments	13	14
Directors	3	3
	<u>137</u>	<u>125</u>

#### 10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	<u>6,558</u>	<u>9,360</u>

#### 11 Auditors' remuneration

	2020 £	2019 £
Audit of these financial statements	<u>19,930</u>	<u>18,930</u>

#### 12 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	102,956	96,061
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>5,548</u>	<u>13,000</u>
Tax expense in the income statement	<u>108,504</u>	<u>109,061</u>

# R.N.Smith Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 January 2020

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	431,272	619,354
Corporation tax at standard rate	81,942	117,677
Effect of expense not deductible in determining taxable profit (tax loss)	39,037	3,952
Effect of tax losses	-	(1,408)
Decrease in UK and foreign current tax from adjustment for prior periods	(279)	-
Tax increase from effect of capital allowances and depreciation	5,556	5,151
Tax increase from other short-term timing differences	5,548	319
Other tax effects for reconciliation between accounting profit and tax expense (income)	(23,300)	(16,630)
Total tax charge	108,504	109,061

### Deferred tax

#### Group

Deferred tax assets and liabilities

	Liability £
<b>2020</b>	
Accelerated tax depreciation	17,798
Revaluation of investment property	8,550
	26,348
<b>2019</b>	
Accelerated tax depreciation	20,800
Revaluation of investment property	-
	20,800

# R.N.Smith Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 January 2020

### 13 Intangible assets

#### Group

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 February 2019	<u>(31,938)</u>	<u>(31,938)</u>
At 31 January 2020	<u>(31,938)</u>	<u>(31,938)</u>
<b>Amortisation</b>		
At 1 February 2019	<u>(31,938)</u>	<u>(31,938)</u>
At 31 January 2020	<u>(31,938)</u>	<u>(31,938)</u>
<b>Carrying amount</b>		
At 31 January 2020	<u>-</u>	<u>-</u>
At 31 January 2019	<u>-</u>	<u>-</u>

# R.N.Smith Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 January 2020

### 14 Tangible assets

#### Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 February 2019	2,766,117	1,411,692	123,065	4,300,874
Additions	2,500	27,966	46,000	76,466
Disposals	-	(781,906)	(42,250)	(824,156)
At 31 January 2020	<u>2,768,617</u>	<u>657,752</u>	<u>126,815</u>	<u>3,553,184</u>
<b>Depreciation</b>				
At 1 February 2019	162,163	1,319,170	75,920	1,557,253
Charge for the year	21,222	40,120	16,735	78,077
Eliminated on disposal	-	(781,906)	(30,747)	(812,653)
At 31 January 2020	<u>183,385</u>	<u>577,384</u>	<u>61,908</u>	<u>822,677</u>
<b>Carrying amount</b>				
At 31 January 2020	<u>2,585,232</u>	<u>80,368</u>	<u>64,907</u>	<u>2,730,507</u>
At 31 January 2019	<u>2,603,954</u>	<u>92,522</u>	<u>47,145</u>	<u>2,743,621</u>

Included within the net book value of land and buildings above is £2,549,166 (2019 - £2,603,954) in respect of freehold land and buildings and £36,066 (2019 - £Nil) in respect of short leasehold land and buildings.

During the year a number of historic assets no longer owned by the Group were disposed from tangible assets. The total net book value of the scrapped assets is £nil.

### 15 Investment properties

#### Group

	2020 £
At 1 February	<u>570,000</u>
At 31 January	<u>570,000</u>

The fair value of the property has been reviewed by an independent valuer, who confirms that they consider there to be no material difference between the carrying value of the property and its market value as at 31 January 2020.

# R.N.Smith Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 January 2020

### 16 Investments

#### Company

	2020 £	2019 £
Investments in subsidiaries	<u>1,000</u>	<u>1,000</u>

#### Subsidiaries

£

#### Cost or valuation

At 1 February 2019	5,900
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#### Provision

At 1 February 2019	<u>4,900</u>
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#### Carrying amount

At 31 January 2020	<u>1,000</u>
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At 31 January 2019	<u>1,000</u>
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### 17 Stocks

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Parts and accessories	98,642	93,799	-	-
New and used cars	<u>1,643,132</u>	<u>2,333,700</u>	<u>-</u>	<u>-</u>
	<u>1,741,774</u>	<u>2,427,499</u>	<u>-</u>	<u>-</u>

### 18 Debtors

		Group		Company	
	Note	2020 £	2019 £	2020 £	2019 £
Trade debtors		455,950	657,825	-	-
Amounts owed by related parties	27	-	-	212,269	241,530
Other debtors		203,605	187,229	-	56,111
Prepayments		<u>98,001</u>	<u>93,829</u>	<u>-</u>	<u>-</u>
		<u>757,556</u>	<u>938,883</u>	<u>212,269</u>	<u>297,641</u>



# R.N.Smith Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 January 2020

### 19 Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Cash on hand	382	2,473	-	-
Cash at bank	330,038	186,274	-	-
	<u>330,420</u>	<u>188,747</u>	<u>-</u>	<u>-</u>
Bank overdrafts	-	(74,389)	-	-
Cash and cash equivalents in statement of cash flows	<u>330,420</u>	<u>114,358</u>	<u>-</u>	<u>-</u>

### 20 Creditors

		Group		Company	
	Note	2020	2019	2020	2019
		£	£	£	£
<b>Due within one year</b>					
Loans and borrowings	24	216,464	290,544	-	-
Trade creditors		641,512	899,890	-	-
Amounts due to related parties	27	462,018	358,372	-	-
Social security and other taxes		322,924	218,083	-	-
Other payables		1,517,889	2,304,177	-	-
Accruals		83,342	105,583	-	-
Income tax liability	12	<u>102,630</u>	<u>96,061</u>	<u>-</u>	<u>29,261</u>
		<u>3,346,779</u>	<u>4,272,710</u>	<u>-</u>	<u>29,261</u>
<b>Due after one year</b>					
Loans and borrowings	24	302,972	320,070	-	-
Other non-current financial liabilities		<u>610,279</u>	<u>611,428</u>	<u>-</u>	<u>-</u>
		<u>913,251</u>	<u>931,498</u>	<u>-</u>	<u>-</u>

### 21 Provisions for liabilities

#### Group

	Deferred tax	Total
	£	£
At 1 February 2019	20,800	20,800
Increase (decrease) in existing provisions	<u>5,548</u>	<u>5,548</u>
At 31 January 2020	<u>26,348</u>	<u>26,348</u>

## R.N.Smith Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 January 2020

#### 22 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £18,998 (2019 - £10,862).

#### 23 Share capital

##### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	12,000	12,000	12,000	12,000
Ordinary A shares of £1 each	375	375	375	375
Ordinary B shares of £1 each	375	375	375	375
Ordinary C shares of £1 each	375	375	375	375
Ordinary D shares of £1 each	375	375	375	375
Ordinary E shares of £1 each	375	375	375	375
Ordinary F shares of £1 each	375	375	375	375
Ordinary G shares of £1 each	375	375	375	375
Ordinary H shares of £1 each	375	375	375	375
	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>

#### 24 Loans and borrowings

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
<b>Non-current loans and borrowings</b>				
Bank borrowings	284,712	318,403	-	-
Finance lease liabilities	<u>18,260</u>	<u>1,667</u>	<u>-</u>	<u>-</u>
	<u>302,972</u>	<u>320,070</u>	<u>-</u>	<u>-</u>

## R.N.Smith Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 January 2020

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
<b>Current loans and borrowings</b>				
Bank borrowings	35,006	36,127	-	-
Bank overdrafts	-	74,389	-	-
Finance lease liabilities	11,458	10,028	-	-
Other borrowings	170,000	170,000	-	-
	<u>216,464</u>	<u>290,544</u>	<u>-</u>	<u>-</u>

#### Group

##### Bank borrowings

Bank borrowings is denominated in GBP with a nominal interest rate of BoE base rate + 2.5%, and the final instalment is due on 29 September 2022. The carrying amount at year end is £319,717 (2019 - £354,530).

The bank facilities are secured by a first legal mortgage over the freehold property known as Kirby Moor School in Brampton and the freehold properties of R.Smith(Windermere) Limited known as Rayrigg Showrooms, Rayrigg Road, Bowness-on-Windermere; Rayrigg Motors, White Lund, Morecambe; and the investment properties held by R.Smith(Windermere) Limited known as St Martins Parade.

HSBC Bank PLC have mortgage debentures incorporating a fixed and floating charge over all current and future assets of all group companies.

##### Other borrowings

Hyundai Capital UK Limited have debentures for use of their stocking loan facility. The facility is secured by way of a legal mortgage over the undertaking and all property and assets present and future. Interest is charged monthly at 0.254%. The carrying amount at the year end is £170,000 (2019 - £170,000).

## 25 Obligations under leases and hire purchase contracts

#### Group

##### Finance leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	11,458	10,028
Later than one year and not later than five years	<u>18,260</u>	<u>1,667</u>
	<u>29,718</u>	<u>11,695</u>

## R.N.Smith Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 January 2020

#### Operating leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	77,274	75,040
Later than one year and not later than five years	232,034	309,309
	<u>309,308</u>	<u>384,349</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £75,040 (2019 - £70,570).

#### 26 Dividends

##### Interim dividends paid

	2020	2019
	£	£
Interim dividend of £30 (2019 - £29) per each Ordinary B shares	11,429	10,800
Interim dividend of £69 (2019 - £67) per each Ordinary C shares	25,865	25,236
Interim dividend of £30 (2019 - £29) per each Ordinary D shares	11,429	10,800
Interim dividend of 329 per each Ordinary E shares	61,908	61,908
Interim dividend of 32 (2019 - 54) per each Ordinary F shares	12,000	20,208
	<u>122,631</u>	<u>128,953</u>

## R.N.Smith Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 January 2020

#### 27 Related party transactions

##### Group

##### Key management compensation

	2020	2019
	£	£
Salaries and other short term employee benefits	<u>127,157</u>	<u>120,909</u>

##### Other transactions with directors

There have been transactions with directors during the year. Interest totalling £22,396 has been charged to R.Smith(Windermere) Limited on loans that are payable to its directors. During the year the directors advanced £219,239 and R.Smith(Windermere) Limited repaid £115,593 on these loans. At the year end 31 January 2020 the amount owed by R.Smith(Windermere) Limited to its directors was £462,018 (2019: £358,372). The loans are unsecured and repayable on demand.

There are loans payable to the directors not due within one year. Interest totalling £36,668 has been charged to R.Smith(Windermere) Limited. During the year the directors advanced £37,502 and R.Smith(Windermere) Limited repaid £38,651 on these loans. At the year end 31 January 2020 the amount owed by R.Smith(Windermere) Limited on these loans was £610,279 (2019: £611,428).

During the year, North Lakes Childrens Services Limited paid rents to the directors of the Company. The amounts paid to the directors in respect of Woodend House totalled £36,000, in respect of Warwick Road totalled £36,000 and in respect of Kenilworth House totalled £24,000.

The above transactions with directors have been given in an aggregated format.

##### Summary of transactions with all subsidiaries

##### North Lakes Childrens Services Limited

North Lakes Childrens Services Limited is an 80% subsidiary of R.Smith(Windermere) Limited of which D N Smith, R G Smith and G W Smith are directors.

During the year, R.Smith(Windermere) Limited sold motor vehicles for £11,250 plus sales of fuel and motor vehicle repairs totalling £18,451 to North Lakes Childrens Services Limited. Loan interest of £238,450 was charged by R.Smith(Windermere) Limited. During the year R.Smith(Windermere) Limited advanced £361,869 and North Lakes Childrens Services Limited repaid £407,083. At the year end 31 January 2020 the amount due from North Lakes Childrens Services Limited was £2,166,734 (2019: £2,211,948). The loan is unsecured and repayable on demand.

## **R.N.Smith Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2020**

#### **Summary of transactions with other related parties**

##### **Fairway (Golf Shops) Limited**

Fairway (Golf Shops) Limited is a company in which D N Smith is a controlling shareholder and director.

During the year R.Smith(Windermere) Limited received repayments of £6,000. No interest was charged during the year. The loan is unsecured and repayable on demand. At the year end 31 January 2020 the amount due from Fairway (Golf Shops) Limited was £51,618 (2019: £57,618).

##### **Biskey Howe Investments Limited**

Biskey Howe Investments Limited is a company which is jointly owned by R G Smith, D N Smith and J I Smith. Interest of £2,400 has been charged. During the year Biskey Howe Investments Limited advanced £2,400 and R.Smith(Windermere) Limited repaid £76,492. At the year end 31 January 2020 the amount due to Biskey Howe Investments Limited was £nil (2019: £74,092). The loan is unsecured and repayable on demand.

##### **R.Smith(Windermere) Directors Retirement Plan**

A pension scheme of which D N Smith and R G Smith are trustees and members. Interest of £10,200 has been charged to R.Smith(Windermere) Limited. During the year the Retirement Plan advanced £10,200 and R.Smith(Windermere) Limited repaid £10,200. At the year end 31 January 2020 the amount due to R.Smith(Windermere) Directors Retirement Plan was £160,000 (2019: £160,000). The loan is unsecured and repayable on demand.

##### **Function 18 Ltd**

Function 18 Ltd is a company which is jointly owned by D N Smith. During the year Function 18 Ltd advanced £48,735 to R.Smith(Windermere) Limited. No interest has been charged on this loan. At the year end 31 January 2020 the amount due to Function 18 Ltd was £48,735 (2019: £nil). The loan is unsecured and repayable on demand.

##### **Meadowbank Property Developments Limited**

Meadowbank Property Developments Limited is a company in which D N Smith is a controlling shareholder. During the year R.Smith(Windermere) Limited advanced £73,344 to Meadowbank Property Developments Limited. No interest has been charged on this loan. At the year end 31 January 2020 the amount due to R.Smith(Windermere) Limited was £73,344 (2019: £nil). The loan is unsecured and repayable on demand.

#### **28 Non adjusting events after the financial period**

At the date of signing of the balance sheet, discussions have taken place to dispose of the 80% shareholding of North Lakes Childrens Services Limited, a subsidiary of the Group. The agreement has not been finalised, therefore the financial impact cannot be estimated.