

COMPANY REGISTRATION NUMBER: 02446355

Anchor Vans Limited
Financial Statements
31 March 2022

Anchor Vans Limited

Financial Statements

Year ended 31st March 2022

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Anchor Vans Limited

Officers and Professional Advisers

The board of directors

Mr Graham Joyce
Mrs Sarah Joyce
Mr Gregory Joyce
Mr Simon Joyce

Company secretary

Mr G M Joyce

Registered office

Anchor House
Anchor Business Park
Bath Road
Padworth
Berkshire
RG7 5JE

Auditor

H B Mistry & Co Limited
Chartered accountants & statutory auditor
Tudor House
Mill Lane
Calcot
Reading
Berkshire
RG31 7RS

Bankers

Lloyds Bank Plc
Connaught House
Alexandra Terrace
Progression Centre
Guildford
GU1 3DA
Bank of Scotland
33 Old Broad Street
London
EC2 1HW

Anchor Vans Limited

Strategic Report

Year ended 31st March 2022

The directors present their strategic report for the year ended 31st March 2022

Introduction The company's key activities are the sale and servicing of used vehicles, operating as a Used Vehicle Supersite, and one of the largest Used Van & 4x4 dealers in the UK, from its premium 5-acre sales Forecourt, located on the busy A4 Bath Road between Reading and Newbury in the M4 corridor, with London, Oxford, Basingstoke, Southampton, Swindon, Bristol, all less than 1hr away. The majority of its sales are used commercials & 4x4s between the ages of 1 month and 7 years. The service operation operates a large, custom built, 18 bay workshop, which services cars and commercials of all makes and models, with 2 MOT ramps that facilitate Class 4,5 & 7 MOTs, as well as an authorised Ford Service Franchise. The workshop is uniquely equipped to service and MOT all types of vehicles including cars, specialist vehicles, large vehicles and motor homes.

Business review The results of the company are shown on page 11 of the financial statements, the results show a pre-tax profit of £872,912 (2021 £1,003,706) and a turnover increasing by 21.46% to £26,025,644 (2021 £21,426,690). The company has current net assets of £2,944,135(2021 £3,226,326). The decrease in net profit can be attributed to multiple market stresses, as outlined below. Following two years of appreciating vehicle values brought about by the abnormal market conditions that followed the Covid 19 Pandemic, the used vehicle market returned to a depreciating curve with some vehicles depreciating at an abnormally high rate at the start of this turn and thus having to suffer a larger than average drop to make them competitive in the market place. The supply and distribution stresses in the economy saw inflation start to rise and the cost of day-to-day business and overheads rise as a result. The instability in Ukraine caused by the war in February 2022, accelerated the inflationary pressure in the economy, with fuel costs being majorly impacted. Due to the significant level of vehicle movements and distribution, these cost increases were felt immediately. The BoE Base Interest Rate was increased in February and March 2022 from its historic low of 0.1% in December 2021, leading to increase in borrowing costs. The effect of Brexit has impacted on staff shortages leading to increase in labour costs. This has contributed to a significant increase in costs leading to a reduction in gross margin. The directors are satisfied with the performance of the company in a challenging market. The company remains in the Motor Trader Top 50 Independent Dealers. Dividends of £190,000 were declared during the year. The after-sales operation continues to perform well and remains focused on maintaining high levels of vehicle preparation and growing its retail customer base. It continues to focus on Training in electric vehicle maintenance & servicing, to meet these growing requirements.

Re-organisation of the Group Structure In order to improve the operational efficiency of the company, it's group structure was simplified. The company acquired all the assets and liabilities of its wholly owned subsidiary companies, Padworth Property Limited and Anchor Property Group Ltd.

Company Strategy The Company remains focused on growing organically. The company is funded by a combination of bank loans and commercial mortgages. Mortgages or bank loans are secured by way of a debenture over company assets and on the vehicles themselves. Cash flow will be positive and projects will be funded out of earnings. Over the course of the next year the company shall look to increase its stock turn and broaden its stock, expecting as a result an increase in performance. The after sales operation shall focus on ensuring all of the sales vehicles are highly prepared and retail ready as well as continuing to strive to increase its customer base and hours sold. The Directors are confident that the Management Systems in place will provide the tools to successfully manage the business, develop its own management reports, identify potential trends and risks, thus allowing timely management action to be taken.

The principal risks and uncertainties facing the business are managed as set out below:

Overall Strategy The strategy is under regular review to ensure it achieves the overall performance and profitability targets set for the business. The business ensures these objectives are delivered by making appropriate investment in information technology, digital marketing and human resources. The company is well prepared to meet any challenges through provision of timely management information

Finance The availability of in-house long-term finance is recognised as important to the financial security and independence of the business. This allows the company to meet its financial obligations irrespective of recessionary pressures. The company has significant trading facilities of its own. The positive cash flow arising from trading is re-invested in stock for re-sale. The company is not exposed to any pressure from its lenders and is well placed to use its extensive reserves to overcome any financial uncertainties.

Information technology The business relies on robustness of its systems and the risk is minimised by ensuring regular testing of hardware, software and disaster recovery procedures. The company prides itself on continually updating its IT Hardware and is always looking to future proof its core activities over the next 5-year term.

Legal and regulatory changes The company will continue to ensure it meets its compliance requirements. It will minimise the risks by implementing good practice advocated by the Franchisor - Ford Motor Company and the Motor Trade Association.

Used vehicle prices Volatility in used vehicle prices can present a significant risk in the event that the market price moves rapidly between the point of purchase and the point of sale resulting in margin pressure and un-competitively priced stock. The risk is mitigated by a combination of regular monitoring of used vehicle market demand and pricing adjustment and vehicle stocking days. People and environment The company invests in talented people to deliver its strategy and objectives. Employment contracts reward performance and staff are trained and developed. The Company has regular "Events" throughout the year that develop, encourage and maintain staff motivation. Comprehensive training is provided to staff to enhance their skill base. The working environment is pleasant and staff turnover is low. Health and Safety A safe working environment is provided for both staff and customers. Health and safety measures are monitored and actioned diligently, and specialist health and safety companies are consulted to further ensure both training and a robust, iron tight health and safety policy is up to date. Fire prevention and driver awareness measures are in place to support safe working environment.

This report was approved by the board of directors on 21st December 2022 and signed on behalf of the board by:

Mr Gregory Joyce

Director

Registered office:

Anchor House

Anchor Business Park

Bath Road

Padworth

Berkshire

RG7 5JE

Anchor Vans Limited

Directors' Report

Year ended 31st March 2022

The directors present their report and the financial statements of the company for the year ended 31 March 2022 .

Directors

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

Mr Graham Joyce

Mrs Sarah Joyce

Mr Gregory Joyce

Mr Simon Joyce

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Financial instruments

Details of financial instruments are provided in the Note 20 to the financial statement.

Events after the end of the reporting period

The directors are forecasting a difficult trading period over the next 12 months, taking into account rising costs and softening of vehicle prices in a recessionary environment. The company is likely to report lower profits in the year ending 31st March 2023. The company has healthy reserves to cope with the challenging economic environment.

Disclosure of information in the strategic report

The review of the business and principal uncertainties are contained in the Strategic Report on Page 4 of the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Auditor

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

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

This report was approved by the board of directors on 21 December 2022 and signed on behalf of the board by:

Mr Gregory Joyce

Director

Registered office:

Anchor House

Anchor Business Park

Bath Road

Padworth

Berkshire

RG7 5JE

Anchor Vans Limited

Independent Auditor's Report to the Members of Anchor Vans Limited

Year ended 31st March 2022

Opinion

We have audited the financial statements of Anchor Vans Limited (the 'company') for the year ended 31st March 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or - the financial statements are not in agreement with the accounting records and returns; or - certain disclosures of directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Identifying and assessing potential risks related to irregularities - the nature of the industry and sector, control environment and business performance.
- results of our enquiries of management about their own identification and assessment of the risks of irregularities.
- identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance.
- detecting and responding to the risks of fraud and whether they were aware of any instances of non-compliance.
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulators.
- the risk of management override was evaluated by implementing specific procedures.

We identified the greatest area of risk for material error or fraud within the organisation relate to the timing of revenue recognition and valuation of closing stock. 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 or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Use of our report

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

Mr Harish Mistry FCA

(Senior Statutory Auditor)

For and on behalf of

H B Mistry & Co Limited

Chartered accountants & statutory auditor

Tudor House

Mill Lane

Calcot

Reading

Berkshire

RG31 7RS

22 December 2022

Anchor Vans Limited

Statement of Income and Retained Earnings

Year ended 31st March 2022

		2022	2021
	Note	£	£
Turnover	3	26,025,644	21,426,690
Cost of sales		23,349,786	19,107,618
		-----	-----
Gross profit		2,675,858	2,319,072
Distribution costs		882,686	757,778
Administrative expenses		934,183	968,791
Other operating income	4	74,235	476,257
		-----	-----
Operating profit	5	933,224	1,068,760
Interest payable and similar expenses	9	60,312	65,054
		-----	-----
Profit before taxation		872,912	1,003,706
Tax on profit	10	183,217	194,329
		-----	-----
Profit for the financial year and total comprehensive income		689,695	809,377
		-----	-----
Dividends paid and payable	11	(190,000)	(50,000)
Retained earnings at the start of the year		5,014,193	4,254,816
		-----	-----
Retained earnings at the end of the year		5,513,888	5,014,193
		-----	-----

All the activities of the company are from continuing operations.

Anchor Vans Limited
Statement of Financial Position

31 March 2022

	Note	2022 £	£	2021 £
Fixed assets				
Tangible assets	12		5,604,346	2,980,859
Investments	13		—	1,866,609
			-----	-----
			5,604,346	4,847,468
Current assets				
Stocks	14	4,635,118		3,927,433
Debtors	15	205,580		548,577
Cash at bank and in hand		449,544		354,536
			-----	-----
		5,290,242		4,830,546
Creditors: amounts falling due within one year				
Bank loans and overdrafts		907,677		415,983
Trade creditors		1,063,191		577,590
Other creditors including taxation and social security	16	282,387		523,707
Accruals and deferred income		92,852		86,940
			-----	-----
		2,346,107		1,604,220
Net current assets			2,944,135	3,226,326
			-----	-----
Total assets less current liabilities			8,548,481	8,073,794
Creditors: amounts falling due after more than one year				
	17			
Bank loans and overdrafts			2,663,806	2,974,014
Provision	18		370,587	85,387
			-----	-----
Net assets			5,514,088	5,014,393
			-----	-----
Capital and reserves				
Called up share capital	22		200	200
Profit and loss account	23		5,513,888	5,014,193
			-----	-----
Shareholders funds			5,514,088	5,014,393
			-----	-----

Anchor Vans Limited

Statement of Financial Position *(continued)*

31 March 2022

These financial statements were approved by the board of directors and authorised for issue on 21 December 2022, and are signed on behalf of the board by:

Mr Gregory Joyce

Director

Company registration number: 02446355

Anchor Vans Limited

Statement of Cash Flows

Year ended 31st March 2022

	2022	2021
	£	£
Cash flows from operating activities		
Profit for the financial year	689,695	809,377
<i>Adjustments for:</i>		
Depreciation of tangible assets	104,323	88,991
Interest payable and similar expenses	60,312	65,054
Tax on profit	183,217	194,329
Accrued expenses/(income)	5,912	(14,214)
<i>Changes in:</i>		
Stocks	(707,685)	(616,506)
Trade and other debtors	342,997	83,274
Trade and other creditors	248,997	395,916
Provisions and employee benefits	(1,156)	(14,594)
Cash generated from operations	926,612	991,627
Interest paid	(60,312)	(65,054)
Tax paid	(203,239)	(92,398)
Net cash from operating activities	663,061	834,175
Cash flows from investing activities		
Purchase of tangible assets	(2,727,810)	(21,320)
Acquisition of subsidiaries	261,842	–
Proceeds from sale of subsidiaries	1,866,609	–
Net cash used in investing activities	(599,359)	(21,320)
Cash flows from financing activities		
Proceeds from borrowings	221,306	(902,089)
Dividends paid	(190,000)	(50,000)
Net cash from/(used in) financing activities	31,306	(952,089)
Net increase/(decrease) in cash and cash equivalents	95,008	(139,234)
Cash and cash equivalents at beginning of year	354,536	493,770
Cash and cash equivalents at end of year	449,544	354,536

Anchor Vans Limited

Accounting Policies

Year ended 31st March 2022

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will have sufficient resources available to enable it to continue to trade for the foreseeable future. In making this assessment that this assumption is correct the directors have undertaken an in depth review of the business, its current prospects and cash resources. The company is trading profitably and should deliver a healthy profit in the forthcoming year. The company has complied with all covenants in relation to their bank borrowings both during and after the year end. Based on the forecasts, the directors consider that the company has adequate financial resources to continue in operational existence for the foreseeable future.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 402 of the Companies Act 2006 on the basis that its subsidiaries are excluded from consolidation on the grounds that their inclusion is not material for the purpose of giving a true and fair view. The subsidiary companies net assets were acquired by the parent company, leaving both subsidiary companies dormant at the year end. (Ref Note 12).

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements There are no significant judgements or estimates other than those disclosed in the notes to the accounts.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at average rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, depending on the useful economic life of individual assets in the following range:

Freehold Buildings	-	2% - 10% on cost
Fixtures & Fittings	-	10% - 50% on cost
Motor Vehicles	-	25% on cost
Equipment	-	10% - 50% on cost

No depreciation is provided on freehold land or assets in the course of construction. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss. Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial risk management objectives and policies

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Trade and other debtors Trade and other debtors are recognised and carried forward at invoice amounts less provisions for any doubtful debts. Bad debts are written off when identified. Cash and cash equivalents Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Interest-bearing loans and borrowings All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Business combinations

Business combinations relating to acquiring control of trade and assets to form one or more businesses are accounted for using the purchase method. The cost of a business combination is measured as the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

Anchor Vans Limited

Notes to the Financial Statements

Year ended 31st March 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Anchor House, Anchor Business Park, Bath Road, Padworth, Berkshire, RG7 5JE.

2. Statement of compliance

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

3. Turnover

Turnover arises from:

	2022	2021
	£	£
Vehicle sales	23,906,673	19,690,803
Aftersales and servicing	2,118,971	1,735,887
	<u>26,025,644</u>	<u>21,426,690</u>

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

4. Other operating income

	2022	2021
	£	£
Management charges receivable	33,085	65,254
Other operating income	41,150	411,003
	<u>74,235</u>	<u>476,257</u>

Other operating income comprise of:

	2022	2022
	£	£
Rental Income	36,900	24,600
Government Grants	4,250	386,403
	<u>41,150</u>	<u>411,003</u>

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Depreciation of tangible assets	104,323	88,991
Impairment of trade debtors	(260)	(268)
	<u>104,063</u>	<u>88,723</u>

6. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	14,750	14,750
	-----	-----
Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	2,875	2,875
Other non-audit services	3,275	5,875
	-----	-----
	6,150	8,750
	-----	-----

7. Staff costs

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

	2022	2021
	No.	No.
Production staff	22	23
Distribution staff	8	8
Administrative staff	10	10
Management staff	4	4
Drivers	16	16
	---	---
	60	61
	---	---

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

	2022	2021
	£	£
Wages and salaries	1,759,445	1,730,537
Social security costs	179,130	161,080
Other pension costs	50,827	60,752
	-----	-----
	1,989,402	1,952,369
	-----	-----

8. Directors' remuneration

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

	2022	2021
	£	£
Remuneration	100,608	210,368
Company contributions to defined contribution pension plans	24,000	35,000
	-----	-----
	124,608	245,368
	-----	-----

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

	2022	2021
	No.	No.
Defined contribution plans	2	3
	---	---

Remuneration of the highest paid director in respect of qualifying services:

	2022	2021
	£	£
Aggregate remuneration	50,150	83,652
Company contributions to defined contribution pension plans	12,000	17,000
	-----	-----
	62,150	100,652
	-----	-----

9. Interest payable and similar expenses

	2022	2021
	£	£
Interest on banks loans and overdrafts	49,772	59,065
Other interest payable and similar charges	10,540	5,989
	-----	-----
	60,312	65,054
	-----	-----

10. Tax on profit

Major components of tax expense

	2022	2021
	£	£
Current tax:		
UK current tax expense	158,703	203,239
Adjustments in respect of prior periods	(8)	-
	-----	-----
Total current tax	158,695	203,239
	-----	-----
Deferred tax:		
Origination and reversal of timing differences	24,522	(8,910)
	-----	-----
Tax on profit	183,217	194,329
	-----	-----

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19 % (2021: 19 %).

	2022	2021
	£	£
Profit on ordinary activities before taxation	872,912	1,003,706
	-----	-----
Profit on ordinary activities by rate of tax	165,853	190,704
Adjustment to tax charge in respect of prior periods	(5,826)	(4,358)
Effect of expenses not deductible for tax purposes	-	10
Effect of capital allowances and depreciation	(5,926)	-
Fixed assets ineligible for capital allowances	11,011	7,973
Business combination adjustment	18,105	-
	-----	-----
Tax on profit	183,217	194,329
	-----	-----

11. Dividends

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

	2022	2021
	£	£
Equity dividends on ordinary shares	190,000	50,000
	-----	-----

12. Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1st April 2021	3,282,649	94,148	79,050	593,131	4,048,978
Additions	–	2,154	18,330	101,822	122,306
Acquisitions through business combinations	2,604,529	–	–	975	2,605,504
At 31st March 2022	5,887,178	96,302	97,380	695,928	6,776,788
Depreciation					
At 1st April 2021	439,159	79,491	51,566	497,903	1,068,119
Charge for the year	57,961	4,516	10,441	31,405	104,323
At 31st March 2022	497,120	84,007	62,007	529,308	1,172,442
Carrying amount					
At 31st March 2022	5,390,058	12,295	35,373	166,620	5,604,346
At 31st March 2021	2,843,490	14,657	27,484	95,228	2,980,859

13. Investments

	Shares in group undertakings £
Cost	
At 1st April 2021	1,866,609
Disposals	(1,866,609)
At 31st March 2022	–
Impairment	
At 1st April 2021 and 31st March 2022	–
Carrying amount	
At 31st March 2022	–
At 31st March 2021	1,866,609
Subsidiaries, associates and other investments	

Subsidiaries The company owns 100% of the issued share capital of the companies listed below: Aggregate capital and reserves

	2022	2021
	£	£
Padworth Properties Limited		
Ordinary £1 shares	1,925,000	1,925,000
Capital reduction	(1,866,609)–	–
	58,391	1,925,000
Reserves	(58,291)–	–
	100	1,925,000
Anchor Property Group Ltd		
Ordinary £1 shares	100	100
Reserves	–	1,756,841
	100	1,756,941
Profit(Loss)for the year		
	2022	2021
	£	£
Padworth Properties Ltd		
Loss for the year	(58,291)–	–
Anchor Property Group		
Profit for the year	109,668	46,329

As part of business re-structure, on 29th March 2022, the assets and liabilities of Anchor Property Group Ltd were acquired by the parent company and the resulting surplus capital in Padworth Properties Limited was returned to the parent company by share capital reduction on 30th March 2022. At the year end both companies were dormant and in the process of being struck off.

14. Stocks

	2022	2021
	£	£
Parts and consumable stock	71,592	63,105
Vehicle stock for resale	4,563,526	3,864,328
	4,635,118	3,927,433

15. Debtors

	2022	2021
	£	£
Trade debtors	201,749	81,761
Amounts owed by group undertakings	–	464,557
Prepayments and accrued income	3,831	2,259
	205,580	548,577

16. Other creditors including taxation and social security falling due within one year

	2022	2021
	£	£
Corporation tax	158,703	203,239
Social security and other taxes	83,624	320,228
Director loan accounts	40,060	240
	-----	-----
	282,387	523,707
	-----	-----

The following liabilities disclosed under creditors is secured by the company by granting a fixed and floating charge over its assets.

	2022	2021
	£	£
Bank loans and overdraft	(290,000)	(290,000)
Other finance loans	(265,756)	-
	-----	-----
	(555,756)	(290,000)
	-----	-----

17. Creditors: amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year is secured by the company by granting a fixed and floating charge over its assets.

	2022	2021
	£	£
Bank loans	2,663,806	2,974,014
	-----	-----

Included within creditors: amounts falling due after more than one year is an amount of £1,328,805 (2021: £1,614,014) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The rate of interest varies between 1.4% and 2.52% over base rate and the review dates for the loans fall between 14th January 2026 and 14th July 2033. The commercial loans are subject to monthly reviews to ensure that the company and its subsidiary companies continue to comply with its loan covenant requirements. A Coronavirus Business Interruption Loan carries interest at 2.52% over bank rate.

18. Provision

	Warranties	Deferred tax (note 19)	Chargeback provision	Total
	£	£	£	£
At 1st April 2021	55,544	16,530	13,313	85,387
Charge against provision	1,844	18,105	(3,000)	16,949
Transfers	-	261,834	-	261,834
Movement during the year	-	6,417	-	6,417
	-----	-----	-----	-----
At 31st March 2022	57,388	302,886	10,313	370,587
	-----	-----	-----	-----

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2022	2021
	£	£
Included in provision (note 18)	302,886	16,530
	-----	-----

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

	2022	2021
	£	£
Accelerated capital allowances	22,946	16,530
Business combinations	279,939	-
	-----	-----
	302,885	16,530
	-----	-----

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 50,795 (2021: £ 60,723).

21. Financial risk management objectives and policies

The carrying amount for each category of financial instrument is as follows:

	2022	2021
	£	£
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	201,749	546,318
	-----	-----
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	4,634,674	3,967,827
	-----	-----

Financial assets measured at fair value through profit and loss comprise trade debtors and amount owed by group undertakings. Financial liabilities measured at amortised cost comprise trade creditors and loans. The company holds or issues financial instruments in order to achieve its main objectives, being: (a) to finance its operations; (b) to finance its capital expenditure and investments. (c) to finance its vehicle stock. In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations. Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Interest rate risk The following table sets out the carrying amounts by repricing/maturity dates and effective interest rates (when applicable) of the company's financial instruments that are exposed to interest rate risk:

Facility	Amount	Rate	Review date	£
Commercial mortgage	2,400,000	1.40% over base rate	14th January 2026	
CBIL loan	500,000	2.52% over base rate	31st July 2026	
Commercial loan	1,800,000	1.97% over base rate	14th July 2033	
Lloyds Chargecard	30,000	15.90% variable		
Stocking loan	750,000	2.50% over base rate		
Advance facilities	650,000	interest free		

The commercial borrowings are subject to monthly and quarterly reviews to ensure that the company continues to comply with its loan covenant requirements. Coronavirus Business Interruption loan is repayable by equal monthly instalments to end on 31st July 2026. Stocking loan facility is repayable on demand and secured on the value of the stock. The amount drawn at the year end was £265,756. Advance facilities are top up facilities repayable on demand to the finance companies. The amount drawn at the year end was £330,663. Credit risk Vans are released to clients on receipt of cleared funds. Our exposure to bad debt lies mainly with small items in the service department though it is not our policy to give credit facilities to clients as we take credit cards. The company is exposed to the risk of claw back on finance commissions, if the customers fail to comply with the terms of their agreement with the finance companies.

Pricing risk The company operates in a competitive market and is exposed to price risk, which is monitored through effective and timely management of Key Performance Indicators(KPIs. Liquidity risk Vehicles are paid for on collection so protecting the company from over trading. The credit crunch, falling van prices in the recession are the most likely factors to affect liquidity. The company has renewed its banking facilities to allow it to continue trading in this challenging trading environment.

Currency risk The company carries out all its transactions in Pounds Sterling and therefore is not exposed to currency risk.

Fair values of financial assets and liabilities The fair value of financial instruments held by the company is not materially different from the carrying value shown in the balance sheet. The fair value of financial instruments has been estimated as follows:

Debtors: Debtors are valued at the amounts receivable after making provision for anticipated bad debts.

Cash and Bank: Amounts held in current accounts and variable rate deposit accounts are valued at the amounts held in those accounts. The company does not have any funds in fixed rate deposit accounts.

Creditors: Creditors are valued at the current value of amounts payable.

Bank loans: Variable rate loans are valued at the amount payable at the balance sheet date exclusive of interest charges in respect of future periods. The company does not have any fixed rate loans.

Hedge accounting

The company does not engage in any hedging activities.

22. Called up share capital**Authorised share capital**

	2022		2021	
	No.	£	No.	£
A Ordinary shares of £ 0.01 each	10,000	100	10,000	100
B Ordinary shares of £ 0.01 each	10,000	100	10,000	100
	-----	---	-----	---
	20,000	200	20,000	200
	-----	---	-----	---

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
A Ordinary shares of £ 0.01 each	10,000	100	10,000	100
B Ordinary shares of £ 0.01 each	10,000	100	10,000	100
	-----	---	-----	---
	20,000	200	20,000	200
	-----	----	-----	----

23. Reserves

Profit and loss account - The profit and loss account represents accumulated comprehensive income for the year and prior periods less any dividends paid.

24. Analysis of changes in net debt

	At 1 Apr 2021	Cash flows	At 31 Mar	
			2022	£
	£	£		£
Cash at bank and in hand	354,536	95,008	449,544	
Debt due within one year	(416,223)	(531,514)	(947,737)	
Debt due after one year	(2,974,014)	310,208	(2,663,806)	
	-----	-----	-----	
	(3,035,701)	(126,298)	(3,161,999)	
	-----	-----	-----	

25. Business combinations**Acquisition of Anchor Property Group Limited**

The company acquired the following assets and liabilities of its wholly owned subsidiary Anchor Property Group Ltd on the 29th March 2022.

The fair value of consideration paid in relation to the acquisition of Anchor Property Group Limited is as follows:

	£
Cash	2,331,166

The net consideration of £2,331,166 was settled via intercompany debt.

The fair value of amounts recognised at the acquisition date in relation to Anchor Property Group Limited are as follows:

	Book value	Adjustments	Fair value
	£	£	£
Tangible assets acquired	2,584,667	20,837	2,605,504
Other creditors assumed	(12,504)	—	(12,504)
Provision assumed	(240,997)	(20,837)	(261,834)
	-----	-----	-----
	2,331,166	—	2,331,166
	-----	-----	-----

Anchor Vans Limited

Notes to the Financial Statements *(continued)*

Year ended 31st March 2022

26. Operating leases

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

	2022	2021
	£	£
Not later than 1 year	—	60,000
	---	-----

The freehold premises owned by its subsidiary company Anchor Property Group Ltd was acquired by the company. No rent was paid to the company.

27. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2022			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr Graham Joyce	(240)	180	(20,000)	(20,060)
Mrs Sarah Joyce	—	—	(20,000)	(20,000)
	---	---	-----	-----
	(240)	180	(40,000)	(40,060)
	---	---	-----	-----
	2021			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr Graham Joyce	—	(6,309)	6,069	(240)
Mrs Sarah Joyce	—	—	—	—
	---	-----	-----	-----
	—	(6,309)	6,069	(240)
	---	-----	-----	-----

The outstanding loan is shown under creditors in note 15. The loan is interest free and repayable on demand. Dividend Dividend paid to the directors during the year was £190,000(2021 £50,000)

28. Related party transactions

The company is controlled by Mr Graham Joyce and Mrs Sarah Joyce by virtue of their majority shareholding in the company. The parties below are related to Anchor Vans Limited and following transaction took place at arm's length with the entities. Anchor Pension Plan There were no outstanding balances due to or owed by the pension fund at the year end. Trade Vans UK Limited The company in which Mr Graham Joyce is a majority shareholder.

	2022	2021
	£	£
Sales	374,945	349,595
Management charges receivable	22,074	54,243
	-----	-----
	397,019	403,838
Purchases	(39,315)	(66,491)
	-----	-----
	357,704	337,347
	-----	-----

The amount outstanding from Trade Vans UK Ltd at the year end was £54,167(2021 £9,124). Anchor Properties Group Ltd This is a wholly owned subsidiary of the company. The assets and liabilities of the company were acquired by the parent company at fair value.(Ref to Note 24). No rent was paid to the subsidiary.

	2022	2021
	£	£
Rent payable	—	60,000
	-----	-----

The amount owed to Anchor Properties Group Ltd was £100. The amount owed by Anchor Properties Group Ltd at 2021 was £464,557. Anchor Cars Ltd The company is jointly controlled by the directors Mr G M Joyce and Mr S Joyce. The company is renting site and offices from Anchor Vans Ltd.

	2022	2021
	£	£
Sales	805,321	176,291
Management charges receivable	11,010	11,010
	-----	-----
	816,331	187,301
Purchases	(183,215)	(36,779)
	-----	-----
	633,116	150,522
	-----	-----

The amount outstanding from Anchor Cars Ltd at the year end was £26,039 (2021 Nil).

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