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COMPANY REGISTRATION NUMBER: 01454914

West Country Motor Homes Limited
Financial Statements
31 December 2020

WEBB & CO LTD

Accountants and Business Advisers & statutory auditor
One New Street
Wells
Somerset
BA5 2LA

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West Country Motor Homes Limited

Financial Statements

Year ended 31 December 2020

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West Country Motor Homes Limited

Officers and Professional Advisers

The board of directors

S G Pike
P R Shaw

Registered office

Bristol Road
Brent Knoll
Highbridge
TA9 4HG

Auditor

Webb & Co Ltd
Accountants and Business Advisers & statutory auditor
One New Street
Wells
Somerset
BA5 2LA

West Country Motor Homes Limited

Strategic Report

Year ended 31 December 2020

Fair review of the business

Despite the Covid-19 pandemic, the company saw another successful year in 2020 with increased margins and profits being achieved.

Key performance indicators

The key financial highlights are as follows;

	2020	2019	2018	2017
	£	£	£	£
Turnover (£000)	19,644	22,448	23,576	22,517
Turnover Growth (%)	(12)	(5)	5	4
Gross Profit Margin (%)	14	12	12	12
Profit Before Tax (£000)	1,430	1,108	1,392	1,223

2021 outlook

The company closed its premises at the end of December 2020 and reopened on 12th April 2021 in order to adhere to government lockdown restrictions. Whilst sales were therefore lost for just over three months, since re-opening there has been a significant increase in demand to the extent that lost business is being quickly recouped. We therefore expect 2021 to show a healthy profit despite the ongoing pandemic.

Development and performance

The company does not have any particular plans for future development other than to maintain its current level of turnover and operations and to build on its reputation for good quality and customer service.

This report was approved by the board of directors on 12/8/2021 and signed on behalf of the board by:



S G Pike
Director

Registered office:
Bristol Road
Brent Knoll
Highbridge
TA9 4HG

West Country Motor Homes Limited

Directors' Report

Year ended 31 December 2020

The directors present their report and the financial statements of the company for the year ended 31 December 2020.

Directors

The directors who served the company during the year were as follows:

S G Pike
P R Shaw

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Financial instruments

The company's principal financial instruments comprise bank balances, trade creditors and consignment stock facilities. The main purpose of these instruments is to raise funds for and to finance the company's operations.

Due to the nature of these financial instruments there is no exposure to price risk. In addition, as the company does not have significant debtors there is little exposure to credit risk. The company's approach to managing other risks applicable to the financial instruments is set out below.

In respect of bank balances the liquidity risk is managed by maintaining healthy surplus cash balances available at short notice by retaining profits within the company. Interest rate risk is managed by securing the best available interest rates wherever possible.

Trade creditors and consignment stock facilities liquidity risk is managed by ensuring that sufficient funds are available to meet payments as they fall due. Interest rate risk is managed by ensuring that balances are settled on or before their due date wherever possible.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 23 to the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

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

West Country Motor Homes Limited

Directors' Report *(continued)*

Year ended 31 December 2020

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

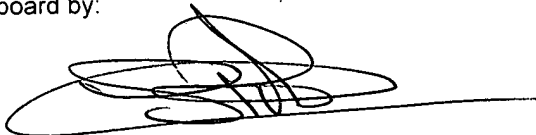
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 12/5/2021 and signed on behalf of the board by:



S G Pike
Director

Registered office:
Bristol Road
Brent Knoll
Highbridge
TA9 4HG

West Country Motor Homes Limited

Independent Auditor's Report to the Members of West Country Motor Homes Limited

Year ended 31 December 2020

Opinion

We have audited the financial statements of West Country Motor Homes Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 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.

West Country Motor Homes Limited

Independent Auditor's Report to the Members of West Country Motor Homes Limited *(continued)*

Year ended 31 December 2020

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and the 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.

West Country Motor Homes Limited

Independent Auditor's Report to the Members of West Country Motor Homes Limited *(continued)*

Year ended 31 December 2020

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, 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 or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above 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 would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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.

West Country Motor Homes Limited

Independent Auditor's Report to the Members of West Country Motor Homes Limited *(continued)*

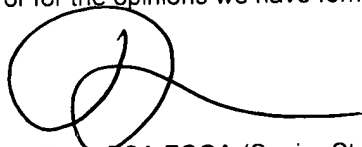
Year ended 31 December 2020

- 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 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 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 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.

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.

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.



Barry Davidson FCA FCCA (Senior Statutory Auditor)

For and on behalf of
Webb & Co Ltd
Accountants and Business Advisers & statutory auditor
One New Street
Wells
Somerset
BA5 2LA

13 August 2021

West Country Motor Homes Limited
Statement of Income and Retained Earnings
Year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	19,644,049	22,447,978
Cost of sales		(16,986,881)	(19,810,616)
Gross profit		2,657,168	2,637,362
Distribution costs		(119,499)	(195,200)
Administrative expenses		(1,693,736)	(1,685,398)
Other operating income	5	512,997	270,157
Operating profit	6	1,356,930	1,026,921
Other interest receivable and similar income	10	72,732	81,534
Profit before taxation		1,429,662	1,108,455
Tax on profit	11	(270,902)	(210,587)
Profit for the financial year and total comprehensive income		1,158,760	897,868
Dividends paid and payable	12	(177,419)	(177,419)
Retained earnings at the start of the year		12,273,580	11,553,131
Retained earnings at the end of the year		13,254,921	12,273,580

All the activities of the company are from continuing operations.

The notes on pages 12 to 22 form part of these financial statements.

West Country Motor Homes Limited

Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	287,250	283,549
Current assets			
Stocks	14	6,014,536	8,736,587
Debtors	15	5,485,241	6,566,644
Cash at bank and in hand		5,596,257	2,552,391
		<u>17,096,034</u>	<u>17,855,622</u>
Creditors: amounts falling due within one year	16	3,128,363	4,865,591
Net current assets		<u>13,967,671</u>	<u>12,990,031</u>
Total assets less current liabilities		<u>14,254,921</u>	<u>13,273,580</u>
Net assets		<u>14,254,921</u>	<u>13,273,580</u>
Capital and reserves			
Called up share capital	19	863,000	863,000
Capital redemption reserve	20	137,000	137,000
Profit and loss account	20	13,254,921	12,273,580
Shareholders funds		<u>14,254,921</u>	<u>13,273,580</u>

These financial statements were approved by the board of directors and authorised for issue on 12/8/2021, and are signed on behalf of the board by:



S G Pike
Director

Company registration number: 01454914

The notes on pages 12 to 22 form part of these financial statements.

West Country Motor Homes Limited

Statement of Cash Flows

Year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	1,158,760	897,868
<i>Adjustments for:</i>		
Depreciation of tangible assets	19,739	16,636
Government grant income	(289,227)	—
Other interest receivable and similar income	(72,732)	(81,534)
Tax on profit	270,902	210,587
Accrued expenses	14,629	11,283
<i>Changes in:</i>		
Stocks	2,722,051	(635,527)
Trade and other debtors	1,081,403	(753,570)
Trade and other creditors	(1,811,411)	1,331,995
Cash generated from operations	3,094,114	997,738
Interest received	72,732	81,534
Tax paid	(210,587)	(268,185)
Net cash from operating activities	<u>2,956,259</u>	<u>811,087</u>
Cash flows from investing activities		
Purchase of tangible assets	(23,440)	(15,931)
Net cash used in investing activities	<u>(23,440)</u>	<u>(15,931)</u>
Cash flows from financing activities		
Proceeds from borrowings	(761)	14,885
Government grant income	289,227	—
Dividends paid	(177,419)	(177,419)
Net cash from/(used in) financing activities	<u>111,047</u>	<u>(162,534)</u>
Net increase in cash and cash equivalents	3,043,866	632,622
Cash and cash equivalents at beginning of year	<u>2,552,391</u>	<u>1,919,769</u>
Cash and cash equivalents at end of year	<u>5,596,257</u>	<u>2,552,391</u>

The notes on pages 12 to 22 form part of these financial statements.

West Country Motor Homes Limited

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

West Country Motorhomes Limited is a private company limited by shares incorporated in England, United Kingdom. The address of the registered office and place of business is Bristol Road, Brent Knoll, Highbridge, TA9 4HG. The nature of the company's operations and principal activities is that of the retail of motorhomes.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity, and rounded to the nearest £.

(b) Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

(c) Going concern

On 11 March 2020 the World Health Organisation declared a worldwide pandemic as a result of the Covid-19 virus.

On 22 February 2021 the UK Government issued a roadmap with provisional dates for lockdown and social distancing restrictions to be removed.

The company has sufficient funds to sustain a downturn of several months while continuing to operate at a reduced level without requiring additional finance, adopting government schemes if required.

The directors taking account of the above in forming their opinion, are satisfied that the going concern basis of preparation of accounts remains appropriate.

West Country Motor Homes Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

(d) Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future period where the revision affects both current and future periods.

Critical Judgements

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

Impairment of assets

The tangible fixed assets are periodically reviewed for impairment by the directors based on their knowledge and judgements.

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

Depreciation and amortisation

The directors use their knowledge of the business and the industry to estimate the useful life and residual value of tangible assets in order to arrive at applicable depreciation and amortisation rates. In accordance with section 17 of FRS 102, the directors review and update these estimates if there are indicators that current estimates should change.

It must be noted that there is inherent uncertainty within these estimates as factors such as unexpected wear and tear, technological advancement and changes in market prices may result in future changes to the appropriate rate of depreciation.

The estimation of sundry stocks and the calculation of the general stock provision

The directors use their knowledge of the business and the industry to estimate the value of certain items of sundry stocks and to calculate the general stock provision.

(e) Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

West Country Motor Homes Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

(f) Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

(g) Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

(h) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

(i) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	4% Straight Line (except land)
Long leasehold property	-	4% Straight Line
Fixtures and fittings	-	20% Straight Line

West Country Motor Homes Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

(j) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

(k) Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition. The cost formula used to value stock is first in first out. Provision is made for damaged, obsolete and slow moving stock where appropriate.

Vehicles held on consignment are included at cost within the balance sheet value of stocks with a corresponding amount being included within trade creditors to recognise the liability.

(l) Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

West Country Motor Homes Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

(m) Financial instruments

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

(n) Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2020	2019
	£	£
Sale of goods	19,351,409	22,115,941
Rendering of services	292,640	332,037
	<u>19,644,049</u>	<u>22,447,978</u>

West Country Motor Homes Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

4. Turnover *(continued)*

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2020 £	2019 £
United Kingdom	19,604,882	22,330,828
Overseas	39,167	117,150
	<u>19,644,049</u>	<u>22,447,978</u>

5. Other operating income

	2020 £	2019 £
Rental income	11,300	11,200
Bonus, rebates and commission receivable	148,138	254,409
Government grant income	289,227	—
Other operating income	64,332	4,548
	<u>512,997</u>	<u>270,157</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible assets	19,739	16,636
Operating lease rentals	<u>184,167</u>	<u>182,000</u>

7. Auditor's remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>5,000</u>	<u>5,000</u>

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020 No.	2019 No.
Distribution staff	40	39
Administrative staff	11	11
Management staff	2	2
	<u>53</u>	<u>52</u>

West Country Motor Homes Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

8. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020	2019
	£	£
Wages and salaries	1,175,307	1,115,121
Social security costs	92,625	89,827
Other pension costs	41,121	42,434
	<u>1,309,053</u>	<u>1,247,382</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	134,029	119,757
Company contributions to defined contribution pension plans	<u>16,804</u>	<u>15,544</u>
	<u>150,833</u>	<u>135,301</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2020	2019
	No.	No.
Defined contribution plans	<u>2</u>	<u>2</u>

10. Other interest receivable and similar income

	2020	2019
	£	£
Interest on bank deposits	13,612	18,772
Other interest receivable and similar income	<u>59,120</u>	<u>62,762</u>
	<u>72,732</u>	<u>81,534</u>

11. Tax on profit

Major components of tax expense

	2020	2019
	£	£
Current tax:		
UK current tax expense	<u>270,902</u>	<u>210,587</u>
Tax on profit	<u>270,902</u>	<u>210,587</u>

West Country Motor Homes Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

11. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Profit on ordinary activities before taxation	1,429,662	1,108,455
Profit on ordinary activities by rate of tax	271,636	210,606
Effect of expenses not deductible for tax purposes	95	—
Effect of capital allowances and depreciation	(829)	(19)
Tax on profit	270,902	210,587

12. Dividends

	2020 £	2019 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	177,419	177,419

13. Tangible assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Total £
Cost				
At 1 January 2020	279,529	74,097	334,218	687,844
Additions	—	—	23,440	23,440
At 31 December 2020	<u>279,529</u>	<u>74,097</u>	<u>357,658</u>	<u>711,284</u>
Depreciation				
At 1 January 2020	39,200	48,520	316,575	404,295
Charge for the year	5,600	2,964	11,175	19,739
At 31 December 2020	<u>44,800</u>	<u>51,484</u>	<u>327,750</u>	<u>424,034</u>
Carrying amount				
At 31 December 2020	<u>234,729</u>	<u>22,613</u>	<u>29,908</u>	<u>287,250</u>
At 31 December 2019	<u>240,329</u>	<u>25,577</u>	<u>17,643</u>	<u>283,549</u>

14. Stocks

	2020 £	2019 £
Finished goods and goods for resale	6,014,536	8,736,587

Included above is consignment stock of £381,212 (2019 £1,542,737) held at the year end.

West Country Motor Homes Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

15. Debtors

	2020	2019
	£	£
Trade debtors	10,422	7,027
Prepayments and accrued income	48,128	73,361
Other debtors	5,426,691	6,486,256
	<u>5,485,241</u>	<u>6,566,644</u>

16. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	2,148,935	4,135,149
Accruals and deferred income	453,130	438,501
Corporation tax	270,902	210,587
Social security and other taxes	223,286	16,246
Director loan accounts	24,200	24,961
Other creditors	7,910	40,147
	<u>3,128,363</u>	<u>4,865,591</u>

Included in trade creditors are secured amounts relating to consignment stock of £381,212 (2019: £1,542,737)

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £41,121 (2019: £42,434).

18. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2020	2019
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>289,227</u>	<u>-</u>

West Country Motor Homes Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2020

19. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	118,000	118,000	118,000	118,000
Ordinary A shares of £1 each	632,000	632,000	632,000	632,000
Ordinary B shares of £1 each	30,000	30,000	30,000	30,000
Ordinary C shares of £1 each	41,500	41,500	41,500	41,500
Ordinary D shares of £1 each	41,500	41,500	41,500	41,500
	<u>863,000</u>	<u>863,000</u>	<u>863,000</u>	<u>863,000</u>

20. Reserves

Capital redemption reserve - this reserve records the nominal value of shares repurchased by the company.

Profit and loss account - this reserve records retained earnings and accumulated losses.

21. Analysis of changes in net debt

	At 1 Jan 2020	Cash flows	At 31 Dec 2020
	£	£	£
Cash at bank and in hand	2,552,391	3,043,866	5,596,257
Debt due within one year	(24,961)	761	(24,200)
	<u>2,527,430</u>	<u>3,044,627</u>	<u>5,572,057</u>

22. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	124,960	1,358
Later than 1 year and not later than 5 years	590,440	2,400
	<u>715,400</u>	<u>3,758</u>

23. Events after the end of the reporting period

The Covid-19 global pandemic continues to disrupt global economic activities and supply chains post year end. The company has adapted well to Covid-19, and, even if the restrictions continue beyond the current government roadmap expectations, there is not expected to be any significant impact on efficiency. Supply chains have held up well, through both Covid & Brexit. The Company has contingency plans in place to adapt to these changing circumstances.

West Country Motor Homes Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

24. Related party transactions

Rent of £59,000 (2019 £59,000) was paid to key management personnel. Rent of £113,117 (2019 £111,000) was paid to the West Country Motor Homes Retirement Benefit Scheme.

Included within other debtors is an amount of £5,351,691 (2019 £6,282,515) due from Motorhome Finance Limited, on which interest of £55,391 (2019 £58,612) has been charged. Motorhome Finance Limited is a company in which key management personnel are directors and shareholders.

Included within creditors are amounts due to directors and shareholders of £32,110 (2019 £65,109).

The directors and close family members received dividends totalling £177,419 (2019 £177,419) during the year.