

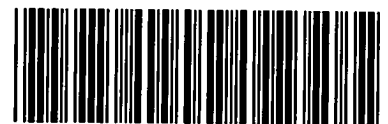
REGISTRAR OF COMPANIES

Penton Securities Limited

Annual Report and Consolidated Financial Statements Year Ended 31 March 2023

Registration number: 02846221

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Penton Securities Limited

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Penton Securities Limited

Company Information

Directors Mr R J Wilson
Mr C W R Wilson
Mr J Dibden
Mr S R Wilson

Company secretary Mr J Dibden

Registered office 141 Somerford Road
Christchurch
Dorset
BH23 3PY

Auditors 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 2023

The directors present their strategic report for the year ended 31 March 2023.

Principal activity

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

Fair review of the business

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

	Unit	2023	2022
Revenue	£	38,343,164	40,429,244
Revenue growth	%	(5)	20
Gross profit	%	8	8

The year to 31 March 2023 was been a year of consolidation for the business. Building on the trading of previous years, both the Christchurch and Poole locations continued to show excellent performance in terms turnover and profit margins.

The Directors are pleased with the results for the Group and the sister company (Wilson Investment Holdings Ltd) in Salisbury & Andover, both showed excellent returns, despite many outside uncontrollable factors.

The Group turnover was consistent with the Directors' expectations. We continued to experience the same national reduction in New Vehicle Sales, we continued to invest to improve our volume Used Vehicle Sales Departments, and the Directors will continue to manage closely this area of our business, with a focus on vehicle supply and margins, along with improving all routes to all markets. After-Sales Departments continue to be performing well, against strong competition, especially in our After-Sales replacement parts department. The Group has continued to perform well in terms of composite comparisons and customer satisfaction scores.

The Directors are confident that the combined Bournemouth & Poole locations will continue to improve the profitability of the family group.

Despite all outside uncertain factors the Group remains in an assured financial position regarding cashflow and profitability. Staffing levels continue to be a concern, given strong market forces in terms of increase in packages from competitors, however we have introduced Salary packages to match these and staff numbers are now at the desired levels

The Directors believe the business will continue to improve and grow for the foreseeable future and the Group has produced a positive set of management accounts year to date 23/24. Trading conditions are uncertain resulting in lower customer sales due to the "cost of living crisis" and increased bank interest rates. However, the Directors believe the Group can trade through this period. Although profitability will be reduced the Group will still be in a strong position to continue to build on the excellent results of the previous few years.

Principal risks and uncertainties

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

Penton Securities Limited

Strategic Report

Year Ended 31 March 2023

Supply of vehicles

The company is very flexible and has many avenues of supply, which means it is not solely dependant on the ability to purchase all it's vehicles from the manufactureres.

The supply chain has an effect in respect of new vehicles:

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

A portion of 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 in the general market place
- quality of used vehicles purchased from suppliers in the general market place
- quality of used vehicles purchased as part of a part exchange deals.

Economic Downturn

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. In cases of severe economic downturn marketing, pricing strategies are modified to reflect the economic climate and level of consumer spending.

There is current economic uncertainty due to the decision of Russia to invade Ukraine, and the effects on global fuel costs.

Penton Securities Limited

Strategic Report

Year Ended 31 March 2023

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.

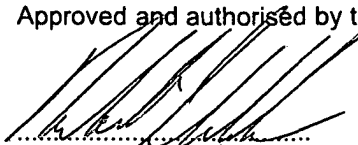
In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the careful and limited use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive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

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 and authorised by the Board on 27-12-23 and signed on its behalf by:


.....
Mr R J Wilson
Director

Penton Securities Limited

Directors' Report

Year Ended 31 March 2023

The directors present their report and the consolidated financial statements for the year ended 31 March 2023.

Directors of the group

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

Mr R J Wilson

Mr C W R Wilson

Mr J Dibden

Mr S R Wilson

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 auditor

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

Approved and authorised by the Board on 27.12.23 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 group and the 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 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

Penton Securities Limited

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 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.

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.

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

As part of our audit planning we obtained an understanding of the entity, its business operations, internal controls and the legal and regulatory framework that is applicable to Penton Securities Limited. As part of this assessment process we enquired with management, reviewed the company's website, policies and procedures.

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (FRS102 and Companies Act 2006) and the relevant tax compliance regulations in the UK.

We discussed with management any instances, allegations or suspicions of fraud. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Little was identified in the way of incentives as director's remuneration is not directly linked to revenue or GP% targets.

Based on our understanding of the entity, we designed our audit procedures to identify non-compliance with relevant laws and regulations. Our procedures involved the following:

- The risk of management override of controls was audited, including through using data analytics to test journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Review of legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Penton Securities Limited

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

Daniel Tout FCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

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

Date: 30/12/2023

Penton Securities Limited

Consolidated Profit and Loss Account

Year Ended 31 March 2023

	Note	2023 £	2022 £
Turnover	3	38,343,164	40,429,244
Cost of sales		<u>(35,296,099)</u>	<u>(37,145,078)</u>
Gross profit		3,047,065	3,284,166
Administrative expenses		(2,357,751)	(2,233,443)
Gain on revaluation of investment properties		250,000	317,194
Other operating income	4	<u>231,008</u>	<u>236,710</u>
Operating profit	6	1,170,322	1,604,627
Interest payable and similar expenses	10	<u>(98,795)</u>	<u>(56,687)</u>
Profit before tax		1,071,527	1,547,940
Tax on profit	11	<u>(240,154)</u>	<u>(323,706)</u>
Profit for the financial year		<u>831,373</u>	<u>1,224,234</u>
Profit/(loss) attributable to:			
Owners of the company		<u>831,373</u>	<u>1,224,234</u>

Penton Securities Limited

Consolidated Statement of Comprehensive Income

Year Ended 31 March 2023

	2023 £	2022 £
Profit for the year	831,373	1,224,234
Surplus on property, plant and equipment revaluation	2,644,753	-
Total comprehensive income for the year	<u>3,476,126</u>	<u>1,224,234</u>
Total comprehensive income attributable to:		
Owners of the company	<u>3,476,126</u>	<u>1,224,234</u>

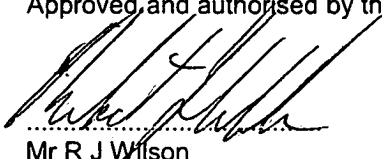
Penton Securities Limited

Consolidated Balance Sheet

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	8,548,992	5,463,048
Investment property	13	3,250,000	3,000,000
		<u>11,798,992</u>	<u>8,463,048</u>
Current assets			
Stocks	15	7,161,389	9,683,643
Debtors	16	3,451,045	3,570,197
Cash at bank and in hand		417,706	107,915
		<u>11,030,140</u>	<u>13,361,755</u>
Creditors: Amounts falling due within one year	18	<u>(8,017,336)</u>	<u>(10,687,924)</u>
Net current assets		<u>3,012,804</u>	<u>2,673,831</u>
Total assets less current liabilities		<u>14,811,796</u>	<u>11,136,879</u>
Creditors: Amounts falling due after more than one year	18	<u>(2,041,769)</u>	<u>(2,182,512)</u>
Provisions for liabilities	21	<u>(518,833)</u>	<u>(79,299)</u>
Net assets		<u>12,251,194</u>	<u>8,875,068</u>
Capital and reserves			
Called up share capital	23	50,000	50,000
Revaluation reserve		2,644,753	-
Profit and loss account		9,556,441	8,825,068
Equity attributable to owners of the company		<u>12,251,194</u>	<u>8,875,068</u>
Total equity		<u>12,251,194</u>	<u>8,875,068</u>

Approved and authorised by the Board on 27-12-23 and signed on its behalf by:


Mr R J Wilson
Director

Company Registration Number: 02846221

Penton Securities Limited

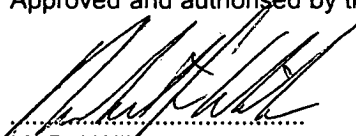
Balance Sheet

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	8,548,992	5,463,048
Investments	14	<u>2</u>	<u>2</u>
		<u>8,548,994</u>	<u>5,463,050</u>
Current assets			
Stocks	15	7,161,389	9,683,643
Debtors	16	4,634,568	4,753,720
Cash at bank and in hand	17	<u>317,428</u>	<u>11,272</u>
		12,113,385	14,448,635
Creditors: Amounts falling due within one year	18	<u>(7,900,678)</u>	<u>(10,560,732)</u>
Net current assets		<u>4,212,707</u>	<u>3,887,903</u>
Total assets less current liabilities		12,761,701	9,350,953
Creditors: Amounts falling due after more than one year	18	(741,900)	(807,848)
Provisions for liabilities	21	<u>(377,034)</u>	<u>-</u>
Net assets		<u>11,642,767</u>	<u>8,543,105</u>
Capital and reserves			
Called up share capital	23	50,000	50,000
Revaluation reserve		2,644,753	-
Profit and loss account		<u>8,948,014</u>	<u>8,493,105</u>
Shareholders' funds		<u>11,642,767</u>	<u>8,543,105</u>

The company has taken the exemption in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account. The company made a profit after tax for the financial year of £554,909 (2022 - profit of £892,271).

Approved and authorised by the Board on 27.12.23 and signed on its behalf by:


Mr R J Wilson
Director

Company Registration Number: 02846221

Penton Securities Limited

Consolidated Statement of Changes in Equity

Year Ended 31 March 2023

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2022	50,000	-	8,825,068	8,875,068
Profit for the year	-	-	831,373	831,373
Other comprehensive income	-	2,644,753	-	2,644,753
Total comprehensive income	-	2,644,753	831,373	3,476,126
Dividends	-	-	(100,000)	(100,000)
At 31 March 2023	50,000	2,644,753	9,556,441	12,251,194
	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2021	50,000	-	7,700,834	7,750,834
Profit for the year	-	-	1,224,234	1,224,234
Dividends	-	-	(100,000)	(100,000)
At 31 March 2022	50,000	-	8,825,068	8,875,068

Penton Securities Limited

Statement of Changes in Equity

Year Ended 31 March 2023

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2022	50,000	-	8,493,105	8,543,105
Profit for the year	-	-	554,909	554,909
Other comprehensive income	-	2,644,753	-	2,644,753
Total comprehensive income	-	2,644,753	554,909	3,199,662
Dividends	-	-	(100,000)	(100,000)
At 31 March 2023	50,000	2,644,753	8,948,014	11,642,767

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2021	50,000	-	7,700,834	7,750,834
Profit for the year	-	-	892,271	892,271
Dividends	-	-	(100,000)	(100,000)
At 31 March 2022	50,000	-	8,493,105	8,543,105

Penton Securities Limited

Consolidated Statement of Cash Flows

Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Profit for the year		831,373	1,224,234
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	187,730	149,290
Changes in fair value of investment property	13	(250,000)	(297,194)
Finance costs	10	98,795	56,687
Income tax expense	11	240,154	323,706
		<u>1,108,052</u>	<u>1,456,723</u>
Working capital adjustments			
Decrease/(increase) in stocks	15	2,522,254	(599,121)
Decrease/(increase) in trade debtors	16	119,152	(329,196)
Decrease in trade creditors	18	<u>(2,496,231)</u>	<u>(461,227)</u>
Cash generated from operations		1,253,227	67,179
Income taxes paid	11	<u>(230,501)</u>	<u>(325,653)</u>
Net cash flow from operating activities		<u>1,022,726</u>	<u>(258,474)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(251,887)	(105,125)
Proceeds from sale of tangible assets		<u>-</u>	<u>9,435</u>
Net cash flows from investing activities		<u>(251,887)</u>	<u>(95,690)</u>
Cash flows from financing activities			
Interest paid	10	(98,795)	(56,687)
Repayment of bank borrowing		(140,742)	(165,614)
Dividends paid		<u>(100,000)</u>	<u>(100,000)</u>
Net cash flows from financing activities		<u>(339,537)</u>	<u>(322,301)</u>
Net increase/(decrease) in cash and cash equivalents		431,302	(676,465)
Cash and cash equivalents at 1 April		<u>(13,596)</u>	<u>662,869</u>
Cash and cash equivalents at 31 March	17	<u><u>417,706</u></u>	<u><u>(13,596)</u></u>

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

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

1 General information

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

The address of its registered office is:

141 Somerford Road

Christchurch

Dorset

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.

Summary of exemptions

As a consolidated profit and loss account is published, no profit and loss account is presented for the Company, as permitted by section 408 of the Companies Act 2006. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

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.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2023.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Business combinations are accounted for under the purchased method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

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

All inter-group transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full on consolidation.

Changes in accounting policy

New standards, interpretations and amendments effective

The following have been applied for the first time from 1 April 2022 and have had an effect on the financial statements:

Freehold land and buildings

Fixed assets under the heading 'Freehold land and buildings' per note 12, have previously been recorded at cost less depreciation. Freehold land buildings breaks down into 'Freehold buildings', 'Land' and 'Showroom improvements'. These were depreciated at 2% straight line, not depreciated and 20% straight line respectively.

This year management have chosen to adopt a revaluation policy for Freeholding land and buildings as they feel this provides more reliable and relevant information on the group's financial position.

Management have obtained a professional valuation in order to revalue Freehold land and buildings at 31 March 2023. This has resulted in an increase of £3,021,787 to Freehold land and buildings with previous depreciation being reversed at 31 March 2023. Deferred tax at 25%, and factoring in indexation, has been accounted for on this revaluation gain leaving a balance of £2,644,753 in the revaluation reserve.

Judgements

Estimates and judgements are continually made and evaluated. Judgements 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

- **Fixed asset valuation**

Fixed assets are measured at cost less accumulated depreciation. The latter is calculated by reference to the expected useful life of the fixed assets which are determined according to management estimates which are influenced by historical trends in asset disposal profit or losses and prevailing market and economic trends.

- **Investment property valuation**

The directors have considered the fair value of the investment property and believe the carrying value within the accounts reflects the value of the property to the business.

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

- **Stock valuation**

Stocks are valued at the lower cost and net realisable value. Net realisable value includes where necessary provisions for slow moving or obsolete stock or mark downs in value to reflect age and mileage of the car and current economic condition. Cost includes the purchase price and for vehicle stocks an allocation of staff costs based on work performed on the vehicle. Stock values are appraised regularly and provision is made for diminution in value where required.

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 and 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 recognised on an accruals basis and 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.

Other grants

Grants are accounted under the accrual model as permitted by FRS 102. Capital grants received are amortised over the life of the assets purchased with the grant.

Grants are recognised in other operational income within profit or loss in the same period as the performance criteria being met.

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 group operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the consolidated profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Tangible assets

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

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

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:

Asset class	Depreciation method and rate
Fixtures and fittings	15 - 20% straight line
Plant and machinery	20% or 25% straight line basis
Motor vehicles	25% straight line
Freehold buildings	2% straight line
Assets under construction	Not depreciated
Land	Not depreciated
Showroom improvements	20% straight line

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by the directors. A significant factor in the assessment of the valuation is a relevant commercial yield which is applied to the annual rental income. Changes in fair value are recognised in profit or loss.

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.

Debtors

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

Trade debtors are recognised initially at the transaction price. Trade debtors are usually received within normal credit terms and no interest is applied. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Stocks

Motor vehicle stocks are stated at the lower of purchase price and net realisable value. A review of the fair values of stocks is conducted on a regular basis and values are adjusted where considered necessary.

Vehicle parts and other materials are recognised at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Provisions for obsolescence are made when required.

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.

Creditors

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

Trade creditors are recognised initially at the transaction price. Generally trade creditors are paid within normal credit terms so do not incur interest.

Borrowings

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

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

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

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Share capital

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

Dividends

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

Defined contribution pension obligation

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

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

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 2023

3 Revenue

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

	2023 £	2022 £
New cars	4,963,598	5,884,916
Used cars	29,437,940	31,121,574
Servicing	1,604,276	1,565,841
Parts	2,337,350	1,856,913
	<u>38,343,164</u>	<u>40,429,244</u>

All revenue derives wholly from the United Kingdom.

4 Other operating income

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

	2023 £	2022 £
Other grants	60,000	78,910
Rental income	171,008	157,800
	<u>231,008</u>	<u>236,710</u>

5 Other gains and losses

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

	2023 £	2022 £
Gain from sales of investment properties	<u>250,000</u>	<u>317,194</u>

6 Operating profit

Arrived at after charging/(crediting)

	2023 £	2022 £
Depreciation expense	187,730	149,290
Impairment loss	<u>-</u>	<u>20,000</u>

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

7 Staff costs

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

	2023 £	2022 £
Wages and salaries	2,168,692	2,169,247
Social security costs	221,794	215,336
Pension costs, defined contribution scheme	119,581	120,432
Other employee expense	20,198	16,348
	<u>2,530,265</u>	<u>2,521,363</u>

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

	2023 No.	2022 No.
Administration and support	15	17
Sales, marketing and distribution	18	20
Other departments	43	41
	<u>76</u>	<u>78</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £	2022 £
Remuneration	48,543	50,918
Contributions paid to money purchase schemes	50,000	50,000
	<u>98,543</u>	<u>100,918</u>

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

	2023 No.	2022 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

9 Auditor's remuneration

	2023 £	2022 £
Audit of these financial statements	<u>18,000</u>	<u>15,000</u>

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

10 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and borrowings	<u>98,795</u>	<u>56,687</u>

11 Taxation

Tax charged/(credited) in the profit and loss account

	2023 £	2022 £
Current taxation		
UK corporation tax	177,654	244,407
Deferred taxation		
Arising from origination and reversal of timing differences	<u>62,500</u>	<u>79,299</u>
Tax expense in the income statement	<u>240,154</u>	<u>323,706</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Profit before tax	<u>1,071,527</u>	<u>1,547,940</u>
Corporation tax at standard rate	203,590	294,109
Effect of expense not deductible in determining taxable profit (tax loss)	16,039	6,416
Deferred tax expense relating to changes in tax rates or laws	2,630	19,032
Deferred tax credit from unrecognised tax loss or credit	(4,875)	-
Tax increase from effect of capital allowances and depreciation	<u>22,770</u>	<u>4,149</u>
Total tax charge	<u>240,154</u>	<u>323,706</u>

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Deferred tax

Group

Deferred tax liabilities

2023

Revaluation of freehold property

Revaluation of investment property

Liability
£

377,034

141,799

518,833

2022

Revaluation of investment property

Liability
£

79,299

79,299

Company

Deferred tax assets and liabilities

2023

Revaluation on freehold property

Liability
£

377,034

377,034

2022

Liability
£

-

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

12 Tangible assets

Group and Company

	Freehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation					
At 1 April 2022	6,068,015	157,088	21,599	502,940	6,749,642
Revaluations	2,233,949	-	-	-	2,233,949
Additions	198,036	4,341	-	49,510	251,887
At 31 March 2023	8,500,000	161,429	21,599	552,450	9,235,478
Depreciation					
At 1 April 2022	657,804	138,256	21,599	468,935	1,286,594
Charge for the year	130,034	21,324	-	36,372	187,730
Revaluations	(787,838)	-	-	-	(787,838)
At 31 March 2023	-	159,580	21,599	505,307	686,486
Carrying amount					
At 31 March 2023	8,500,000	1,849	-	47,143	8,548,992
At 31 March 2022	5,410,211	18,832	-	34,005	5,463,048

Revaluation

The fair value of the group's freehold land and buildings was revalued on 8 August 2023 by an independent valuer.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £5,478,213 (2022 - £5,410,211).

Restriction on title and pledged as security

Freehold land and buildings with a carrying amount of £8,500,000 (2022 - £5,410,211) has been pledged as security for bank borrowings. The Company is not allowed to pledge these assets as security for other borrowings.

All other assets have been pledged as security against trade creditors and vehicle stocking loans.

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

13 Investment properties

Group

	2023 £
At 1 April 2022	3,000,000
Fair value adjustments	250,000
At 31 March 2023	<u>3,250,000</u>

The directors have obtained a professional valuation, by an independent valuer, on 8 August 2023 in order to value the property as at 31 March 2023

14 Investments

Company

	2023 £	2022 £
Investments in subsidiaries	<u>2</u>	<u>2</u>
Subsidiaries		£
Cost or valuation		
At 1 April 2022		<u>2</u>
Carrying amount		
At 31 March 2023		<u>2</u>
At 31 March 2022		<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	Registered office	Holding	Proportion of voting rights and shares held	
			2023	2022
Subsidiary undertakings				
Penton Poole 2013 Limited	141 Somerford Road, Christchurch, BH23 3PY England and Wales	Ordinary	100%	100%

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Subsidiary undertakings

Penton Poole 2013 Limited

The principal activity of Penton Poole 2013 Limited is that of property development, construction and rental.

For the year ending 31 March 2023 the subsidiary Penton Poole 2013 Limited was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

15 Stocks

	2023 £	Group 2022 £	2023 £	Company 2022 £
Car stocks	6,667,190	8,800,828	6,667,190	8,800,828
Raw materials	184,773	74,136	184,773	74,136
Consignment stock	309,426	808,679	309,426	808,679
	<u>7,161,389</u>	<u>9,683,643</u>	<u>7,161,389</u>	<u>9,683,643</u>

Company and Group

The carrying amount of stocks pledged as security for liabilities amounted to £6,851,963 (2022 - £8,874,864).

16 Debtors

	2023 £	Group 2022 £	2023 £	Company 2022 £
Trade debtors	1,090,263	701,005	1,090,263	701,005
Other debtors	2,260,588	2,798,267	3,444,111	3,981,790
Prepayments	100,194	70,925	100,194	70,925
	<u>3,451,045</u>	<u>3,570,197</u>	<u>4,634,568</u>	<u>4,753,720</u>

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

17 Cash and cash equivalents

	2023 £	Group 2022 £	2023 £	Company 2022 £
Cash on hand	620	1,468	618	1,466
Cash at bank	417,086	106,447	316,810	9,806
	417,706	107,915	317,428	11,272
Bank overdrafts	-	(121,511)	-	(121,511)
Cash and cash equivalents in statement of cash flows	417,706	(13,596)	317,428	(110,239)

18 Creditors

	Note	2023 £	Group 2022 £	2023 £	Company 2022 £
Due within one year					
Loans and borrowings	19	2,383,788	2,783,406	2,297,860	2,697,478
Trade creditors		4,031,649	5,981,042	4,031,649	5,981,042
Corporation tax		174,316	227,163	153,448	203,944
Social security and other taxes		448,250	76,230	438,388	58,185
Outstanding defined contribution pension costs		18,619	19,779	18,619	19,779
Consignment stock creditor		309,426	792,596	309,426	792,596
Other creditors		39,628	169,317	39,628	169,317
Accruals and deferred income		611,660	638,391	611,660	638,391
		8,017,336	10,687,924	7,900,678	10,560,732
Due after one year					
Loans and borrowings	19	2,041,769	2,182,512	741,900	807,848

Trade creditors include vehicle creditors which are secured by a floating charge over all assets of the company.

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

20 Obligations under leases and hire purchase contracts

Group

Operating leases - lessor

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	162,008	162,008
Later than one year and not later than five years	648,032	648,032
Later than five years	511,020	673,028
	<u>1,321,060</u>	<u>1,483,068</u>

Total contingent rents recognised as income in the period are £171,800 (2022 - £157,800).

Company

Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	22,000	22,000
Later than one year and not later than five years	88,000	-
	<u>110,000</u>	<u>22,000</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £22,000 (2022 - £22,000).

21 Provisions for liabilities

Group

	Deferred tax £
At 1 April 2022	79,299
Increase (decrease) in existing provisions	<u>439,534</u>
At 31 March 2023	<u>518,833</u>

Company

	Deferred tax £
At 1 April 2022	-
Additional provisions	<u>377,034</u>
At 31 March 2023	<u>377,034</u>

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

22 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £119,581 (2022 - £120,432).

Contributions totalling £18,619 (2022 - £19,779) were payable to the scheme at the end of the year and are included in creditors.

23 Share capital

Allotted, called up and fully paid shares

	No.	2023 £	No.	2022 £
Ordinary of £1 each	50,000	50,000	50,000	50,000

Rights, preferences and restrictions

Ordinary shares have the following 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.

24 Contingent liabilities

Company

A cross-guarantee given by Penton Securities Limited and Penton Poole 2013 Limited is held by the bank to guarantee the bank loans held in these companies. The exposure to Penton Securities Limited for the loan balances in Penton Poole 2013 Limited is £1,385,797 (2022 - £1,460,592).

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

25 Net debt

	At 1 April 2022	Cash flow	Other non cash changes	At 31 March 2023
	£	£	£	£
Cash at bank and on hand	(13,596)	431,302	-	417,706
Cash and cash equivalents	(13,596)	431,302	-	417,706
Debt due within one year	(2,783,406)	399,618	-	(2,383,788)
Debt due after one year	(2,182,512)	140,743	-	(2,041,769)
	(4,965,918)	540,361		(4,425,557)
Net debt	(4,979,514)	971,663	-	(4,007,851)

26 Ultimate controlling party

The ultimate controlling party is Mr R Wilson by virtue of his 99.998% ownership of the issued share capital.

27 Related party transactions

The directors are deemed as key management and their remuneration is summarised in note 8.

Dividends paid to directors

	2023 £	2022 £
Dividends paid	<u>100,000</u>	<u>100,000</u>

Penton Securities Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Summary of transactions with other related parties

Entities under common control

During the year there were sales of £9,020,317 (2022 - £11,081,793) and purchases of £2,594,494 (2022 - £2,053,304) with entities under common control. At the balance sheet date the amount owed from entities under common control was £2,260,588 (2022 - £2,622,669) which is included in other debtors. At the balance sheet date the amount owed to entities under common control was £nil (2022 - £117,942) which is included in other creditors. These loans are interest free and repayable on demand.

Rent of £22,000 (2022 - £22,000) was paid to a company under common control.

Other related parties

During the year directors' spouses were paid remuneration of £53,342 (2022 - £50,680) and contributions to pension schemes of £1,125 (2022 - £972).