

COMPANY REGISTRATION NUMBER: 02446355

Anchor Vans Limited
Financial Statements
31 March 2023

Anchor Vans Limited

Financial Statements

Year ended 31st March 2023

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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 2023

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

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 £557,072(2022 £872,912) and a turnover declining by 4.84% to £24,766,463 (2022 £26,025,644). The company has current net assets of £2,889,704(2022 £2,944,135).

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. There were multiple increase in BofE Base Interest Rate from its historic low of 0.1% in in December 2021 to 4.25% in March 2023, leading to increase in borrowing costs.

The effect of Brexit continues to be felt in staff shortages leading to increase in labour costs. This has contributed to a significant increase in costs leading to a reduction in gross margin and net operating margin, both declining by 1% to 9.3% and 2.25% respectively.

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 £130,000 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.

The company has a stocking facility with MotoNova Finance Limited. The maximum facility available to draw down by the company is £750,000. The amount drawn at the year end was £748,222(2022 - £265,756). The facility is repayable on demand and secured on vehicle stock.

Company Strategy

The Company remains focused on growing organically. The company is funded by a combination of bank loans, stocking 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 remains positive and projects are 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 has processes in place to ensure its regulatory compliance requirements are met. 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 2023 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 2023

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

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 challenging trading period over the next 12 months, taking into account rising costs and softening of demand and vehicle prices in a recessionary environment. The company is likely to maintain its current level of profitability in the year ending 31st March 2024. 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 2023 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 2023

Opinion

We have audited the financial statements of Anchor Vans Limited (the 'company') for the year ended 31st March 2023 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 2023

Anchor Vans Limited

Statement of Income and Retained Earnings

Year ended 31st March 2023

		2023	2022
	Note	£	£
Turnover	3	24,766,463	26,025,644
Cost of sales		22,468,397	23,349,786
		-----	-----
Gross profit		2,298,066	2,675,858
Distribution costs		886,186	882,686
Administrative expenses		906,280	934,183
Other operating income	4	186,270	74,235
		-----	-----
Operating profit	5	691,870	933,224
Interest payable and similar expenses	9	134,798	60,312
		-----	-----
Profit before taxation		557,072	872,912
Tax on profit	10	110,554	183,217
		-----	-----
Profit for the financial year and total comprehensive income		446,518	689,695
		-----	-----
Dividends paid and payable	11	(130,000)	(190,000)
Retained earnings at the start of the year		5,513,888	5,014,193
		-----	-----
Retained earnings at the end of the year		5,830,406	5,513,888
		-----	-----

All the activities of the company are from continuing operations.

Anchor Vans Limited
Statement of Financial Position

31 March 2023

	Note	2023 £	£	2022 £
Fixed assets				
Tangible assets	12		5,631,020	5,604,346
Current assets				
Stocks	13	5,396,315		4,635,118
Debtors	14	383,249		205,580
Cash at bank and in hand		654,751		449,544
		6,434,315		5,290,242
Creditors: amounts falling due within one year				
Bank loans and overdrafts		1,550,630		907,677
Trade creditors		716,452		1,063,191
Other creditors including taxation and social security	15	1,196,250		282,387
Accruals and deferred income		81,279		92,852
		3,544,611		2,346,107
Net current assets				
			2,889,704	2,944,135
Total assets less current liabilities				
			8,520,724	8,548,481
Creditors: amounts falling due after more than one year				
	16			
Bank loans and overdrafts			2,342,953	2,663,806
Provision	17		347,165	370,587
Net assets				
			5,830,606	5,514,088
Capital and reserves				
Called up share capital	21		200	200
Profit and loss account	22		5,830,406	5,513,888
Shareholders funds				
			5,830,606	5,514,088

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the medium companies regime.

Anchor Vans Limited

Statement of Financial Position *(continued)*

31 March 2023

These financial statements were approved by the board of directors and authorised for issue on 21 December 2023
, and are signed on behalf of the board by:

Mr Graham Joyce

Chairman

Mr Gregory Joyce

Director

Company registration number: 02446355

Anchor Vans Limited

Statement of Cash Flows

Year ended 31st March 2023

	2023	2022
	£	£
Cash flows from operating activities		
Profit for the financial year	446,518	689,695
<i>Adjustments for:</i>		
Depreciation of tangible assets	114,838	104,323
Interest payable and similar expenses	134,798	60,312
Gains on disposal of tangible assets	(12,500)	–
Tax on profit	110,554	183,217
Accrued (income)/expenses	(11,573)	5,912
<i>Changes in:</i>		
Stocks	(761,197)	(707,685)
Trade and other debtors	(177,669)	342,997
Trade and other creditors	673,077	248,997
Provisions and employee benefits	(41,166)	(1,156)
Cash generated from operations	475,680	926,612
Interest paid	(134,798)	(60,312)
Tax paid	(158,703)	(203,239)
Net cash from operating activities	182,179	663,061
Cash flows from investing activities		
Purchase of tangible assets	(141,511)	(2,727,810)
Proceeds from sale of tangible assets	12,499	–
Acquisition of subsidiaries	–	261,842
Proceeds from sale of subsidiaries	–	1,866,609
Net cash used in investing activities	(129,012)	(599,359)
Cash flows from financing activities		
Proceeds from borrowings	282,040	221,306
Dividends paid	(130,000)	(190,000)
Net cash from financing activities	152,040	31,306
Net increase in cash and cash equivalents	205,207	95,008
Cash and cash equivalents at beginning of year	449,544	354,536
Cash and cash equivalents at end of year	654,751	449,544

Anchor Vans Limited

Accounting Policies

Year ended 31st March 2023

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.

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 for assets and liabilities as at the reporting dates. 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 The following are the Company's key accounting estimates and assumptions: Tangible assets are depreciated over their useful lives taking into account residual values as appropriate. The actual useful life lives of the assets and residual values may vary depending on technological innovation and maintenance programmes. Vehicles for resale are valued at the lower of cost and net realisable value. Net realisable values are assessed using for impairment against post year end activity and fair values. Where impairment is identified the value is reduced and impairment charge is recognised through profit and loss account. Finance commission Finance commissions are subject to claw back dependent upon agreements made with finance providers. When determining provisions, management utilises the historical claw back profile and post year end claims experience.

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.

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.

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.

Anchor Vans Limited

Notes to the Financial Statements

Year ended 31st March 2023

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:

	2023	2022
	£	£
Vehicle sales	22,597,859	23,906,673
Aftersales and servicing	2,168,604	2,118,971
	<u>24,766,463</u>	<u>26,025,644</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

	2023	2022
	£	£
Management charges receivable	116,753	33,085
Other operating income	69,517	41,150
	<u>186,270</u>	<u>74,235</u>

Other operating income comprise of:

	2023	2022
	£	£
Rental Income	69,517	36,900
Government Grants	—	4,250
	<u>69,517</u>	<u>41,150</u>

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2023	2022
	£	£
Depreciation of tangible assets	114,838	104,323
Gains on disposal of tangible assets	(12,500)	—
Impairment of trade debtors	(10,398)	(260)
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2023	2022
	£	£
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	3,750	2,875
Other non-audit services	3,375	3,275
	-----	-----
	7,125	6,150
	-----	-----

7. Staff costs

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

	2023	2022
	No.	No.
Production staff	24	22
Distribution staff	7	8
Administrative staff	10	10
Management staff	4	4
Drivers	17	16
	---	---
	62	60
	---	---

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

	2023	2022
	£	£
Wages and salaries	1,853,104	1,759,445
Social security costs	195,779	179,130
Other pension costs	50,527	50,827
	-----	-----
	2,099,410	1,989,402
	-----	-----

8. Directors' remuneration

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

	2023	2022
	£	£
Remuneration	120,896	100,608
Company contributions to defined contribution pension plans	12,000	24,000
	-----	-----
	132,896	124,608
	-----	-----

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

	2023	2022
	No.	No.
Defined contribution plans	2	2
	---	---

9. Interest payable and similar expenses

	2023	2022
	£	£
Interest on debenture loans	92,509	49,772
Interest on banks loans and overdrafts	17,611	9,444
Interest payable - related party	15,501	—
Interest payable - Stocking loan	9,177	1,096
	-----	-----

134,798

60,312

10. Tax on profit

Major components of tax expense

	2023	2022
	£	£
Current tax:		
UK current tax expense	92,810	158,703
Adjustments in respect of prior periods	—	(8)
	-----	-----
Total current tax	92,810	158,695
	-----	-----
Deferred tax:		
Origination and reversal of timing differences	17,744	24,522
	-----	-----
Tax on profit	110,554	183,217
	-----	-----

Reconciliation of tax expense

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

	2023	2022
	£	£
Profit on ordinary activities before taxation	557,072	872,912
	-----	-----
Profit on ordinary activities by rate of tax	105,844	165,853
Adjustment to tax charge in respect of prior periods	—	(5,826)
Fixed assets ineligible for capital allowances	9,605	11,011
Business combination adjustment	—	18,105
Capital allowances investment incentive	(4,895)	(5,926)
	-----	-----
Tax on profit	110,554	183,217
	-----	-----

11. Dividends

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

	2023	2022
	£	£
Equity dividends on ordinary shares	130,000	190,000
	-----	-----

12. Tangible assets

	Land and buildings	Fixtures and fittings	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
At 1st April 2022	5,887,178	96,302	97,380	695,928	6,776,788
Additions	—	9,717	126,165	5,629	141,511
Disposals	—	(70,499)	(39,255)	(274,754)	(384,508)
	-----	-----	-----	-----	-----
At 31st March 2023	5,887,178	35,520	184,290	426,803	6,533,791
	-----	-----	-----	-----	-----
Depreciation					
At 1st April 2022	497,120	84,007	62,007	529,308	1,172,442
Charge for the year	50,556	5,434	24,423	34,425	114,838
Disposals	—	(70,498)	(39,256)	(274,755)	(384,509)
	-----	-----	-----	-----	-----
At 31st March 2023	547,676	18,943	47,174	288,978	902,771
	-----	-----	-----	-----	-----
Carrying amount					

At 31st March 2023	5,339,502	16,577	137,116	137,825	5,631,020
	-----	-----	-----	-----	-----
At 31st March 2022	5,390,058	12,295	35,373	166,620	5,604,346

13. Stocks

	2023	2022
	£	£
Parts and consumable stock	82,135	71,592
Vehicle stock for resale	5,314,180	4,563,526
	-----	-----
	5,396,315	4,635,118
	-----	-----

14. Debtors

	2023	2022
	£	£
Trade debtors	375,813	201,749
Prepayments and accrued income	4,808	3,831
Other debtors	2,628	—
	-----	-----
	383,249	205,580
	-----	-----

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

	2023	2022
	£	£
Corporation tax	92,810	158,703
Social security and other taxes	103,440	83,624
Director loan accounts	—	40,060
Other creditors	1,000,000	—
	-----	-----
	1,196,250	282,387
	-----	-----

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

	2023	2022
	£	£
Bank loans and overdraft	(340,000)	(290,000)
Stocking loans	(748,223)	(265,756)
	-----	-----
	(1,088,223)	(555,756)
	-----	-----

Other Creditors relate to an amount owed to Trade Vans (UK) Ltd. The amount is repayable on demand and interest is paid to the related party at 3% over bank base rate.

16. 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.

	2023	2022
	£	£
Bank loans	2,292,952	2,663,806
	-----	-----

Included within creditors: amounts falling due after more than one year is an amount of £1,107,862 (2022: £1,328,805) 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 continue to comply with its loan covenant requirements. A Coronavirus Business Interruption Loan carries interest at 2.52% over bank rate.

17. Provision

	Warranties	Deferred tax (note 18)	Chargeback provision	Total
	£	£	£	£
At 1st April 2022	57,388	302,886	10,313	370,587
Charge against provision	(34,166)	–	(7,000)	(41,166)
Movement during the year	–	17,744	–	17,744

At 31st March 2023	23,222	320,630	3,313	347,165

Warranty provision - The company provides 3 months or 3000 miles warranty on vehicle sales. The warranty provision is based on claims experienced during the year, and taking into account costs incurred after the year end.

Clawback commissions - The company earns commissions from finance companies. Under the terms of the business, the commission or an element of it, is repayable if certain conditions are met. The provision reflects the expected clawback liability at the reporting date.

18. Deferred tax

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

	2023	2022
	£	£
Included in provision (note 17)	320,630	302,886

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

	2023	2022
	£	£
Accelerated capital allowances	40,690	22,946
Business combinations	279,939	279,939

	320,629	302,885

The company has assumed the potential tax liability of an adjoining operating site acquired at market value in 2022.

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 49,549 (2022: £ 50,795).

20. Financial risk management objectives and policies

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

	2023	2022
	£	£
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	376,813	201,749
Financial liabilities measured at fair value through profit or loss		
Financial liabilities measured at fair value through profit or loss	4,955,128	4,634,674

Financial assets measured at fair value through profit and loss comprise trade debtors and other debtors. Financial liabilities measured at amortised cost comprise trade creditors, loans and other creditors. 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	21.90% variable		
Stocking loan	750,000	2.50% over base rate		
Advance facilities	650,000	interest free		
Related Party Loan	1,000,000	3% over base rate		

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 £748,225 (2022 - £265,756). Advance facilities are top up facilities repayable on demand to the finance companies. The amount drawn at the year end was £467,351 (2022 - £330,663). Related Party loan is unsecured and payable on demand.

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.

21. Called up share capital**Authorised share capital**

	2023		2022	
	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

	2023		2022	
	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
	-----	----	-----	----

22. Reserves

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

23. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar
			2023
	£	£	£
Cash at bank and in hand	449,544	205,207	654,751
Debt due within one year	(947,737)	(602,893)	(1,550,630)
Debt due after one year	(2,663,806)	320,853	(2,342,953)
	-----	-----	-----
	(3,161,999)	(76,833)	(3,238,832)
	-----	-----	-----

24. Directors' advances, credits and guarantees

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

	2023			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr Graham Joyce	(20,060)	—	20,060	—
Mrs Sarah Joyce	(20,000)	—	20,000	—
	-----	---	-----	---
	(40,060)	—	40,060	—
	-----	---	-----	---
		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)
	-----	---	-----	-----

Anchor Vans Limited

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

24. Directors' advances, credits and guarantees *(continued)*

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 £130,000(2022 £190,000)

25. 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.

	2023	2022
	£	£
Sales	456,699	374,945
Management charges receivable	30,965	22,074
	-----	-----
	487,664	397,019
Purchases	(42,062)	(39,315)
	-----	-----
	445,602	357,704
	-----	-----

The net amount due from from Trade Vans UK Ltd at the year end was £98,244(2022 £54,167). In addition, the company advanced over the period a sum of £1m (2022 £Nil) to Anchor Vans Limited, repayable on demand. The advance carries interest at 3% over Bank of England base rate. The interest paid to Trade Vans UK Limited was £15,500. (2022 - NIL)

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.

	2023	2022
	£	£
Sales	899,623	805,321
Management charges receivable	85,787	11,010
	-----	-----
Sales	985,410	816,331
Purchases	(146,493)	(183,215)
	-----	-----
Sales	838,917	633,116
	-----	-----

The amount due from Anchor Cars Ltd at the year end was £72,153.71(2022 £26,039).

The rent payable to Anchor Vans Limited during the year was £69,517 (2022 £36,900)

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