

Company Registration No. 05550119 (England and Wales)

TRUST GROUP UK LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021

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TRUST GROUP UK LIMITED

COMPANY INFORMATION

Directors	Mr R Martin Mr M R Berwick
Company number	05550119
Registered office	Johnsons Cars Ltd Empire Court Albert Street Redditch Worcestershire England B97 4DA
Auditor	RSM UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF
Solicitors	The Wilkes Partnership 41 Church Street Birmingham B3 2RT

TRUST GROUP UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021 which is intended to give greater emphasis to the matters that are significant to Trust Group UK Limited ("the company") and Trust Group UK Limited ("the group") as a whole.

Fair review of the business

2021 has been a very successful year for the Motor Trade. Trust Group UK Limited has delivered a record profit for the year, achieving profit after tax of £2,314,692 (2020: £1,186,520), led mainly by the used car performance on the back of weaker new car supply along with strengthening new and used car margins. It has been well reported that this all started back when the first lockdown in 2020 was ended in May of the same year. The sector experienced an upsurge in demand followed by enhanced margins, this trend has continued into the first quarter of 2022. The reasons can be put down to a lack of new car supply from our manufacturer partners, who are suffering from supply chain issues, namely semi-conductors and other components, along with sporadic quarantining in overseas countries.

This has led to very strong used car margins as new cars could not be supplied and demand outstripped supply for a period. New car supply is an ongoing issue for most manufacturers, which has meant the need to provide discounts as part of the sales process has been significantly reduced to secure new car business. These conditions persist today.

Aftersales is traditionally less volatile and though we had some disruption due to two lockdowns in the year this proved less of a negative to the business overall. Though the level of internal and warranty work has fallen due to the lower new car volumes going through the workshops a large proportion of this has been recovered due to the increased level of used car reconditioning of older vehicles that we are retailing.

The financial position of the group is presented on page 14, with the company's financial position presented on page 15.

Future Developments

On 1 March 2022 the whole company and its subsidiaries were acquired via a 100% share purchase by Johnsons Cars Limited. The business has subsequently been hived up into Johnsons Cars Ltd on 31 May 2022 and has become dormant. All assets, liabilities, contracts and business relationships have been assigned or novated to Johnsons Cars Limited.

TRUST GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Board composition

There were no changes during the year.

Stakeholder relationships

Our major stakeholders, Volkswagen Group and Volkswagen Financial Services remain satisfied with the performance of the group.

Employees

The Group's policy is to consult and discuss with employees on a regular basis matters likely to affect employees' interests. Information about matters of concern to employees is given through regular updates which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The Group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to enable suitable opportunities for each disabled person. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Principal Risks and Uncertainties

COVID-19 – Is far less of an issue for the sector now due to the approach of the UK government and the vaccination policy. We do not see a significant downside risk currently. The Directors have considered the risks and have tested our contingency planning via several scenarios. This has included the downside effects of the war in Ukraine to the supply of components and vehicles over the short to medium term along. The conclusion of these exercises has been to show that the business can adapt to the economic environments presented to it and has the resources to survive them. These have been modelled as cashflow scenarios.

Current interest rates are not considered to be a principal risk to the company at the moment, due to their continued historical low level.

The current economic negatives, such as utilities, National Insurance increases and the overall increase in inflation which is shrinking disposable income in the near term are considered to be an elevated risk compared to prior years.

The directors consider staff retention to be a key objective for the success of the Company. The retention, motivation and abilities of staff are fundamental to this success. Currently we are seeing wage inflation and a shortage of qualified technicians as a real issue for the sector and ourselves. We are working to mitigate this.

TRUST GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial risk management, objectives and policies

The Group's operations expose it to a variety of financial risks that include the effect of changes in price, credit and liquidity risk. The Group manages these risks through various financial instruments including loans, cash and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The directors review and agree policies for managing each of these risks which are summarised below.

Price risk

The Group actively monitor the price risk of certain commodities that are within its control through constant review and valuation measurement.

Credit risk

The Group has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The Group actively manages interest rate cash flow risk using instruments to cap interest rates where appropriate.

Treasury

Whilst certain pre-set parameters, day to day control of cash management remains with each of the Group's operations, ultimate responsibility for minimising the Group's borrowing and associated cost rest with head office.

Key performance indicators

The Directors consider that the key financial performance indicators are those that communicate the financial performance and strength of the Company as a whole, these being gross margin and operating profit margin.

TRUST GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Section 172 statement

The Board of Directors of Trust Group UK Limited have acted in a way they consider to be most likely to promote the success of the company for the benefit of its members as a whole in the decisions taken during the year ended 31 December 2021.

i. The likely consequences of any decisions in the long term

The Board collectively debate, consider and review all proposal or matters which may have a long-term effect on company. Considering the effect on all stakeholders and numerous competing priorities.

ii. The interests of the company employees

As a customer and employee centric retail business we will always consider their interests at every turn. Employees are fundamental to everything we consider, from the short to long term. In the case of our employees we believe that a prosperous and successful business, gives them and their families economic security, in the forms of remuneration, health and safety, training and personal development.

iii. The need to foster the company's business relationships with suppliers, customer and others

Customers and suppliers are the cornerstones of our business model and the nurturing of these relationships is consistently paramount in our business considerations. Customer relationships, the way we interact with customers are constantly measured by ourselves and our suppliers to the extent that we are rewarded on excellent customer service and penalised where we fall short. As a result of this we are consistently working to achieve benchmarks and expectations of all participants in this relationships management.

We have a limited number of suppliers who supply 98% of our sales and our relationships are governed by very formal contractual terms and arrangements, governed by international legislation. It is therefore of paramount importance to maintain, cultivate and work with our suppliers in a supportive and proactive way to get the most out of the reciprocal arrangement and meet our joint business objectives.

iv. The impact of the company's operations on the community and the environment

We are a local and national business. Our businesses are part of the local community with numerous local connections, we serve this community and they in turn buy our products and services. A close supportive relationship is fundamental to all our business objectives. In the same way as having excellent customer service and satisfaction this reflects with our relationship in the community which we support in numerous ways.

We agree that the environment is a very important matter and keeping our impact on it to a minimum is very important, we strive to reduce our carbon footprint wherever we can. This is demonstrated best through our suppliers providing a full range of modern, efficient and varied drive trains with a rapid expansion into electric vehicles. We support this move and are at the very front of a lower carbon emission fleet of vehicles. Combine this with improvements in more carbon efficient buildings, lighting and heating we are making constant ground on reducing our carbon emissions.

v. The desirability of the company maintaining a reputation for high standards of business conduct

Johnsons Cars Limited is a private company and though it does not have an internal audit function the Directors pride themselves on managing a professional and ethical company operating to the highest standards. This is expressed in day-to-day conduct, written policies, evidenced by the way it treats its employees, customers and suppliers by every member of the management in the business irrespective of seniority.

vi. The need to act fairly as between members of the company

Johnsons Cars Limited members are the Board of Directors. In this light all the points above and many more are considered in a fully informed, transparent, open and fair manner.

TRUST GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

On behalf of the board

Richard Martin

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Mr R Martin
Finance director

Date: 29/09/22
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TRUST GROUP UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company and the group is retailing of motor vehicles and related activities in the motor trade.

Results and dividends

The results for the year are set out on page 13.

Ordinary dividends were paid amounting to £370,000 (2020: £370,000). The directors do not recommend payment of a further dividend.

Directors

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

Mr A J Hockedy	(Resigned 1 March 2022)
Mr N A White	(Resigned 1 March 2022)
Mr R Martin	(Appointed 1 March 2022)
Mr M R Berwick	(Appointed 1 March 2022)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

TRUST GROUP UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Energy and carbon reporting

This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 1 January 2021 to 31 December 2021, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.

Our methodology to calculate our greenhouse gas emissions is based on the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)' issued by DEFRA, using DEFRA's 2020 and 2021 conversion factors as appropriate. In some cases, consumption has been extrapolated from available data or direct comparison made to a comparable period.

We report using a financial control approach to define our organisational boundary. We have reported all material emission sources required by the regulations for which we deem ourselves to be responsible and have maintained records of all source data and calculations.

During the reporting period, no energy efficiency actions have been taken. The table below includes total energy consumption (reported as kWh) and greenhouse gas emissions for the sources required by the regulations, along with our intensity ratio.

	01/01/2021 – 31/12/2021	01/01/2020 – 31/12/2020
Total Energy Consumption – Used for Emissions Calculation (kWh)	2,310,434	2,460,518
Gas Combustion Emissions, Scope 1 (tCO ₂ e)	239	287
Purchased Electricity Emissions, Scope 2 (tCO ₂ e)	218	216
Vehicle Fuel Combustion Emissions, Scope 1 (tCO ₂ e)	1	1
Vehicle Fuel Combustion Emissions, Scope 3 (tCO ₂ e)	0	0
Total Gross Reported Emissions (tCO ₂ e)	458	504
Turnover (£m)	80	71
Intensity Ratio: Turnover (tCO ₂ e / £m)	5.7	7.1

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

TRUST GROUP UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Strategic report

The group has chosen in accordance with Companies Act 2006, s414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report including within "Financial risk management, objectives and policies".

On behalf of the board

Richard Martin

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Mr R Martin

Finance director

29/09/22
Date:

TRUST GROUP UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Strategic Report and the 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUST GROUP UK LIMITED

Opinion

We have audited the financial statements of Trust Group UK Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated income statement, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated 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 Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - non-going concern basis of accounting

We draw attention to the disclosures on page 20 of the financial statements which describes the preparation of the financial statements on a non-going concern basis. As described on page 41, on 1 March 2022 the share capital of the subsidiaries and the parent entity were sold to new owners and subsequently the parent company's activities have been hived up post year end and transferred to another entity within the new group. Therefore the company and group has ceased trading and the directors have concluded that it is no longer appropriate to prepare the parent and group financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUST GROUP UK LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUST GROUP UK LIMITED (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. In addition, performing substantive testing to consider whether revenue was recognised in the correct period and whether transactions were supported, on a samples basis, by the supporting documentation.

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

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.

Alison Ashley

Alison Ashley (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

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29/09/22

TRUST GROUP UK LIMITED

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£	as restated £
Turnover	4	79,894,614	70,663,987
Cost of sales		(73,410,309)	(66,299,603)
Gross profit		<u>6,484,305</u>	<u>4,364,384</u>
Administrative expenses		(6,703,320)	(6,443,877)
Other operating income		<u>3,394,583</u>	<u>3,946,293</u>
Operating profit	7	<u>3,175,568</u>	<u>1,866,800</u>
Interest payable and similar expenses	9	<u>(233,883)</u>	<u>(297,170)</u>
Profit before taxation		<u>2,941,685</u>	<u>1,569,630</u>
Tax on profit	10	<u>(626,993)</u>	<u>(383,110)</u>
Profit for the financial year		<u><u>2,314,692</u></u>	<u><u>1,186,520</u></u>
Profit for the financial year is attributable to:			
- Owners of the parent company		2,291,721	1,173,392
- Non-controlling interests		<u>22,971</u>	<u>13,128</u>
		<u><u>2,314,692</u></u>	<u><u>1,186,520</u></u>

TRUST GROUP UK LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

		2021		2020	
				as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	12		-		-
Tangible assets	13		3,043,448		3,312,793
Current assets					
Stocks	16	6,197,657		6,809,936	
Debtors	17	1,774,983		1,467,960	
Cash at bank and in hand		1,554,260		1,453,713	
		<u>9,526,900</u>		<u>9,731,609</u>	
Creditors: amounts falling due within one year	18	<u>(5,442,223)</u>		<u>(7,165,438)</u>	
Net current assets			<u>4,084,677</u>		<u>2,566,171</u>
Total assets less current liabilities			<u>7,128,125</u>		<u>5,878,964</u>
Creditors: amounts falling due after more than one year	19		-		(847,409)
Provisions for liabilities	21		<u>(1,803,690)</u>		<u>(1,651,812)</u>
Net assets			<u>5,324,435</u>		<u>3,379,743</u>
Capital and reserves					
Called up share capital	23		199,540		199,540
Capital redemption reserve	25		44,000		44,000
Profit and loss reserves	25		<u>5,004,132</u>		<u>3,082,411</u>
Equity attributable to owners of the parent company			<u>5,247,672</u>		<u>3,325,951</u>
Non-controlling interests			<u>76,763</u>		<u>53,792</u>
			<u>5,324,435</u>		<u>3,379,743</u>

The financial statements were approved by the board of directors and authorised for issue on 29/09/22 and are signed on its behalf by:

Richard Martin

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Mr R Martin

Finance director

TRUST GROUP UK LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

		2021		2020 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	12		-		-
Tangible assets	13		2,884,390		3,107,118
Investments	14		2,900		2,900
			<u>2,887,290</u>		<u>3,110,018</u>
Current assets					
Stocks	16	6,197,657		6,809,936	
Debtors	17	1,268,840		1,034,214	
Cash at bank and in hand		673,312		652,580	
		<u>8,139,809</u>		<u>8,496,730</u>	
Creditors: amounts falling due within one year	18	(6,077,310)		(7,290,823)	
Net current assets			<u>2,062,499</u>		<u>1,205,907</u>
Total assets less current liabilities			<u>4,949,789</u>		<u>4,315,925</u>
Creditors: amounts falling due after more than one year	19		-		(847,409)
Provisions for liabilities	21		(1,794,212)		(1,640,541)
Net assets			<u>3,155,577</u>		<u>1,827,975</u>
Capital and reserves					
Called up share capital	23		199,540		199,540
Capital redemption reserve	25		44,000		44,000
Profit and loss reserves	25		2,912,037		1,584,435
Total equity			<u>3,155,577</u>		<u>1,827,975</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £1,697,602 (2020: £866,137).

The financial statements were approved by the board of directors and authorised for issue on 29/09/22 and are signed on its behalf by:

Richard Martin

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Mr R Martin
Finance director

TRUST GROUP UK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
As restated for the period ended 31 December 2020:							
Balance at 1 January 2020		199,540	44,000	2,279,019	2,522,559	40,664	2,563,223
Year ended 31 December 2020:							
Profit and total comprehensive income for the year		-	-	1,173,392	1,173,392	13,128	1,186,520
Dividends	10	-	-	(370,000)	(370,000)	-	(370,000)
Balance at 31 December 2020		199,540	44,000	3,082,411	3,325,951	53,792	3,379,743
Year ended 31 December 2021:							
Profit and total comprehensive income for the year		-	-	2,291,721	2,291,721	22,971	2,314,692
Dividends	10	-	-	(370,000)	(370,000)	-	(370,000)
Balance at 31 December 2021		199,540	44,000	5,004,132	5,247,672	76,763	5,324,435

TRUST GROUP UK LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2020:					
Balance at 1 January 2020		199,540	44,000	1,088,298	1,331,838
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	866,137	866,137
Dividends	10	-	-	(370,000)	(370,000)
Balance at 31 December 2020		199,540	44,000	1,584,435	1,827,975
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	1,697,602	1,697,602
Dividends	10	-	-	(370,000)	(370,000)
Balance at 31 December 2021		199,540	44,000	2,912,037	3,155,577

TRUST GROUP UK LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	As restated	£
Cash flows from operating activities					
Cash generated from operations	27	2,148,426		1,940,396	
Interest paid		(233,883)		(297,170)	
Income taxes paid		(454,808)		(215,664)	
Net cash inflow from operating activities		1,459,735		1,427,562	
Investing activities					
Purchase of tangible fixed assets		(126,866)		(151,066)	
Proceeds on disposal of tangible fixed assets		15,646		16,105	
Net cash used in investing activities		(111,220)		(134,961)	
Financing activities					
Repayment of bank loans		(877,968)		(13,579)	
Dividends paid to equity shareholders		(370,000)		(370,000)	
Net cash used in financing activities		(1,247,968)		(383,579)	
Net increase in cash and cash equivalents		100,547		909,022	
Cash and cash equivalents at beginning of year		1,453,713		544,691	
Cash and cash equivalents at end of year		1,554,260		1,453,713	

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Trust Group UK Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Johnsons Cars Ltd, Empire Court, Albert Street, Redditch, Worcestershire, England, B97 4DA.

The group consists of Trust Group UK Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Trust Group UK Limited. The consolidated financial statements of Trust Group UK Limited are available from its registered office, Johnson Cars Ltd Empire Court, Albert Street, Redditch, Worcestershire, England, B97 4DA

Basis of consolidation

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

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Going concern

As set out in the Strategic Report, the directors are pleased with the trading performance of the company and the group during 2021 and have reported a record profit, which bolstered already healthy reserves.

Following the change in ownership on 1 March 2022, the company's subsidiary entities were sold directly to Johnson Cars Limited. The trading activities and balances of the company were transferred into Johnsons Cars Limited through hive up on 31 May 2022 and the company and the group have now ceased trading.

The parent and group financial statements have therefore been prepared on a non-going concern basis of accounting. There is no impact on the reported numbers as a result of the accounts being prepared on a non-going concern basis.

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Rendering of services

Rendering from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measure reliably
- it is probable that the group will receive the consideration due under the contract
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Brand incentives

The group receives income in the form of various incentives which are determined by the Group's brand partners. The amount receivable is generally based on achieving specific objectives such as specified sales volume, as well as other objectives including maintaining brand partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Objectives are generally set and measured on either a quarterly or annual basis.

Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned. This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain to be met. Where incentives are linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

The group may also receive contributions towards advertising, promotional and rent expenditure. Where such contribution are received they are recognised as a reduction in the related expenditure in the period to which the relate.

Commission

Revenue from commissions receivable is recognised when the amount can be reliably measured and it is probable that the company will receive the consideration.

Intangible fixed assets - goodwill

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

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Leasehold buildings	Over the term of the lease
Leasehold improvements	Over the term of the lease
Plant and equipment	10% - 20% straight line
Fixtures and fittings	10% - 20% straight line
Computers	20% - 100% straight line
Motor vehicles	33% - 50% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Land and buildings are accounted for separately even when acquired together and land is not depreciated.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

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

Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are valued at the lower of cost and estimated selling price less cost to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Consignment stock

Under supplier agreements with Volkswagen Group, the company has access to 'consignment stock' during a consignment period. Where the nature of these supply agreements transfers risks and rewards to the company, which in substance give the company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with the equivalent liability.

Where supply agreements do not provide risks and rewards to the company until such time as legal title actually passes at the end of the consignment period, these stocks are not included in the balance sheet. Both the terms under which the stocks are held and the financial commitment in respect of these stocks are disclosed in the notes to the financial statements.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised costs using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from group undertakings that are classified as debt, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

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

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Employee benefits

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

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

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

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Government grants

Government grants received in relation to the Coronavirus Job Retention Scheme are recognised in the profit and loss account in the period to which they relate and are disclosed as other operating income.

Finance costs

Finance costs are charged to the income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dilapidations

The company makes an estimate of contractual dilapidation obligations in relation to specific lease agreements. When assessing the level of provision required, management have assessed using independent experts and historical experience as to the probable cashflow required to meet the terms and conditions stipulated within the underlying lease agreements.

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

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

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

The following judgements and estimates have been made by the directors in applying the Group's accounting policies:

Stock valuation

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including CAP valuation guides. The directors maintain oversight of ageing stock profiles and a monthly review of any provision required is performed. An impairment loss of £2,383 (2020: £12,219) was recognised in cost of sales.

Consignment stock

Where supply agreements do not provide risks and rewards to the company until such time as legal title actually passes at the end of the consignment period, these stocks are not included in the balance sheet. Both the terms under which the stocks are held and the financial commitment in respect of these stocks are disclosed in the notes to the financial statements. The value of consignment stock at the year end was £941,298 (2020: £7,345,804)

Dilapidations

The company makes an estimate of contractual dilapidation obligations in relation to specific lease agreements. When assessing the level of provision required, management have assessed using independent experts and historical experience as to the probable cashflow required to meet the terms and conditions stipulated within the underlying lease agreements.

These estimates may require judgement to be applied and may change each reporting date.

3 Prior period adjustment

During the year, the company reassessed its obligations for dilapidations on expiry of its property leases using independent experts. The related contracts began in 2006 and are 20 year leases which expire in 2026. No provision has previously been recognised for dilapidations. The valuation of the company's dilapidation obligations has resulted in a prior period adjustment in order to recognise the provision which would have accumulated each year since inception of the related leases. The impact this has had is as follows:

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Prior period adjustment (Continued)

Changes to the statement of financial position - group

	As previously reported £	Adjustment at 1 Jan 2020 £	Adjustment at 31 Dec 2020 £	As restated at 31 Dec 2020 £
Current assets				
Corporation tax recoverable	-	47,090	-	47,090
Creditors due within one year				
Taxation	(326,498)	214,908	21,633	(89,957)
Other taxation and social security	(494,109)			(494,109)
Provisions for liabilities				
Deferred tax	(167,660)	-	(1,442)	(169,102)
Other provisions	-	(1,378,935)	(103,775)	(1,482,710)
Net assets	<u>4,580,264</u>	<u>(1,116,937)</u>	<u>(83,584)</u>	<u>3,379,743</u>
Capital and reserves				
Profit and loss	<u>4,282,932</u>	<u>(1,116,937)</u>	<u>(83,584)</u>	<u>3,082,411</u>

Changes to the income statement - group

	As previously reported £	Adjustment £	As restated £
Period ended 31 December 2020			
Administrative expenses	(6,340,102)	(103,775)	(6,443,877)
Taxation	(403,301)	20,191	(383,110)
Profit after taxation	<u>1,270,104</u>	<u>(83,584)</u>	<u>1,186,520</u>

Changes to the statement of financial position - company

	As previously reported £	Adjustment at 1 Jan 2020 £	Adjustment at 31 Dec 2020 £	As restated at 31 Dec 2020 £
Current assets				
Corporation tax recoverable	-	47,090	-	47,090
Creditors due within one year				
Taxation	(236,541)	214,908	21,633	-
Provisions for liabilities				
Deferred tax	(156,389)	-	(1,442)	(157,831)
Other provisions	-	(1,378,935)	(103,775)	(1,482,710)
Net assets	<u>3,028,496</u>	<u>(1,116,937)</u>	<u>(83,584)</u>	<u>1,827,975</u>
Capital and reserves				
Profit and loss	<u>2,784,956</u>	<u>(1,116,937)</u>	<u>(83,584)</u>	<u>1,584,435</u>

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Prior period adjustment

	As previously reported £	Adjustment at 1 Jan 2020 £	Adjustment at 31 Dec 2020 £	As restated at 31 Dec 2020 £ (Continued)
Changes to the income statement - company				
	As previously reported £	Adjustment £	As restated £	
Period ended 31 December 2020				
Administrative expenses	(3,231,719)	(103,775)	(3,335,494)	
Taxation	(313,800)	20,191	(293,609)	
Profit after taxation	949,721	(83,584)	866,137	

4 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Sale of goods	75,963,293	67,263,280
Sale of services	3,166,300	2,988,075
Commissions receivable	765,021	412,632
	<u>79,894,614</u>	<u>70,663,987</u>
	2021 £	2020 £
Other revenue		
Government grants	258,703	1,132,329
Expenses recharged	3,138,880	2,813,964
	<u>3,397,583</u>	<u>3,946,293</u>
	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	<u>79,894,614</u>	<u>70,663,987</u>

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

5 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Sales	110	132	76	98
Administrative	25	25	22	22
Production	95	102	38	38
Total	<u>230</u>	<u>259</u>	<u>136</u>	<u>158</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	6,328,504	6,511,301	4,078,178	4,267,248
Social security costs	564,956	575,145	386,633	390,229
Pension costs	278,392	242,892	236,529	242,892
	<u>7,171,852</u>	<u>7,329,338</u>	<u>4,701,340</u>	<u>4,900,369</u>

6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	53,550	58,671
Company pension contributions to defined contribution schemes	80,000	76,000
	<u>133,550</u>	<u>134,671</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

7 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(258,703)	(1,132,329)
Depreciation of owned tangible fixed assets	382,323	417,159
(Profit)/loss on disposal of tangible fixed assets	(1,758)	167
Operating lease charges	<u>1,285,271</u>	<u>1,077,441</u>

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	46,250	32,000
For other services		
Taxation compliance services	8,200	6,175
All other non-audit services	10,500	8,175
	<u>18,700</u>	<u>14,350</u>

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	10,598	36,252
Other interest on financial liabilities	223,285	260,918
Total finance costs	<u>233,883</u>	<u>297,170</u>

10 Taxation

	2021	2020
	£	As restated £
Current tax		
UK corporation tax on profits for the current period	598,966	341,331
Adjustments in respect of prior periods	(20,076)	(20,854)
Total current tax	<u>578,890</u>	<u>320,477</u>
Deferred tax		
Origination and reversal of timing differences	(5,399)	3,885
Changes in tax rates	53,426	17,392
Adjustment in respect of prior periods	76	41,356
Total deferred tax	<u>48,103</u>	<u>62,633</u>
Total tax charge	<u>626,993</u>	<u>383,110</u>

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2021	2020
	£	As restated £
Profit before taxation	2,941,685	1,569,630
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	558,920	298,230
Tax effect of expenses that are not deductible in determining taxable profit	189	41,296
Adjustments in respect of prior years	(20,076)	(15,164)
Deferred tax adjustments in respect of prior years	76	41,357
Closing deferred tax adjusted to average rate	52,130	17,391
Fixed asset differences	35,754	-
Taxation charge	626,993	383,110

Factors affecting future tax charges

In the budget on 3 March 2021, the UK Government announced an increase to the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at a 25% which was the tax rate substantively enacted at 31 December 2021.

11 Dividends

Dividends totalling £320,000 (2020: £320,000) were distributed to A class Ordinary shareholder as result of dividends of £1.82 (2020: £1.82) per share being distributed to A class Ordinary shareholders.

Dividends totalling £50,000 (2020: £50,000) were distributed to C and D class Ordinary shareholders as a result of dividends of £7.10 (2020: £7.10) per share being distributed in the year to class C and class D Ordinary shareholders respectively.

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2021 and 31 December 2021	844,300
	<hr/>
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	844,300
	<hr/>
Carrying amount	
At 31 December 2020 and 31 December 2021	-
	<hr/> <hr/>
Company	Goodwill £
Cost	
At 1 January 2021 and 31 December 2021	844,300
	<hr/>
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	844,300
	<hr/>
Carrying amount	
At 31 December 2020 and 31 December 2021	-
	<hr/> <hr/>

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 January 2021	1,871,311	1,923,916	24,639	1,645,996	855,781	694,635	3,350	7,019,628
Additions	-	24,043	860	77,569	8,956	15,438	-	126,866
Disposals	-	(40,452)	-	(125,522)	(3,552)	(95,323)	(3,350)	(268,199)
At 31 December 2021	1,871,311	1,907,507	25,499	1,598,043	861,185	614,750	-	6,878,295
Depreciation and impairment								
At 1 January 2021	39,573	1,040,363	15,832	1,401,052	589,516	617,149	3,350	3,706,835
Depreciation charged in the year	12,987	172,086	3,481	102,031	48,736	43,002	-	382,323
Eliminated in respect of disposals	-	(40,441)	-	(125,448)	(3,332)	(81,740)	(3,350)	(254,311)
At 31 December 2021	52,560	1,172,008	19,313	1,377,635	634,920	578,411	-	3,834,847
Carrying amount								
At 31 December 2021	1,818,751	735,499	6,186	220,408	226,265	36,339	-	3,043,448
At 31 December 2020	1,831,738	883,553	8,807	244,944	266,265	77,486	-	3,312,793

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible fixed assets (Continued)

Company	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2021	1,871,311	1,923,916	1,608,711	533,671	604,272	3,350	6,545,231
Additions	-	24,043	77,569	8,956	14,378	-	124,946
Disposals	-	(40,452)	(125,522)	(3,552)	(95,323)	(3,350)	(268,199)
At 31 December 2021	1,871,311	1,907,507	1,560,758	539,075	523,327	-	6,401,978
Depreciation and impairment							
At 1 January 2021	39,573	1,040,363	1,381,189	435,108	538,530	3,350	3,438,113
Depreciation charged in the year	12,987	172,086	98,863	16,046	33,804	-	333,786
Eliminated in respect of disposals	-	(40,441)	(125,448)	(3,332)	(81,740)	(3,350)	(254,311)
At 31 December 2021	52,560	1,172,008	1,354,604	447,822	490,594	-	3,517,588
Carrying amount							
At 31 December 2021	1,818,751	735,499	206,154	91,253	32,733	-	2,884,390
At 31 December 2020	1,831,738	883,553	227,522	98,563	65,742	-	3,107,118

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible fixed assets (Continued)

Tangible fixed assets are pledged as security for the bank overdraft. Included in freehold property includes land of £1m which is not depreciated.

14 Fixed asset investments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Unlisted investments	-	-	2,900	2,900

Movements in fixed asset investments Company

Investments in subsidiaries

£

Cost or valuation

At 1 January 2021 and 31 December 2021

2,900

Carrying amount

At 31 December 2021

2,900

At 31 December 2020

2,900

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Birmingham TPS (2015) Limited	A	Trade parts sales	Ordinary	95.00
Wolverhampton TPS (2015) Limited	A	Trade parts sales	Ordinary	95.00
Coventry TPS (2016) Limited	A	Trade parts sales	Ordinary	100.00

Registered office addresses:

A - Johnsons Cars Ltd Empire Court, Albert Street, Redditch, Worcestershire, England, B97 4DA

16 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Parts stock	291,689	255,091	291,689	255,091
Vehicle stock	5,905,968	6,554,845	5,905,968	6,554,845
	6,197,657	6,809,936	6,197,657	6,809,936

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Stocks (Continued)

Stocks are pledged as a security for vehicle funding and the bank overdraft.

17 Debtors

	Group 2021	2020 As restated	Company 2021	2020 As restated
Amounts falling due within one year:	£	£	£	£
Trade debtors	1,287,220	916,573	861,389	553,303
Corporation tax recoverable	-	47,090	-	47,090
Other debtors	30,935	-	-	-
Prepayments and accrued income	456,828	504,297	407,451	433,821
	<u>1,774,983</u>	<u>1,467,960</u>	<u>1,268,840</u>	<u>1,034,214</u>

An impairment loss of £6,713 (2020: £410) was recognised against trade debtors during the year.

18 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 As restated £	Company 2021 £	2020 As restated £
Bank loans	20	-	30,559	-	30,559
Trade creditors		2,235,657	1,445,661	2,190,784	1,414,785
Amounts owed to group undertakings		-	-	1,130,309	493,976
Corporation tax payable		166,949	89,957	11,405	-
Other taxation and social security		767,265	494,109	546,471	319,439
Other creditors		1,293,450	4,613,950	1,288,828	4,608,624
Accruals and deferred income		978,902	491,202	909,513	423,440
		<u>5,442,223</u>	<u>7,165,438</u>	<u>6,077,310</u>	<u>7,290,823</u>

Included within trade and other creditors is stock funding which is secured on the related stocks.

19 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	20	-	847,409	-	847,409

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Borrowings

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	-	877,968	-	877,968
Payable within one year	-	30,559	-	30,559
Payable after one year	-	847,409	-	847,409

Bank loans relate to a mortgage of £Nil (2020: £877,968) with National Westminster Bank Plc. National Westminster Bank Plc held a fixed charge security over certain freehold land and buildings. The loan accrues interest at 1.874%, the loan was repaid in full during the year.

Bank overdrafts relate to an overdraft facility with Volkswagen Bank. Volkswagen Bank holds a general charge over all properties and assets present and future, including goodwill, book debts, uncalled share capital, buildings, fixtures and fixed plant and machinery.

21 Provisions for liabilities

	Notes	Group 2021 £	2020 As restated £	Company 2021 £	2020 As restated £
Dilapidations provision		1,586,485	1,482,710	1,586,485	1,482,710
Deferred tax liabilities	22	217,205	169,102	207,727	157,831
		<u>1,803,690</u>	<u>1,651,812</u>	<u>1,794,212</u>	<u>1,640,541</u>

Movements on provisions apart from deferred tax liabilities:

Group	Dilapidations provision £
Restated as at 1 January 2021	1,482,710
Additional provisions in the year	103,775
At 31 December 2021	<u>1,586,485</u>

Company	Dilapidations provision £
Restated as at 1 January 2021	1,482,710
Additional provisions in the year	103,775
At 31 December 2021	<u>1,586,485</u>

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

21 Provisions for liabilities (Continued)

Provisions for dilapidations represent contractual dilapidation obligations which management assessed using independent experts. The related contracts expire in 2026. The actual amounts payable are subject to negotiation as part of the exit or renewal of those contracts.

22 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2021 £	Liabilities 2020 As restated £
Group		
Accelerated capital allowances	217,205	169,102
	Liabilities 2021 £	Liabilities 2020 As restated £
Company		
Accelerated capital allowances	207,727	157,831
	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 January 2021	169,102	157,831
Charge to profit or loss	48,103	49,896
Liability at 31 December 2021	217,205	207,727

23 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
A Ordinary of £1 each	176,000	176,000	176,000	176,000
B Ordinary of £1 each	16,500	16,500	16,500	16,500
C Ordinary of £1 each	3,520	3,520	3,520	3,520
D Ordinary of £1 each	3,520	3,520	3,520	3,520
	199,540	199,540	199,540	199,540

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

23 Share capital (Continued)

The A Ordinary Shares, C Ordinary Shares and D Ordinary Shares rank pari passu in all respects except the distribution of profits.

The B Ordinary Shares are non-voting but do participate in dividends and distribution on winding up.

24 Financial commitments, guarantees and contingent liabilities

The group's bankers, National Westminster Bank Plc, held a composite guarantee dated 2 March 2016 between Trust Group UK Limited and the following group companies: Wolverhampton TPS (2015) Limited, Coventry TPS (2016) Limited and Birmingham TPS (2015) Limited. This was released on repayment of the loan in the year.

The total potential liability in relation to this cross guarantee at 31 December 2021 is £nil (2020: £nil).

25 Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit and loss account

This reserve includes all current and prior period retained profits and losses.

Non-controlling interest reserve

This reserve represents a portion of equity ownership in a subsidiary not attributable to the parent company, which has a controlling interest (greater than 50% but less than 100%) and consolidates the subsidiary's financial results with its own.

26 Retirement benefit schemes

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year was £236,529 (2020: £242,892). At the balance sheet date the company had made advances to the pension scheme of £478 (2020: £1,968 accrued to pension scheme).

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

27 Cash generated from group operations

	2021 £	2020 As restated £
Profit for the year after tax	2,314,692	1,186,520
Adjustments for:		
Taxation charged	626,993	383,110
Finance costs	233,883	297,170
(Gain)/loss on disposal of tangible fixed assets	(1,758)	167
Depreciation and impairment of tangible fixed assets	382,323	417,159
Increase in provisions	103,775	103,775
Movements in working capital:		
Decrease in stocks	612,279	833,552
(Increase)/decrease in debtors	(354,113)	766,776
Decrease in creditors	(1,769,648)	(2,047,833)
Cash generated from operations	2,148,426	1,940,396

28 Analysis of changes in net funds - group

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	1,453,713	100,547	1,554,260
Borrowings excluding overdrafts	(877,968)	877,968	-
	<u>575,745</u>	<u>978,515</u>	<u>1,554,260</u>

29 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	1,013,008	1,043,321	882,208	912,521
Between one and five years	3,431,626	4,004,782	2,908,426	3,481,582
In over five years	996,278	1,436,130	852,500	1,161,552
	<u>5,440,912</u>	<u>6,484,233</u>	<u>4,643,134</u>	<u>5,555,655</u>

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

30 Related party transactions

Transactions with related parties

Trust Group UK Limited is related to Wolverhampton TPS (2015) Limited by virtue of owning 95% of the share capital in the subsidiary company.

During the year, the company sold goods and services of £96,717 (2020: £120,995) and purchased goods and services of £nil(2020: £13) from Wolverhampton TPS (2015) Limited. At the balance sheet date, there was an amount due to Wolverhampton TPS (2015) Limited of £323,386 (2020: £109,585).

Trust Group UK Limited is related to Birmingham TPS (2015) Limited by virtue of owning 95% of the share capital in the subsidiary company.

During the year, the company sold goods and services of £16,372(2020: £12,794) to Birmingham TPS (2015) Limited. At the balance sheet date, there was an amount due to Birmingham TPS (2015) Limited of £417,577 (2020: £119,330).

At the balance sheet date, the total balance due to N White was £5,048 (2020: £22,387). During the year, £95,738 (2020: £90,458) was advanced to N White and dividends of £78,400 (2020: £78,400) were declared.

At the balance sheet date, the total balance due to the company by J White was £12,256 (2020: £2,180). During the year, £88,476 (2020: £76,726) was advanced to J White and dividends of £78,400 (2020: £78,400) were declared.

At the balance sheet date the total balance due to A Hockedy was £7,425 (2020: £23,724). During the year £97,899 (2020: £95,255) were advanced to A Hockedy and dividends of £81,600 (2020: £81,600) were declared.

At the balance sheet date the total balance due to L Hockedy was £13,707 (2020: £20,442). During the year £88,335 (2020: £74,532) were advanced to L Hockedy and dividends of £81,600 (2020: £81,600) were declared.

In preparing these financial statements, the directors have taken advantage of the exemptions available under section 33, paragraph 1A of the Financial Reporting Standard 102, and have not disclosed transactions entered into between undertakings that are wholly owned within the group.

31 Controlling party

During the year, the group was deemed to be under the control of AJ Hockedy by virtue of his 51% interest in the voting share capital of the company.

Following the year end on 1 March 2022, the entire share capital of the ultimate parent company was acquired by Johnsons Cars Limited. As a result, there is no longer an individual controlling party.

32 Events after the reporting date

On 1 March 2022 the whole company and its subsidiaries were acquired via a 100% share purchase by Johnsons Cars Limited. The business has subsequently been hived up into Johnsons Cars Ltd on 31 May 2022 and has become dormant. All assets, liabilities, contracts and business relationships have been assigned or novated to Johnsons Cars Limited.