

Company Registration No. 03597175 (England and Wales)

**JCB MEDWAY LIMITED**  
**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# JCB MEDWAY LIMITED

## COMPANY INFORMATION

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<b>Director</b>	J C Bischoff
<b>Company number</b>	03597175
<b>Registered office</b>	Bailey Drive Gillingham Business Park Gillingham ME8 0PZ
<b>Auditor</b>	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT

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# JCB MEDWAY LIMITED

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# JCB MEDWAY LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The director presents the strategic report for the year ended 31 December 2021.

#### **Fair review of the business**

The director considers the 2021 result was excellent given the macro-economic uncertainty, supply chain constraints on new vehicles caused by the global semi-conductor crisis and the ongoing COVID pandemic, which continued to disrupt the global automotive retail sector in 2021.

The disruption from COVID combined with supply constraints on new vehicles results in UK new car registrations of 1.65m cars; this was the second lowest market since 1992, only slightly bettering the 2020 registrations of 1.63m by 1%. In this very challenging new car market the Volkswagen, Seat and SKODA brands lost market share, more severely impacted by the semi-conductor crisis disrupting the supply of new vehicles. The Kia brand gained share in the market, growing registrations by 29% year on year and increased market share to 5.3%. The light commercial vehicle segment showed strong growth of 21% to 355k units, and within this VW Commercial Vehicles grew by 5.7% to be the third largest brand in the market. Renault and Dacia performed well, particularly Dacia as this is a costs conscious brand and with a cost-of-living crisis brewing, customers turned to value for money products.

Turnover grew from £154.5m to £192.5m in 2021, primarily driven by the growth in volumes across all the main departments with new vehicle turnover up 40%, used vehicles up 30% service hours up 25% and parts turnover up almost 50%. In 2021, the business annualised against lower COVID impacted activity levels in 2020 and benefitted from stronger average prices on used vehicles.

The supply constraints on new and used vehicles eased discount pressure and helped margin retention, resulting in gross profit on vehicle sales almost doubling year on year. Aftersales profitability significantly improved year on year and the combined effect helped the company operating profit increase by 121% year on year.

Administration costs increased by £4.2m to £18.6m, an increase of 28.9%, driven by the annualisation of property costs, and ongoing investment in IT projects to digitise processes and increase operational efficiency.

Other operating income includes £0.9m received in government support under the COVID disruption & continuity programmes, and this was 67.6% lower than in 2020.

The PBT improvement of £2.5m and 135.3% year on year reflects the revenue growth coupled with improved gross margins and operation leverage.

The director considers the 2021 result to be very strong and reflective of the overall market conditions.

#### **Brand representation**

The company sells, maintains, and repairs vehicles for a number of leading automotive brands in 20 franchise points:

Kia: Medway and Dartford

Seat: Crawley and Ashford

Skoda: Worthing and Crawley

Volkswagen Cars: Medway and Ashford

Volkswagen Commercials : Sittingbourne, Ashford, Eastbourne, Crawley and Worthing

Honda : Ashford

Cupra: Crawley

Mercedes- Benz: Medway

Eurovan's Commercial : Sittingbourne and Eastbourne

Citroen: Medway

Suzuki: Dartford

# JCB MEDWAY LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### Fair review of the business (cont.)

Renault: Canterbury, Medway and Ashford

Dacia : Canterbury, Medway and Ashford

Additionally, the company operates multi-brand operations to support these franchise points including:

Customer Contact Centre: Medway

Vehicle Preparation Centres: Medway

Head Office: Gillingham

### Principal risks and uncertainties

The principal risks and uncertainties which could have a material impact on the company's performance are:

- Business disruption
- Market confidence
- Financial liquidity
- Cyber security
- Talent

#### Business disruption risk

The COVID-19 pandemic caused significant disruption in 2020 and 2021. The director and the executive team worked swiftly to implement controls and take all appropriate actions to safeguard our customers, our people, and the business during the crisis. In the medium term as the country adopts a 'new normal' they will remain vigilant and highly sensitive to the rapidly changing situation. The business has a robust set of systems, processes, controls and communications in place to manage business disruption risk.

#### Market Confidence Risk

According to the latest SMMT forecasts, national new car registrations are expected to grow c12% in 2022 to 1.847m units. The business remains focused on their underlying strong disciplines on sales enquiry management, advertising innovations and aftersales efficiency to maximise all opportunities in the market. The market is and will remain uncertain in the near term, however the business is agile and responsive to market performance and will continue to take swift action to mitigate the financial impact of any resulting risks.

#### Financial Liquidity Risk

Funds and facilities available to the company are in line with its needs. The director continues to keep a firm control on the cost base and working capital, with vehicle stocks being closely monitored on a weekly basis. The business operates strict cashflow controls and prepares a rolling quarterly cash and liquidity headroom forecast on a weekly basis.

#### Regulatory Compliance Risk

The automotive retail regulatory environment in the UK is complex and diverse. The business has appropriate systems, processes, controls and people in place to monitor and control risk and ensure full compliance with all regulatory requirements in the UK, including FCA, GDPR and Health and Safety.

#### Cyber Security Risk

With the ever-increasing threats from cyber-attacks, the business has reviewed and improves its cyber security arrangements to ensure that all sensitive operations and personal data is secure, and the business is fully compliant with the latest data standards.

#### Talent Risk

The business has worked continuously to recruit, retain, engage, and motivate our people. As new opportunities arise in the business, there is a process to identify all suitable internal candidates before any external recruitment starts. There are appropriate reward and recognition schemes in place across the business and there are regularly reviews and modified as appropriate.

# JCB MEDWAY LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### Key performance indicators

The director monitors progress against strategic objectives and internal financial targets on a regular basis and the company also uses manufacturer composites and other industry data to measure and benchmark performance against the broader market. The company has clearly defined set of operations KPIs that are used consistently to review performance, set benchmarks, and share best practises across the operations.

	2021	2020	YOY Change %
Turnover £M	192.5	154.5	+24.6%
Gross Profit £M	22.2	13.8	+60.6%
GP%	11.55%	8.96%	+28.9%
PBT £M	4.4	1.9	+135.3%
PBT%	2.28%	1.21%	+88.8%
Net Assets £M	12.4	9.3	+33.3%
Net Cash /(Debt) £M	9.6	6.5	+47.4%
	2021	2020	YOY Change +/-
New Units Sold	4,944	4,005	939
Used Units Sold	6,977	5,910	1,067
Service Hours Sold	97,288	82,067	15,221
Bodyshop Hours Sold	0	0	0
Parts Turnover £M	5.4	4.0	1.4

### Future developments

The impacts for the COVID-19 pandemic will continue to disrupt the global automotive industry and the semi-conductor crisis is expected to continue through 2022. We have already seen higher inflationary pressures drive by the conflict in Ukraine and we will expect this trend to continue in 2022. Despite this disruption, the business has had a robust start to 2022, is trading in line with expectations and continue to take appropriate actions to control costs and improve efficiency.

The transformation of the global automotive industry continues as OEMs and the supply chain adjusts their business models to deal with: supply chain disruptions; changing consumer attitudes; environmental legislation; new market entrants; autonomous vehicles; shared mobility; online disruption and drive train electrification, rising inflation and post-COVID fiscal recovery measures will heighten economic anxiety and uncertainty for companies and consumers.

Despite these numerous and complex challenges, the director is confident that the business will continue to respond positively and thrive in uncertain times. The business is well invested with a broad brand portfolio, supported by highly skilled and engaged teams using the latest technologies to deliver the JCB Customer Experience in our retail and digital showrooms.

The balance sheet is strong, cashflow is tightly controlled and the group has sufficient liquidity to survive the current challenges. The director is confident in the JCB business model and is ready to support further expansion when acquisition opportunities of a good strategic fit materialise in our core territory.

The COVID-19 pandemic has accelerated the strategic direction of the business in many different ways , none more so than the focus on electric and alternative fuel vehicles and the customer demand to transition from traditional petrol and diesel vehicles to electric and Hybrid products. The business continues to invest heavily in additional electric chargers and has implemented EV specialists across the group to cater for customer demand. 2021 saw further EV charger investment of almost £100K and this looks to be repeated during 2022.

# JCB MEDWAY LIMITED

## STRATEGIC REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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### **Section 172(1) statement**

The board is accountable to shareholders for the management, performance and long-term success of the company. The board consider that they have acted in the way most likely to promote the success of the company for the benefit of its employees as a whole having regard to the stakeholders and matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 in the decisions taken during the year ended 31 December 2021.

### **Inside JCB**

#### **Engagement with Employees**

At JCB, our people are central to our success and the teams are committed to excellence. We aim to be the automotive retail employer of choice in our territory, and this is reflected in our approach to recruitment, reward, retention, training, and development. Our people are kept informed of all aspects of performance through the variety of meetings, reviews, and structured communications that they receive. Regular communications are cascaded to all employees keeping them clearly informed of the current opportunities and challenges and our teams are highly motivated.

#### **Engagement with Brand Partners, Customer and Supplier**

We engage with our brand partners regularly and we will continue to strengthen and expand those relationships further, focusing on the OEM balanced scorecard metrics to build value and credibility. We believe in clear, transparent, and professional communications with all JCB stakeholders.

#### **Environmental Policy**

The board recognises its 'Duty of Care' towards the environment from a legal and moral perspective. The business aims to continuously improve and reduce its usage of natural resources, improve its levels of recycling and ensuring all property developments use the latest designs and system to reduce their environmental impact. The business will assess any and all significant environmental impacts from its operations and will take the appropriate steps to reduce and manage these risks.

On behalf of the board

J C Bischoff  
**Director**

29 September 2022

# **JCB MEDWAY LIMITED**

## **DIRECTOR'S REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The director presents his annual report and financial statements for the year ended 31 December 2021.

### **Principal activities**

The principal activity of the company continued to be that of a franchised motor dealer, together with associated activities.

### **Results and dividends**

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £640,000. The director does not recommend payment of a further dividend.

### **Director**

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

J C Bischoff

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Employee involvement**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

### **Auditor**

UHY Hacker Young Manchester LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Energy and carbon report**

JCB Medway Limited is a wholly owned subsidiary of Bischoff (Holdings) Limited and the mandatory reporting of energy and greenhouse gas emissions, in line with the government's Streamlined Energy and Carbon Reporting (SECR) policy, are included in the consolidated financial statements of Bischoff (Holdings) Limited which are available from Companies House.

# JCB MEDWAY LIMITED

## DIRECTOR'S REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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### **Statement of director's responsibilities**

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

The director is 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. He is 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.

### **Statement of disclosure to auditor**

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

On behalf of the board

J C Bischoff  
**Director**

29 September 2022

# JCB MEDWAY LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JCB MEDWAY LIMITED

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### Opinion

We have audited the financial statements of JCB Medway Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 director 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 director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

# JCB MEDWAY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JCB MEDWAY LIMITED

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### **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 director's 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

### **Extent to which the audit was considered capable of detecting irregularities including fraud**

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**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - 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 have knowledge of any actual, suspected or alleged fraud.
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and involving relevant internal specialists, including tax, and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: valuation of used vehicle stocks and recognition of supplier incentives. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

## **JCB MEDWAY LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF JCB MEDWAY LIMITED**

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We also obtained an understanding of the legal and regulatory frameworks the group operates in, focussing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's FCA regulatory requirements.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and those charged with governance concerning actual and potential litigation claims;
- in addressing the risk of fraud through inappropriate valuation of used vehicle inventory, assessing net realisable value of stock items sold after the year end was above cost or assessing their value with reference to third party data sources if unsold.
- in addressing the risk of fraud through inappropriate recording of supplier incentives, ensuring amounts recorded as due were then subsequently acknowledged as such by the supplier;
- in assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries and assessing whether judgements made in making accounting estimates are indicative of potential bias.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

#### **Use of our report**

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

**Ian McMahon FCCA FMAAT**  
**Senior Statutory Auditor**  
For and on behalf of UHY Hacker Young Manchester LLP

29 September 2022

**Chartered Accountants**  
**Statutory Auditor**

St James Building  
79 Oxford Street  
Manchester  
M1 6HT

## JCB MEDWAY LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	192,497,262	154,475,131
Cost of sales		(170,262,953)	(140,629,915)
<b>Gross profit</b>		22,234,309	13,845,216
Administrative expenses		(18,635,615)	(14,461,652)
Other operating income		1,614,627	2,975,708
<b>Operating profit</b>	<b>4</b>	5,213,321	2,359,272
Interest receivable and similar income	<b>7</b>	-	2,665
Interest payable and similar expenses	<b>8</b>	(819,539)	(494,751)
<b>Profit before taxation</b>		4,393,782	1,867,186
Tax on profit	<b>9</b>	(652,156)	(377,887)
<b>Profit for the financial year</b>		3,741,626	1,489,299

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# JCB MEDWAY LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		167,058		224,221
Tangible assets	12		9,210,752		9,140,099
			<u>9,377,810</u>		<u>9,364,320</u>
<b>Current assets</b>					
Stocks	14	30,934,611		32,746,564	
Debtors	15	7,784,415		8,216,308	
Cash at bank and in hand		9,594,225		6,508,197	
		<u>48,313,251</u>		<u>47,471,069</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(42,891,823)</u>		<u>(44,520,796)</u>	
<b>Net current assets</b>			<u>5,421,428</u>		<u>2,950,273</u>
<b>Total assets less current liabilities</b>			<u>14,799,238</u>		<u>12,314,593</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(2,322,075)		(2,732,597)
<b>Provisions for liabilities</b>					
Deferred tax liability	19	61,282		267,741	
		<u>(61,282)</u>		<u>(267,741)</u>	
<b>Net assets</b>			<u>12,415,881</u>		<u>9,314,255</u>
<b>Capital and reserves</b>					
Called up share capital	21		80,000		80,000
Profit and loss reserves	22		12,335,881		9,234,255
<b>Total equity</b>			<u>12,415,881</u>		<u>9,314,255</u>

The financial statements were approved and signed by the director and authorised for issue on 29 September 2022

J C Bischoff  
Director

Company Registration No. 03597175

# JCB MEDWAY LIMITED

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

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 January 2020</b>		80,000	7,944,956	8,024,956
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	1,489,299	1,489,299
Dividends	10	-	(200,000)	(200,000)
<b>Balance at 31 December 2020</b>		80,000	9,234,255	9,314,255
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year		-	3,741,626	3,741,626
Dividends	10	-	(640,000)	(640,000)
<b>Balance at 31 December 2021</b>		80,000	12,335,881	12,415,881

# JCB MEDWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

JCB Medway Limited is a private company limited by shares incorporated in England and Wales. The registered office is Bailey Drive, Gillingham Business Park, Gillingham, ME8 0PZ.

#### 1.1 Accounting convention

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

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

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

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

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

The financial statements of the company are consolidated in the financial statements of Bischoff (Holdings) Limited. These consolidated financial statements can be obtained from Companies House.

#### 1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life of 10 years.

#### 1.5 Tangible fixed assets

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

# JCB MEDWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

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

Freehold land and buildings	Land not depreciated, property depreciated 2% on cost
Long Leasehold	20% on cost and 2% on cost or valuation
Short Leasehold	20% on cost and 2% on cost or valuation
Plant and equipment	25% on cost
Fixtures and fittings	10% - 20% on cost and 25%- 30% on cost
Computers	10% - 33% on cost
Motor vehicles	33% on cost

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

#### 1.6 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

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

#### Consignment stock

Consignment vehicles that are regarded effectively as being under the control of the company and, in accordance with FRS102, are included within stocks on the Statement of Financial Position, although legal title has not yet passed to the company. The corresponding liability is included in trade creditors and is secured directly on these vehicles.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

#### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# JCB MEDWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

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

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

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

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

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

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# JCB MEDWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

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

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

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

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **1.14 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

# JCB MEDWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 2 Judgements and key sources of estimation uncertainty

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

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

#### **Critical judgements**

The following judgements, apart from those involving estimates, have had the most significant effect on amounts recognised in the financial statements:

#### ***Property, plant and equipment assets***

Property, plant and equipment are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows.

#### ***Goodwill***

The company reviews the goodwill arising on the acquisition of subsidiaries or businesses and any intangible assets with an indefinite life for impairment at least annually or when events or changes in economic circumstances indicate that impairment may have taken place. The impairment review is performed by projecting the future cash flows, excluding finance and tax, based upon budgets and plans and making appropriate assumptions about rates of growth and discounting these using a rate that takes into account prevailing market interest rates and the risks inherent in the business. If the present value of the projected cash flows is less than the carrying value of the underlying net assets and related goodwill, an impairment charge would be required in the Statement of Comprehensive Income.

This calculation requires the exercise of significant judgement by management; if the estimates made prove to be incorrect or changes in the performance of the subsidiaries affect the amount and timing of future cash flows, goodwill may become impaired in future periods.

In respect of acquisitions, at the point of acquisition the company is required to assess whether intangible assets need to be separately identified and measured. The measurement and assessment of the useful economic lives of intangible assets requires the use of judgement by management.

#### ***Consignment stock***

Vehicles held on consignment have been included in 'vehicle stocks' within 'stocks' on the basis that the company has determined that it holds the significant risks and rewards attached to these vehicles.

#### ***Stock valuation***

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including Glass' and CAP valuation guides. The director maintains oversight of ageing stock profiles and a monthly review of any provision required is performed.

# JCB MEDWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### *Incentives and other rebates from brand partners*

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

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

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

### 3 Turnover and other revenue

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Sale of goods	187,053,555	145,757,928
Rendering of services	3,901,146	7,472,230
Commissions receivable	1,542,561	1,244,973
	<u>192,497,262</u>	<u>154,475,131</u>
	2021	2020
	£	£
<b>Other significant revenue</b>		
Interest income	-	2,665
Grants received	879,462	2,765,223
Rents received	-	30,000
Sundry receipts	1,245,165	180,485
	<u>1,245,165</u>	<u>180,485</u>

All turnover arose within the UK.

Government grants comprise of Coronavirus Job Retention Scheme receipts of £879,462 (2020: £2,715,223) and Local Authority grants of £nil (2020: £50,000). The company also benefitted from rate relief from April 2020

# JCB MEDWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(879,462)	(2,765,223)
Fees payable to the company's auditor for the audit of the company's financial statements	55,817	18,100
Depreciation of owned tangible fixed assets	393,317	309,961
(Profit)/loss on disposal of tangible fixed assets	-	669
Amortisation of intangible assets	57,163	91,064
Operating lease charges	1,293,164	1,280,353
	<u>                    </u>	<u>                    </u>

### 5 Employees

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

	2021	2020
	Number	Number
Parts and service	141	145
Sales	97	81
Administration	44	97
Total	<u>                    </u>	<u>                    </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	9,584,488	9,774,871
Social security costs	967,638	743,044
Pension costs	117,290	134,892
	<u>                    </u>	<u>                    </u>

### 6 Director's remuneration

	2021	2020
	£	£
Remuneration for qualifying services	<u>                    </u>	<u>                    </u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021	2020
	£	£
Remuneration for qualifying services	<u>                    </u>	<u>                    </u>

# JCB MEDWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

<b>7</b>	<b>Interest receivable and similar income</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Other interest income	-	2,665
		<u>          </u>	<u>          </u>
<b>8</b>	<b>Interest payable and similar expenses</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Interest on bank overdrafts and loans	121,757	90,148
	Stocking loan interest	662,450	395,782
	Other interest	35,332	8,821
		<u>          </u>	<u>          </u>
		819,539	494,751
		<u>          </u>	<u>          </u>
<b>9</b>	<b>Taxation</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	858,615	340,929
		<u>          </u>	<u>          </u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(206,459)	36,958
		<u>          </u>	<u>          </u>
	Total tax charge	652,156	377,887
		<u>          </u>	<u>          </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit before taxation	4,393,782	1,867,186
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	834,819	354,765
Change in unrecognised deferred tax assets	(219,300)	-
Adjustments in respect of prior years	2,039	1,462
Depreciation on assets not qualifying for tax allowances	19,890	15,642
Revenue in capital	-	(1,202)
Amortisation allowable	-	7,220
Effect of change in enacted deferred tax rate	14,708	-
	<u>          </u>	<u>          </u>
Taxation charge for the year	652,156	377,887
	<u>          </u>	<u>          </u>

## JCB MEDWAY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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<b>10</b>	<b>Dividends</b>	<b>2021</b>	<b>2020</b>
		£	£
	Final paid	640,000	200,000
		<u>          </u>	<u>          </u>
<b>11</b>	<b>Intangible fixed assets</b>		<b>Goodwill</b>
			£
	<b>Cost</b>		
	At 1 January 2021 and 31 December 2021		815,000
			<u>          </u>
	<b>Amortisation and impairment</b>		
	At 1 January 2021		590,779
	Amortisation charged for the year		57,163
			<u>          </u>
	At 31 December 2021		647,942
			<u>          </u>
	<b>Carrying amount</b>		
	At 31 December 2021		167,058
			<u>          </u>
	At 31 December 2020		224,221
			<u>          </u>

## JCB MEDWAY LIMITED

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

12 Tangible fixed assets	Freehold land and buildings		Long Leasehold		Short Leasehold		Plant and equipment		Fixtures and fittings		Computers		Motor vehicles		Total
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
<b>Cost</b>															
At 1 January 2021	5,158,784	2,527,767	1,638,762	3,340,512	203,984	258,976	44,526	13,173,311							
Additions	9,035	217,994	13,861	281,479	25,881	-	13,997	562,247							
Disposals	-	-	-	(102,419)	(1,685)	(2,311)	(500)	(106,915)							
Transfers	2,159,921	(1,602,572)	(557,349)	-	-	-	-	-							
At 31 December 2021	7,327,740	1,143,189	1,095,274	3,519,572	228,180	256,665	58,023	13,628,643							
<b>Depreciation and impairment</b>															
At 1 January 2021	412,992	323,957	408,993	2,571,233	56,889	244,839	14,309	4,033,212							
Depreciation charged in the year	17,077	2,083	88,260	250,168	19,721	18,421	(2,413)	393,317							
Eliminated in respect of disposals	-	-	-	(439)	-	(7,699)	(500)	(8,638)							
Transfers	16,952	(297,818)	280,866	-	-	-	-	-							
At 31 December 2021	447,021	28,222	778,119	2,820,962	76,610	255,561	11,396	4,417,891							
<b>Carrying amount</b>															
At 31 December 2021	6,880,719	1,114,967	317,155	698,610	151,570	1,104	46,627	9,210,752							
At 31 December 2020	4,745,792	2,203,810	1,229,769	769,279	147,095	14,137	30,217	9,140,099							

# JCB MEDWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 FIXED ASSET INVESTMENTS

The company's investments as at the Statement of Financial Position date in the share capital of companies include the following:

#### JCB Medway (2015) Limited

Registered office: Bailey Drive, Gillingham Business Park, Gillingham, Kent, ME8 0PZ

Nature of business: Supply of parts and accessories

%

Class of shares: holding

Ordinary 100.00

	2021	2020
	£	£
Aggregate capital and reserves	426,373	328,085
Profit for the year	98,288	55,542

#### South Essex TPS (2015) Limited

Registered office: Bailey Drive, Gillingham Business Park, Gillingham, Kent, ME8 0PZ

Nature of business: Supply of parts and accessories

%

Class of shares: holding

Ordinary 100.00

	2021	2020
	£	£
Aggregate capital and reserves	643,366	529,671
Profit for the year	113,695	77,020

### 14 Stocks

	2021	2020
	£	£
Vehicle stocks	29,656,609	31,483,932
Parts stocks	1,278,002	1,262,632
	<u>30,934,611</u>	<u>32,746,564</u>

Stock is stated net of provisions of £403,000 (2020 - £4,098,603).

### 15 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	149,168	3,851,325
Amounts owed by group undertakings	1,271,866	928,175
Other debtors	5,141,375	2,925,938
Prepayments and accrued income	1,222,006	510,870
	<u>7,784,415</u>	<u>8,216,308</u>

Trade debtors are stated net of provisions of £28,910 (2020 - £31,693).

## JCB MEDWAY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 16 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	18	387,830	388,550
Trade creditors		33,115,348	39,678,051
Amounts owed to group undertakings		-	860,261
Corporation tax		521,473	52,771
Other taxation and social security		79,522	1,375,813
Other creditors		1,609,235	-
Accruals and deferred income		7,178,415	2,165,350
		<u>42,891,823</u>	<u>44,520,796</u>

The vehicle funding creditor amounting to £27,184,576 (2020: £33,308,456) included within trade creditors is secured directly over the vehicles to which it relates.

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

	Notes	2021 £	2020 £
Bank loans and overdrafts	18	2,322,075	2,679,238
Taxation and social security		-	53,359
		<u>2,322,075</u>	<u>2,732,597</u>

#### 18 Loans and overdrafts

	2021 £	2020 £
Bank loans	<u>2,709,905</u>	<u>3,067,788</u>
Payable within one year	387,830	388,550
Payable after one year	<u>2,322,075</u>	<u>2,679,238</u>

The long-term loans are secured by fixed charges over property & fixed assets.

The bank loan taken out in January 2017 with NatWest is repayable in 60 quarterly instalments with an interest rate of 2% above the finance house base rate.

The bank loan taken out in May 2018 with Volkswagen Bank GmbH is repayable in 120 monthly instalments with an interest rate of 2.14% above the finance house base rate.

# JCB MEDWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
<b>Balances:</b>		
Accelerated capital allowances	57,002	274,054
Short term timing differences	4,280	(6,313)
	<u>61,282</u>	<u>267,741</u>
		<b>2021</b>
<b>Movements in the year:</b>		<b>£</b>
Liability at 1 January 2021		267,741
Credit to profit or loss		(206,459)
		<u>61,282</u>

### 20 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	117,290	134,892

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions amounting to £11,117 (2020: £5,000) were payable to the fund at the reporting date.

### 21 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	80,000	80,000	80,000	80,000

### 22 Profit and loss reserves

This reserve contains all current and prior period retained profits less any distributions to shareholders.

### 23 Financial commitments, guarantees and contingent liabilities

A cross guarantee is in place between JCB Medway Limited, JCB Medway TPS (2015) Limited and South Essex TPS (2015) Limited in respect of certain bank borrowings. At the reporting date the contingent liability in this respect amounted to £1,726,125 (2020: £1,726,125).

# JCB MEDWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 24 Operating lease commitments

#### Lessee

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

	2021	2020
	£	£
Within one year	1,031,965	1,246,421
Between two and five years	3,109,428	4,136,409
In over five years	3,510,005	2,890,553
	<u>7,651,398</u>	<u>8,273,383</u>

### 25 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements. Debtors and creditors due within one year include amounts due to and from other group companies.

Included within debtors is an amount owed from Euro Van Hire Ltd in the sum of £2,013,976 (2020: £906,691), no interest is charged on the balance. Euro Van Hire Ltd is a related party due to common ownership.

Also during the year the company recharged expenses to Euro Van Hire Ltd in the sum of £56,309 (2020: £6,196). All transactions took place at arms length.

### 26 Directors' transactions

Included in other debtors are the following advances to a director as at 31 December 2021 and 31 December 2020:

Dividends totalling £640,000 (2020 - £200,000) were paid in the year in respect of shares held by the company's directors.

The advances are unsecured, interest free and repayable on demand.

Description	% Rate	Opening balance	Amounts advanced	Amounts repaid	Closing balance
		£	£	£	£
J C Bischoff	-	956,336	1,912,099	(1,552,000)	1,316,435
		<u>956,336</u>	<u>1,912,099</u>	<u>(1,552,000)</u>	<u>1,316,435</u>

## **JCB MEDWAY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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**27 Ultimate controlling party**

The ultimate controlling party is J C Bischoff by virtue of their majority shareholding in the ultimate parent company, Bischoff (Holdings) Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.