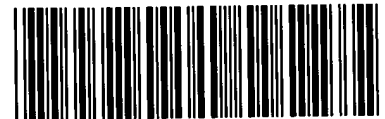


**Penton Securities Limited**

**Annual Report and Financial Statements  
Year Ended 31 March 2018**

Registration number: 02846221

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# **Penton Securities Limited**

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# **Penton Securities Limited**

## **Company Information**

<b>Directors</b>	Mr R J Wilson
	Mr S R Wilson
	Mr C W R Wilson
	Mr J Dibden
<b>Registered office</b>	141 Somerford Road Christchurch BH23 3PY
<b>Auditors</b>	PKF Francis Clark Chartered Accountants & Registered Auditors Towngate House 2-8 Parkstone Road Poole Dorset BH15 2PW

# Penton Securities Limited

## Strategic Report

Year Ended 31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

### Principal activity

The principal activity of the company is that of a motor trade franchised dealer, including new Citroen vehicles, used vehicles, vehicle servicing and repairs and replacement parts.

### Fair review of the business

The company's key financial and other performance indicators during the year were as follows:

	Unit	2018	2017
Turnover	£	24,988,626	25,255,256
Turnover growth	%	(1)	7
Gross profit margin	%	11	11

The year to 31st March 2018 has been a year of consistency for the business. Both the Christchurch and Poole locations continue to show an excellent performance in terms turnover and profit. The lease of second dealership building at the Poole location has expired. This modern dealership facility will be used by the company for the addition of the Peugeot New Vehicle Franchise from September 2018, adding to the Group's new vehicle portfolio which will grow turnover and profit going forward.

The Directors are extremely pleased with the 2017/18 year results for the company and the sister companies in Salisbury with total Group turnover around £39m.

This company turnover has not increased but remained consistently within Directors expectations. This given the national reduction in New Vehicle Sales combined with the increased competitiveness of the Used and After Sales Markets. The Directors are confident that the combined Bournemouth & Poole locations with the additional Franchise will continue to improve the profitability of the family group.

The company has continued to perform well in terms of new vehicle target achievement, composite comparisons and customer satisfaction scores. While New vehicle targets have generally been met, there has been uncertainty in the New Vehicle market, due to Government Policies and the misguided Diesel press, this has reduced New Vehicle Demand and therefore sales.

Used car sales continue to produce steady profitability due to the Directors continuing concentration and focus in that sector.

After sales for parts and service continue to be aggressively marketed and show a very respectable return.

The Directors continue to focus on the control of working capital and operational cash flow which is currently very positive. The Directors work continuously towards a well balanced business with measured improvements in turnover and profit.

The Citroen and DS product ranges are continually evolving with attractive and innovative models that are well respected and in demand in the current market.

The Directors are very confident of the continued increase and improvement in the business going forward. The company has again, experienced a very positive start to the first half of the 2018/9 year, especially in regard to Used Vehicle Sales, and look forward to another successful full year result.

# **Penton Securities Limited**

## **Strategic Report**

**Year Ended 31 March 2018**

### **Principal risks and uncertainties**

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

#### **Supply of vehicles**

The company is reliant on its ability to purchase vehicles from its manufacturers and suppliers. This exposes the company to risks in a number of areas.

In respect of new vehicles:

- availability of new vehicles
- quality of new vehicles
- pricing of new vehicles.

The company's fortunes are also intrinsically linked to the performance and relative market share of its manufacturers.

In respect of used vehicles:

- availability of used vehicles
- quality of used vehicles purchased from suppliers
- quality of used vehicles purchased as part of a part exchange deals.

#### **Consumer spending**

The success of the business is reliant on consumer spending. An economic downturn, resulting in the reduction of consumer spending may have a direct impact of the performance of the company.

In response to this, the directors aim to keep abreast of the current economic climate and in cases of severe economic downturn marketing and pricing strategies are modified to reflect the economic climate and level of consumer spending.

There is current economic uncertainty due to the decision of the United Kingdom to leave the EU. At this stage the impact is not expected to be significant.

#### **Financial risk management**

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors, loans to the business and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

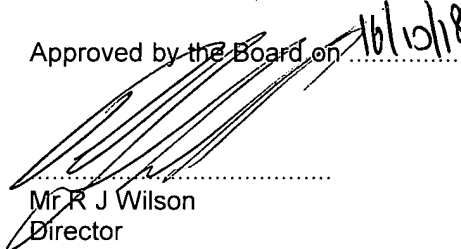
# Penton Securities Limited

## Strategic Report

Year Ended 31 March 2018

Stocking and consignment loans comprise loans from financial institutions. The interest rate and monthly repayments on the loans from financial institutions are fixed. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

Approved by the Board on 16/12/18 and signed on its behalf by:

  
.....  
Mr R J Wilson  
Director

# Penton Securities Limited

## Directors' Report

Year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

### Directors of the company

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

Mr R J Wilson

Mr S R Wilson

Mr C W R Wilson

Mr J Dibden

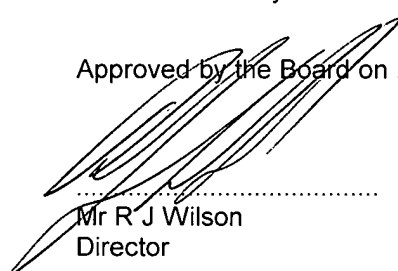
### Other matters

In accordance with Section 414C(11) of the Companies Act 2006, information regarding financial risk management objectives and policies has been disclosed in the Strategic Report.

### Disclosure of information to the auditors

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

Approved by the Board on 16/12/18 and signed on its behalf by:

  
.....  
Mr R J Wilson  
Director

## **Penton Securities Limited**

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

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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



# **Penton Securities Limited**

## **Independent Auditor's Report to the Members of Penton Securities Limited**

### **Opinion**

We have audited the financial statements of Penton Securities Limited (the 'company') for the year ended 31 March 2018, which comprise the Statement of Income and Retained Earnings, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **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.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **Penton Securities Limited**

## **Independent Auditor's Report to the Members of Penton Securities Limited**

### **Other information**

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

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

We have nothing to report in this regard.

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

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Penton Securities Limited

### Independent Auditor's Report to the Members of Penton Securities Limited

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

*Mark Johns*

Mark Johns FCCA FCA (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Towngate House  
2-8 Parkstone Road  
Poole  
Dorset  
BH15 2PW

Date: 18/10/2018

# Penton Securities Limited

## Statement of Income and Retained Earnings

Year Ended 31 March 2018

	Note	2018 £	(As restated) 2017 £
Turnover	3	24,988,626	25,255,256
Cost of sales		(22,125,009)	(22,260,397)
Gross profit		2,863,617	2,994,859
Administrative expenses		(1,883,228)	(1,885,349)
Operating profit	4	980,389	1,109,510
Other interest receivable and similar income		-	9
Interest payable and similar charges	8	(50,066)	(44,781)
Profit before tax		930,323	1,064,738
Taxation	9	(205,654)	(228,479)
Profit for the financial year		724,669	836,259
Retained earnings brought forward		4,276,885	3,485,626
Dividends paid		(45,500)	(45,000)
Retained earnings carried forward		<u>4,956,054</u>	<u>4,276,885</u>

The above results were derived from continuing operations.

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

# Penton Securities Limited

## Balance Sheet

31 March 2018

			(As restated)
	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	10	5,952,002	6,083,573
Investments	11	<u>2</u>	<u>2</u>
		5,952,004	6,083,575
<b>Current assets</b>			
Stocks	12	7,002,574	4,888,929
Debtors	13	2,839,373	1,318,216
Cash at bank and in hand	14	<u>315,611</u>	<u>706,037</u>
		10,157,558	6,913,182
<b>Creditors:</b> Amounts falling due within one year	15	<u>(9,528,676)</u>	<u>(6,938,856)</u>
<b>Net current assets/(liabilities)</b>		<u>628,882</u>	<u>(25,674)</u>
<b>Total assets less current liabilities</b>		6,580,886	6,057,901
<b>Creditors:</b> Amounts falling due after more than one year	15	<u>(1,574,832)</u>	<u>(1,731,016)</u>
<b>Net assets</b>		<u>5,006,054</u>	<u>4,326,885</u>
<b>Capital and reserves</b>			
Called up share capital	19	50,000	50,000
Profit and loss account	18	<u>4,956,054</u>	<u>4,276,885</u>
<b>Total equity</b>		<u>5,006,054</u>	<u>4,326,885</u>

Approved and authorised by the Board on 16/10/18 and signed on its behalf by:

Mr R J Wilson  
Director

Company Registration Number: 02846221

# Penton Securities Limited

## Statement of Cash Flows

Year Ended 31 March 2018

		2018	(As restated) 2017
	Note	£	£
<b>Cash flows from operating activities</b>			
Profit for the year		724,669	836,259
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	181,758	180,906
Finance income		-	(9)
Finance costs	8	50,066	44,781
Corporation tax	9	205,654	228,479
		<u>1,162,147</u>	<u>1,290,416</u>
Working capital adjustments			
Increase in stocks	12	(2,113,645)	(1,456,056)
(Increase)/decrease in trade debtors	13	(1,521,157)	183,623
Increase in trade creditors	15	<u>1,814,300</u>	<u>389,651</u>
Cash generated from operations		(658,355)	407,634
Corporation tax paid	9	<u>(228,470)</u>	<u>(217,851)</u>
Net cash flow from operating activities		<u>(886,825)</u>	<u>189,783</u>
<b>Cash flows from investing activities</b>			
Interest received		-	9
Acquisitions of tangible assets		<u>(50,187)</u>	<u>(341,856)</u>
Net cash flows from investing activities		<u>(50,187)</u>	<u>(341,847)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(50,066)	(44,781)
Repayment of bank borrowing		(151,408)	(159,958)
Proceeds from other borrowing draw downs		793,560	95,733
Dividends paid		<u>(45,500)</u>	<u>(45,000)</u>
Net cash flows from financing activities		<u>546,586</u>	<u>(154,006)</u>
Net decrease in cash and cash equivalents		(390,426)	(306,070)
Cash and cash equivalents at 1 April		<u>706,037</u>	<u>1,012,107</u>
Cash and cash equivalents at 31 March	14	<u><u>315,611</u></u>	<u><u>706,037</u></u>

# **Penton Securities Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2018**

### **1 General information**

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

The address of its registered office is:

141 Somerford Road

Christchurch

BH23 3PY

### **2 Accounting policies**

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

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

There are no material departures from FRS 102.

#### **Basis of preparation**

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

These financial statements are presented in Sterling, rounded to the nearest whole pound.

#### **Key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are management's best knowledge of the amount, events or actions, actual amounts ultimately may differ from those estimates.

#### **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, or receivable, net of discounts and excluding VAT and other sales tax or duty. Revenue relates to the sale of new, used motor vehicles and vehicle parts and servicing.

The sale of new and used vehicles are recognised upon delivery to the customer. The associated manufacturer vehicle bonus and any other manufacturer income is included within cost of sales.

Parts revenue is recognised once the parts have been passed to the customer or successfully installed.

Servicing revenue is recognised on the completion of the agreed work.

# **Penton Securities Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2018**

### **Tax**

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

### **Depreciation**

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixture and fittings	15% straight line basis
Plant and machinery	20% or 25% straight line basis
Motor vehicles	25% straight line basis
Freehold buildings	2% straight line basis

### **Investments**

Investments in subsidiaries are stated at historical cost less any impairment for permanent diminution in value.

### **Cash and cash equivalents**

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



# **Penton Securities Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 March 2018**

#### **Stocks**

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

Stocks include new and used vehicles along with vehicle parts.

Under supply agreements with manufacturers, 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 gives the company control over stock during the consignment period and liabilities in respect of holdings costs, the company recognises these stocks on the balance sheet together with the associated liability.

Where supply agreements do not transfer the risks and rewards of ownership to the company until such time as legal title actually passes at the end of the consignment period, these stock are not included on the balance sheet.

Stock is often purchased using vehicle stocking loans. Such loans are included within other creditors.

#### **Share capital**

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

#### **Defined contribution pension obligation**

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

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

# **Penton Securities Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2018**

### **Financial instruments**

#### ***Classification***

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

#### ***Recognition and measurement***

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

# Penton Securities Limited

## Notes to the Financial Statements

Year Ended 31 March 2018

### 3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2018	(As restated) 2017
	£	£
New cars	3,876,437	6,585,925
Used cars	18,358,718	16,032,709
Servicing	1,389,545	1,301,781
Parts	1,241,126	1,234,841
Rental income	122,800	100,000
	<u>24,988,626</u>	<u>25,255,256</u>

All turnover derives wholly from the United Kingdom.

### 4 Operating profit

Arrived at after charging/(crediting)

	2018	2017
	£	£
Depreciation expense	<u>181,758</u>	<u>180,906</u>

### 5 Staff costs

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

	2018	2017
	£	£
Wages and salaries	1,418,051	1,329,728
Social security costs	181,124	163,341
Pension costs, defined contribution scheme	104,509	225,156
Other employee expense	11,388	14,577
	<u>1,715,072</u>	<u>1,732,802</u>

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

	2018	2017
	No.	No.
Administration and support	13	10
Sales, marketing and distribution	17	20
Other departments	41	34
	<u>71</u>	<u>64</u>

# **Penton Securities Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2018**

### **6 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Remuneration	45,000	54,962
Contributions paid to money purchase schemes	<u>48,413</u>	<u>210,450</u>
	<u>93,413</u>	<u>265,412</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

### **7 Auditor's remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>11,500</u>	<u>8,500</u>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and borrowings	<u>50,066</u>	<u>44,781</u>

# Penton Securities Limited

## Notes to the Financial Statements

Year Ended 31 March 2018

### 9 Taxation

Tax charged/(credited) in the income statement

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax	<u>205,654</u>	<u>228,479</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 20%).

The differences are reconciled below:

	2018 £	(As restated) 2017 £
Profit before tax	<u>930,323</u>	<u>1,064,738</u>
Corporation tax at standard rate	176,761	212,948
Effect of expense not deductible in determining taxable profit (tax loss)	1,479	2,120
Tax increase from effect of capital allowances and depreciation	<u>27,414</u>	<u>13,411</u>
Total tax charge	<u>205,654</u>	<u>228,479</u>

# Penton Securities Limited

## Notes to the Financial Statements

Year Ended 31 March 2018

### 10 Tangible assets

	Freehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2017	6,143,192	70,194	18,599	400,102	6,632,087
Additions	42,292	-	-	7,895	50,187
At 31 March 2018	6,185,484	70,194	18,599	407,997	6,682,274
<b>Depreciation</b>					
At 1 April 2017	249,931	23,953	13,221	261,409	548,514
Charge for the year	97,087	10,469	1,345	72,857	181,758
At 31 March 2018	347,018	34,422	14,566	334,266	730,272
<b>Carrying amount</b>					
At 31 March 2018	5,838,466	35,772	4,033	73,731	5,952,002
At 31 March 2017	5,893,261	46,241	5,378	138,693	6,083,573

Included within the net book value of land and buildings above is £5,625,287 (2017 - £5,653,435) in respect of freehold land and buildings, and £213,179 (2017 - £239,826) in respect of short leasehold land and buildings.

### Restriction on title and pledged as security

Freehold land and buildings with a carrying amount of £5,838,466 (2017 - £5,893,261) has been pledged as security for bank borrowings. The Company is not allowed to pledge these assets as security for other borrowings.

# Penton Securities Limited

## Notes to the Financial Statements

Year Ended 31 March 2018

### 11 Investments

	2018 £	2017 £
Investments in subsidiaries	<u>2</u>	<u>2</u>
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 April 2017		<u>2</u>
<b>Carrying amount</b>		
At 31 March 2018		<u>2</u>
At 31 March 2017		<u>2</u>

### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2018	2017
<b>Subsidiary undertakings</b>				
Penton Poole 2013 Limited	England	Ordinary	100%	100%

The principal activity of Penton Poole 2013 Limited is that of a dormant company. The registered office is also 141 Somerford Road, Christchurch, BH23 3PY.

### 12 Stocks

	2018 £	2017 £
New and used vehicles stock	4,564,351	3,357,887
Vehicle parts and other stock	206,921	147,197
Consignment stock	<u>2,231,302</u>	<u>1,383,845</u>
	<u>7,002,574</u>	<u>4,888,929</u>

The cost of stocks recognised as an expense in the year amounted to £22,300,338 (2017 - £22,508,301).

The carrying amount of stocks pledged as security for liabilities amounted to £4,564,351 (2017 - £3,357,887).

# Penton Securities Limited

## Notes to the Financial Statements

Year Ended 31 March 2018

### 13 Debtors

	2018 £	2017 £
Trade debtors	852,552	764,220
Other debtors	1,835,629	380,296
Prepayments	151,192	173,700
	<u>2,839,373</u>	<u>1,318,216</u>

### 14 Cash and cash equivalents

	2018 £	2017 £
Cash on hand	796	712
Cash at bank	314,815	705,325
	<u>315,611</u>	<u>706,037</u>

### 15 Creditors

	Note	2018 £	2017 £
<b>Due within one year</b>			
Loans and borrowings	16	1,827,011	1,028,675
Trade creditors		4,285,745	3,813,289
Corporation tax		205,654	228,470
Social security and other taxes		183,961	91,426
Outstanding defined contribution pension costs		2,591	2,614
Other creditors		2,652,819	1,459,543
Accrued expenses		370,895	314,839
		<u>9,528,676</u>	<u>6,938,856</u>
<b>Due after one year</b>			
Loans and borrowings	16	<u>1,574,832</u>	<u>1,731,016</u>



# Penton Securities Limited

## Notes to the Financial Statements

Year Ended 31 March 2018

### 16 Loans and borrowings

	2018 £	2017 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	<u>1,574,832</u>	<u>1,731,016</u>
	2018 £	2017 £
<b>Current loans and borrowings</b>		
Bank borrowings	151,408	146,632
Other borrowings	<u>1,675,603</u>	<u>882,043</u>
	<u>1,827,011</u>	<u>1,028,675</u>

Included in bank borrowings are the following amounts due after more than five years:

	2018 £	2017 £
After more than five years by instalments	<u>1,030,200</u>	<u>1,182,936</u>

Bank borrowings are secured by a legal charge over the Company's freehold land and buildings. These borrowings carry an interest charge of 2% above base rate.

Other borrowings due within one year of £1,675,603 (2017 - £882,043) represent a vehicle stocking loan which is secured by a charge over used motor vehicles.

### 17 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £104,509 (2017 - £225,156).

Contributions totalling £2,591 (2017 - £2,614) were payable to the scheme at the end of the year and are included in creditors.

### 18 Reserves

#### *Profit and loss account*

The profit and loss account represents cumulative profits and losses to date, net of dividends paid and other adjustments.

# Penton Securities Limited

## Notes to the Financial Statements

Year Ended 31 March 2018

### 19 Share capital

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

	No.	2018 £	No.	2017 £
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

#### Rights, preferences and restrictions

The Company has one class of ordinary shares which carry no right to fixed income, but which carry full voting rights.

### 20 Related party transactions

#### Key management personnel

Key management is considered to solely consist of the directors. Details of their compensation can be found in note 6 of these financial statements.

#### Dividends paid to directors

	2018 £	2017 £
Dividends paid	45,500	45,000

### Summary of transactions with other related parties

#### Entities under common control

During the year there were sales of £2,316,553 (2017 - £2,631,734) and purchases of £773,702 (2017 - £678,055) with entities under common control. At the balance sheet date the amount owed from entities under common control was £578,752 (2017 - £378,128) which is included in other debtors.

Rent of £14,417 (2017 £nil) was paid to a company under common control.

# **Penton Securities Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2018**

### **21 Prior period adjustment**

#### **Presentation adjustment**

The accounts have been restated to incorporate the impact of a misclassification of sales to an internal division and transfer of stock cars to demo cars. The change has has no effect on the profit reported for the year ended 31 March 2017. A summary of the effect is as follows:

	£
Reduction new cars revenue	1,577,693
Reduction in used cars revenue	457,263
Reduction in cost of sales	2,034,956

### **22 Ultimate controlling entity**

The Company is controlled by Mr R Wilson as a result of his holding of 98% of the issued share capital.