

COMPANY REGISTRATION NUMBER: 02448382

JEFF WHITE MOTORS LIMITED
FINANCIAL STATEMENTS
31 MAY 2023



JEFF WHITE MOTORS LIMITED

FINANCIAL STATEMENTS

Year ended 31 May 2023

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JEFF WHITE MOTORS LIMITED

STRATEGIC REPORT

Year ended 31 May 2023

The company operates out of its premises in Cardiff, South Wales selling used cars.

The director believes the key business indicators in this market are turnover, gross margin and profit before tax. The performance of the company was as follows:

	2023 £'000	2022 £'000
Turnover	24,579	27,789
Gross profit (%)	8.1	8.9
Profit before taxation	1,202	1,210

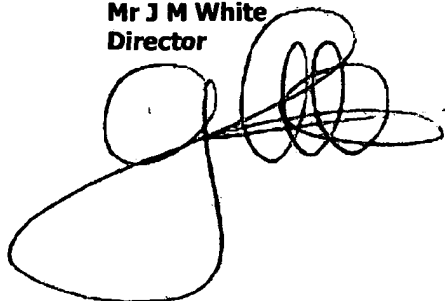
PRINCIPAL RISKS AND UNCERTAINTIES

The company is reliant on the car market and therefore any changes to the level of activity is likely to affect results. At the present time the market is highly competitive in the United Kingdom, and the director believes that the market will remain this way in the foreseeable future.

There are a number of risks that could harm the profitability of the business. The director actively manages the company on a day to day basis and takes active measures to ensure these risks are understood and minimised.

This report was approved by the board of directors on 28/2/2024 and signed on behalf of the board by:

Mr J M White
Director



L N White
Company Secretary



JEFF WHITE MOTORS LIMITED

DIRECTOR'S REPORT

Year ended 31 May 2023

The director presents his report and the financial statements of the company for the year ended 31 May 2023.

Director

The director who served the company during the year was as follows:

Mr J M White

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 we set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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.

In preparing these financial statements, the director is 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 director is 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. He is 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.

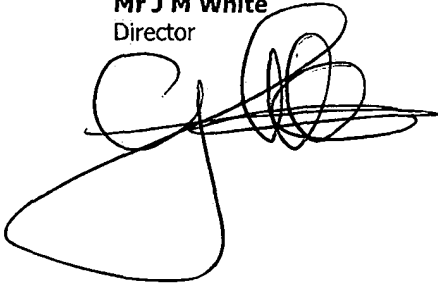
JEFF WHITE MOTORS LIMITED

DIRECTOR'S REPORT *(continued)*

Year ended 31 May 2023

This report was approved by the board of directors on 28/2/2024 and signed on behalf of the board by:

Mr J M White
Director

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

L N White
Company Secretary

A handwritten signature in black ink that reads "L white" in a cursive style.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JEFF WHITE MOTORS LIMITED

Year ended 31 May 2023

Opinion

We have audited the financial statements of Jeff White Motors Limited (the 'company') for the year ended 31 May 2023 which comprise the profit and loss account, balance sheet, statement of changes in equity, 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 May 2023 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 director's 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 director with respect to going concern are described in the relevant sections of this report.



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JEFF WHITE
MOTORS LIMITED (continued)**

Year ended 31 May 2023

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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 returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines is necessary to enable the preparation of financial



**KILSBY
WILLIAMS**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JEFF WHITE MOTORS LIMITED *(continued)*

Year ended 31 May 2023

statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is 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 director either intends to liquidate the company or to cease operations, or has 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, enquiries with management and enquiries of legal counsel. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JEFF WHITE
MOTORS LIMITED (continued)**

Year ended 31 May 2023

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 director.
- Conclude on the appropriateness of the director's 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.

W. Williams LLP

Simon Tee (Senior Statutory Auditor)

For and on behalf of
Kilsby & Williams LLP
Chartered accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

28th February 2024

JEFF WHITE MOTORS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 May 2023

	Note	2023 £	2022 £
TURNOVER	4	24,578,530	27,789,276
Cost of sales		(22,585,852)	(25,314,518)
GROSS PROFIT		1,992,678	2,474,758
Distribution costs		(505,799)	(526,711)
Administrative expenses		(650,370)	(681,484)
Other operating income	5	58,000	59,252
OPERATING PROFIT	6	894,509	1,325,815
Income from other fixed asset investments	10	566,939	–
Interest payable and similar expenses	11	(259,444)	(115,847)
PROFIT BEFORE TAXATION		1,202,004	1,209,968
Tax on profit	12	(182,194)	(262,556)
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>1,019,810</u>	<u>947,412</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

JEFF WHITE MOTORS LIMITED

BALANCE SHEET

31 May 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	14	5,579,614	4,839,414
CURRENT ASSETS			
Stocks	15	4,940,864	5,829,260
Debtors	16	1,578,979	1,262,841
Cash at bank and in hand		144,171	107,694
		<u>6,664,014</u>	<u>7,199,795</u>
CREDITORS: amounts falling due within one year	17	(5,010,499)	(5,432,581)
NET CURRENT ASSETS		<u>1,653,515</u>	<u>1,767,214</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,233,129</u>	<u>6,606,628</u>
CREDITORS: amounts falling due after more than one year	18	(200,000)	(300,000)
PROVISIONS	19	(136,859)	(85,168)
NET ASSETS		<u>6,896,270</u>	<u>6,221,460</u>
CAPITAL AND RESERVES			
Called up share capital	22	1	1
Other reserves, including the fair value reserve	23	566,939	—
Profit and loss account	23	<u>6,329,330</u>	<u>6,221,459</u>
SHAREHOLDERS FUNDS		<u>6,896,270</u>	<u>6,221,460</u>

These financial statements were approved by the board of directors and authorised for issue on 28/2/2024 and are signed on behalf of the board by:

Mr J M White
Director

Company registration number: 02448382

The notes on pages 12 to 21 form part of these financial statements.

JEFF WHITE MOTORS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 May 2023

		Called up share capital £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
AT 1 JUNE 2021		1	–	5,719,047	5,719,048
Profit for the year		—	—	947,412	947,412
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		–	–	947,412	947,412
Dividends paid and payable	13	—	—	(445,000)	(445,000)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		–	–	(445,000)	(445,000)
AT 31 MAY 2022		1	–	6,221,459	6,221,460
Profit for the year				1,019,810	1,019,810
Other comprehensive income for the year:					
Reclassification from profit and loss account to fair value reserve		–	566,939	(566,939)	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		–	566,939	452,871	1,019,810
Dividends paid and payable	13	—	—	(345,000)	(345,000)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		–	–	(345,000)	(345,000)
AT 31 MAY 2023		<u>1</u>	<u>566,939</u>	<u>6,329,330</u>	<u>6,896,270</u>

The notes on pages 12 to 21 form part of these financial statements.

JEFF WHITE MOTORS LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 May 2023

	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	1,019,810	947,412
<i>Adjustments for:</i>		
Depreciation of tangible assets	154,861	131,227
Income from other fixed asset investments	(566,939)	–
Interest payable and similar expenses	259,444	115,847
Tax on profit	182,194	262,556
Accrued expenses/(income)	2,003	(8,487)
<i>Changes in:</i>		
Stocks	888,396	(2,520,704)
Trade and other debtors	(311,388)	(41,473)
Trade and other creditors	(351)	(595,180)
Cash generated from operations	1,628,030	(1,708,802)
Interest paid	(259,444)	(115,847)
Tax paid	(231,318)	(282,665)
Net cash from/(used in) operating activities	<u>1,137,268</u>	<u>(2,107,314)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(328,122)	(1,131,807)
Net cash used in investing activities	<u>(328,122)</u>	<u>(1,131,807)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowings	(100,000)	(100,000)
(Repayment)/Funds introduced by director	(349,751)	(346,953)
Movement on stocking loan	(322,918)	3,283,468
Net cash (used in)/from financing activities	<u>(772,669)</u>	<u>2,836,515</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	36,477	(402,606)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	107,694	510,300
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>144,171</u>	<u>107,694</u>

The notes on pages 12 to 21 form part of these financial statements.

JEFF WHITE MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2023

1. GENERAL INFORMATION

The company is a private company limited by shares and is incorporated and domiciled in England and Wales.

The address of its registered office is 211 Ninian Park Road, Cardiff, South Wales, CF11 6NY.

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

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Provisions

Provisions are included against stock value. These provisions require management's best estimate based on historical experience and current knowledge of the trading difficulties of customers.

Useful economic life of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Turnover

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.

JEFF WHITE MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2023

3. ACCOUNTING POLICIES *(continued)*

Turnover *(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.

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.

Operating leases

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

JEFF WHITE MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2023

3. ACCOUNTING POLICIES *(continued)*

Depreciation

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

Freehold property	- 1% to 10% on cost
Plant & machinery	- 20% to 33.3% on cost
Fixtures & fittings	- 15% on cost

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 largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

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 company has entered in to an agency agreement whereby it transfers legal title to cars in return for finance. The company has reviewed the terms of this agreement and is satisfied that, under FRS 102, it can show the cars in stock with a corresponding stocking loan facility.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

JEFF WHITE MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2023

3. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

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.

Investment property

Property that is held for long-term rental yields or for capital appreciation is classified as investment property. Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary for differences in nature, location or condition of the specific asset. If this information is not available, the company uses alternative valuation methods, such as recent prices on less active markets on discounted cash flow projections. Valuations are performed as of the balance sheet date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

4. TURNOVER

Turnover arises from:

	2023 £	2022 £
Sale of goods	23,929,147	27,072,766
Commissions	649,383	716,510
	<u>24,578,530</u>	<u>27,789,276</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

JEFF WHITE MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2023

5. OTHER OPERATING INCOME

	2023	2022
	£	£
Rental income	58,000	58,000
Other operating income	—	1,252
	<u>58,000</u>	<u>59,252</u>

6. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2023	2022
	£	£
Depreciation of tangible assets	154,861	131,227
Cost of stock recognised as an expense	<u>21,669,863</u>	<u>24,511,859</u>

7. AUDITOR'S REMUNERATION

	2023	2022
	£	£
Fees payable for the audit of the financial statements	<u>6,150</u>	<u>5,800</u>

8. STAFF COSTS

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

	2023	2022
	No.	No.
Production staff	14	13
Distribution staff	7	7
Administrative staff	5	6
	<u>26</u>	<u>26</u>

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

	2023	2022
	£	£
Wages and salaries	807,594	800,173
Social security costs	78,709	67,094
Other pension costs	46,697	43,807
	<u>933,000</u>	<u>911,074</u>

9. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services was:

	2023	2022
	£	£
Remuneration	<u>20,738</u>	<u>21,301</u>

JEFF WHITE MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2023

10. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2023 £	2022 £
Gain/(loss) on fair value adjustment to other fixed asset investments	<u>566,939</u>	<u>-</u>

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £	2022 £
Other interest payable and similar charges	<u>259,444</u>	<u>115,847</u>

12. TAX ON PROFIT

Major components of tax expense

	2023 £	2022 £
Current tax:		
UK current tax expense	130,502	231,317
Deferred tax:		
Origination and reversal of timing differences	<u>51,692</u>	<u>31,239</u>
Tax on profit	<u>182,194</u>	<u>262,556</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2022: higher than) the standard rate of corporation tax in the UK of 20% (2022: 19%).

	2023 £	2022 £
Profit on ordinary activities before taxation	<u>1,202,004</u>	<u>1,209,968</u>
Profit on ordinary activities by rate of tax	240,401	229,894
Effect of expenses not deductible for tax purposes	805	576
Effect of capital allowances and depreciation	17,376	11,646
Effect of revenue exempt from tax	(75,739)	-
Relief for tax payable at marginal rate	<u>(649)</u>	<u>20,440</u>
Tax on profit	<u>182,194</u>	<u>262,556</u>

13. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2023 £	2022 £
Dividends on equity shares	<u>345,000</u>	<u>445,000</u>

JEFF WHITE MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2023

14. TANGIBLE ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Investment property £	Total £
Cost or valuation					
At 1 June 2022	4,127,103	71,698	121,139	1,152,038	5,471,978
Additions	230,172	66,128	10,799	21,023	328,122
Revaluations	–	–	–	566,939	566,939
At 31 May 2023	<u>4,357,275</u>	<u>137,826</u>	<u>131,938</u>	<u>1,740,000</u>	<u>6,367,039</u>
Depreciation					
At 1 June 2022	460,049	59,148	113,367	–	632,564
Charge for the year	135,180	15,586	4,095	–	154,861
At 31 May 2023	<u>595,229</u>	<u>74,734</u>	<u>117,462</u>	<u>–</u>	<u>787,425</u>
Carrying amount					
At 31 May 2023	<u>3,762,046</u>	<u>63,092</u>	<u>14,476</u>	<u>1,740,000</u>	<u>5,579,614</u>
At 31 May 2022	<u>3,667,054</u>	<u>12,550</u>	<u>7,772</u>	<u>1,152,038</u>	<u>4,839,414</u>

The freehold investment properties were valued at £1,740,000 on an open market value basis of existing use by the directors. The assets were acquired at a cost of £1,152,038.

15. STOCKS

	2023 £	2022 £
Finished goods and goods for resale	<u>4,940,864</u>	<u>5,829,260</u>

An amount of £4,253,166 (2022 - £4,576,084) included in stock is secured by the stocking loan facility included in note 16.

16. DEBTORS

	2023 £	2022 £
Trade debtors	456,184	186,343
Director's loan account	349,746	344,995
Other debtors	773,049	731,503
	<u>1,578,979</u>	<u>1,262,841</u>

JEFF WHITE MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2023

17. CREDITORS: amounts falling due within one year

	2023	2022
	£	£
Stocking loan	4,253,166	4,576,084
Bank loans and overdrafts	100,000	100,000
Trade creditors	282,312	355,343
Accruals and deferred income	88,867	86,864
Corporation tax	130,501	231,317
Social security and other taxes	152,481	80,253
Other creditors	3,172	2,720
	<u>5,010,499</u>	<u>5,432,581</u>

Included with creditors due within one year are secured creditors amounting to £4,353,166 (2022 - £4,676,804).

18. CREDITORS: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	<u>200,000</u>	<u>300,000</u>

Included in creditors due in more than one year are secured creditors amounting to £200,000 (2022 - £300,000).

19. PROVISIONS

	Deferred tax (note 20)
	£
At 1 June 2022	85,168
Additions	51,691
At 31 May 2023	<u>136,859</u>

20. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2023	2022
	£	£
Included in provisions (note 19)	<u>136,859</u>	<u>85,168</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2023	2022
	£	£
Accelerated capital allowances	100,003	85,848
Fair value adjustment of investment property	37,649	-
Pension plan obligations	(793)	(680)
	<u>136,859</u>	<u>85,168</u>

JEFF WHITE MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2023

21. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £46,697 (2022: £43,807).

22. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

23. RESERVES

Called up share capital - This represents the nominal value of shares that have been issued.

Profit and loss account - This reserve records retained earnings and accumulated losses. This reserve also includes unrealised gains on the revaluation of investment properties.

24. FAIR VALUE RESERVE

The following movements on the fair value reserve are included within other reserves, including the fair value reserve in the statement of changes in equity:

	2023 £	2022 £
Reclassification from profit and loss account to fair value reserve	566,939	–
At end of year	<u>566,939</u>	<u>–</u>

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jun 2022	Cash flows	Other changes	At 31 May 2023
	£	£	£	£
Cash at bank and in hand	107,694	36,477	–	144,171
Debt due within one year	(4,676,084)	422,918	(100,000)	(4,353,166)
Debt due after one year	(300,000)	–	100,000	(200,000)
	<u>(4,868,390)</u>	<u>459,395</u>	<u>–</u>	<u>(4,408,995)</u>

JEFF WHITE MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2023

26. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

Included in other debtors due within one year is an amount owed from the director of £349,746 (2022 - £344,995).

During the year the directors' loan account was overdrawn. The following transactions took place between the director and the company:

	Directors Loan Account £
Opening balance	344,995
Money introduced	(62,576)
Dividends voted	(345,000)
Amounts drawn	412,327
Closing balance	<u>349,746</u>

During the year the largest amount in which the directors' loan account was overdrawn was £349,746.

27. RELATED PARTY TRANSACTIONS

The company was under the control of Mr J M White, the director and shareholder.