

**Group Strategic Report, Report of the Directors and
Audited Consolidated Financial Statements for the Year Ended 31 October 2022
for
Green 4 Motor Group Limited**

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for the Year Ended 31 October 2022**

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Green 4 Motor Group Limited
Company Information
for the Year Ended 31 October 2022

DIRECTORS: Mr T Leggett
Mr A P Dodds
Mr D Everitt
Mrs A C France

SECRETARY: Mrs A C France

REGISTERED OFFICE: 540 London Road
Coventry
West Midlands
CV3 4EW

REGISTERED NUMBER: 08777828 (England and Wales)

AUDITORS: Underwood Green Limited, Statutory Auditor
Pinnacle House
1 Pinnacle Way
Derby
Derbyshire
DE24 8ZS

**Group Strategic Report
for the Year Ended 31 October 2022**

The directors present their strategic report of the company and the group for the year ended 31 October 2022.

REVIEW OF BUSINESS

The group turnover increased in the year to £41.64 million from £37.47 million, an increase of 29.59% (2021: increase of 29.59%).

The operating profit of the group increased in the year to £1,190k compared to £825k in the previous year.

Given these factors the directors are pleased with the overall results for the year.

Cash projections are prepared frequently and reviewed by management to ensure that adequate financial resources exist for the company. The board has continued to maintain adequate funding capital within the company and no changes in facilities are envisaged in the foreseeable future.

The financial results in 2022 were in line with the boards expectations and the company continues to be well placed to maintain its position in difficult trading conditions.

PRINCIPAL RISKS AND UNCERTAINTIES

The trading performance of the company to the year ended 31/10/22 is in line with directors' expectations and has returned to a more normal level following the exit from the COVID-19 pandemic.

The general uncertainty of the worldwide economy including the effect of equity markets and inflation pressure is considered to be of greater risk to the business going forward. The directors and their management team are keeping all margins and costs under review.

Due to its strong cash position, the directors feel the company is well placed to weather the economic effects of the current trading climate.

FINANCIAL KEY PERFORMANCE INDICATORS

The directors use turnover and operating profits as key performance indicators for the business.

ON BEHALF OF THE BOARD:

Mr T Leggett - Director

8 March 2023

**Report of the Directors
for the Year Ended 31 October 2022**

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

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the sale of motor vehicles.

DIVIDENDS

The total distribution of dividends for the year ended 31 October 2022 was £502,417 (2021: £200,960).

RESEARCH AND DEVELOPMENT

The company is not currently undertaking any research and development activities.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2021 to the date of this report.

Mr T Leggett
Mr A P Dodds
Mr D Everitt
Mrs A C France

FINANCIAL INSTRUMENTS

Treasury operations

The company operates a centralised treasury function which is responsible for managing the liquidity and interest rate risks associated with the company's activities. The company's principal instruments are a bank loan and bank and cash balances. In addition the company has various other financial assets and liabilities such as trade debtors, trade creditors and consignment stock creditors arising directly from the operations of the business.

Liquidity risk

The company manages its cash requirements centrally to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of its business.

Interest rate risk

The company is exposed to fair value interest rate risk on its bank loan facility only. The company does not have a bank overdraft facility.

Foreign currency risk

The company does not have any foreign currency risk as all sales and purchases are made within the UK.

Credit risk

Investments of cash surpluses are made with the company's main bankers. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

DISCLOSURE IN THE STRATEGIC REPORT

The directors have chosen to disclose the Review of the Business and Principal Risks and Uncertainties of the business within the the company's Strategic Report.

**Report of the Directors
for the Year Ended 31 October 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Mr T Leggett - Director

8 March 2023

Report of the Independent Auditors to the Members of Green 4 Motor Group Limited

Opinion

We have audited the financial statements of Green 4 Motor Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2022 which comprise the Consolidated Statement of Income and Retained Earnings, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 October 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 group's and the parent 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

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

**Report of the Independent Auditors to the Members of
Green 4 Motor Group Limited**

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Report of the Independent Auditors to the Members of Green 4 Motor Group Limited

Auditors' 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 a Report of the Auditors 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.

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance
- The company's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the board
- Any matters identified having reviewed the company's procedures
- Matters discussed among our audit engagement team and other members of Underwood Green regarding how fraud might occur in the financial statements.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud. We are also required to perform specific procedures to respond to the risks of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing 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 included UK companies Act and tax legislation.

We also considered adherence to anti bribery laws, data protection employment law and health and safety regulations.

Audit response to risks identified

As a result of performing the above, we identified the disclosure of adjusting items in the financial statements.

In addition to the above, our procedures to respond to risks identified included;

- Reviewing the financial statement disclosures
- Enquiring of management concerning actual and potential litigation and claims
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journals and assessing whether judgements made in making accounting estimates are indicative of potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Green 4 Motor Group Limited**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Gary Underwood (Senior Statutory Auditor)
for and on behalf of Underwood Green Limited, Statutory Auditor
Pinnacle House
1 Pinnacle Way
Derby
Derbyshire
DE24 8ZS

8 March 2023

Green 4 Motor Group Limited (Registered number: 08777828)

**Consolidated
Statement of Income and
Retained Earnings
for the Year Ended 31 October 2022**

	Notes	2022 £	2021 £
TURNOVER		41,643,456	37,470,756
Cost of sales		<u>39,068,861</u>	<u>35,605,362</u>
GROSS PROFIT		2,574,595	1,865,394
Administrative expenses		<u>1,383,865</u>	<u>1,159,471</u>
		1,190,730	705,923
Other operating income		-	119,442
OPERATING PROFIT	4	<u>1,190,730</u>	<u>825,365</u>
Interest receivable and similar income		2,642	-
PROFIT BEFORE TAXATION		<u>1,193,372</u>	<u>825,365</u>
Tax on profit	5	228,825	153,563
PROFIT FOR THE FINANCIAL YEAR		<u>964,547</u>	<u>671,802</u>
Retained earnings at beginning of year		912,633	441,791
Dividends	7	(502,417)	(200,960)
RETAINED EARNINGS FOR THE GROUP AT END OF YEAR		<u><u>1,374,763</u></u>	<u><u>912,633</u></u>
Profit attributable to: Owners of the parent		<u><u>964,547</u></u>	<u><u>671,802</u></u>

The notes form part of these financial statements

Green 4 Motor Group Limited (Registered number: 08777828)

**Consolidated Balance Sheet
31 October 2022**

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	8		(151,578)		(164,210)
Tangible assets	9		458,805		435,128
Investments	10		<u>-</u>		<u>-</u>
			307,227		270,918
CURRENT ASSETS					
Stocks	11	4,674,574		3,620,405	
Debtors	12	1,506,596		880,843	
Cash at bank and in hand		<u>1,849,968</u>		<u>1,659,495</u>	
		8,031,138		6,160,743	
CREDITORS					
Amounts falling due within one year	13	<u>6,540,129</u>		<u>4,988,392</u>	
NET CURRENT ASSETS			<u>1,491,009</u>		<u>1,172,351</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,798,236		1,443,269
CREDITORS					
Amounts falling due after more than one year	14		(208,334)		(314,584)
PROVISIONS FOR LIABILITIES	18		<u>(65,739)</u>		<u>(66,652)</u>
NET ASSETS			<u>1,524,163</u>		<u>1,062,033</u>
CAPITAL AND RESERVES					
Called up share capital	19		124,600		124,600
Capital redemption reserve	20		24,800		24,800
Retained earnings	20		<u>1,374,763</u>		<u>912,633</u>
SHAREHOLDERS' FUNDS			<u>1,524,163</u>		<u>1,062,033</u>

The financial statements were approved by the Board of Directors and authorised for issue on 8 March 2023 and were signed on its behalf by:

Mr T Leggett - Director

Green 4 Motor Group Limited (Registered number: 08777828)

**Company Balance Sheet
31 October 2022**

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		-		-
Investments	10		<u>250,100</u>		<u>250,100</u>
			250,100		250,100
CURRENT ASSETS					
Debtors	12	468,518		-	
Cash at bank		<u>916,312</u>		<u>1,421,348</u>	
		1,384,830		1,421,348	
CREDITORS					
Amounts falling due within one year	13	<u>1,485,530</u>		<u>1,522,048</u>	
NET CURRENT LIABILITIES			<u>(100,700)</u>		<u>(100,700)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>149,400</u>		<u>149,400</u>
CAPITAL AND RESERVES					
Called up share capital	19		124,600		124,600
Capital redemption reserve	20		<u>24,800</u>		<u>24,800</u>
SHAREHOLDERS' FUNDS			<u>149,400</u>		<u>149,400</u>
Company's profit for the financial year			<u>502,417</u>		<u>200,960</u>

The financial statements were approved by the Board of Directors and authorised for issue on 8 March 2023 and were signed on its behalf by:

Mr T Leggett - Director

Green 4 Motor Group Limited (Registered number: 08777828)

**Consolidated Cash Flow Statement
for the Year Ended 31 October 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	1,430,059	842,188
Tax paid		<u>(129,544)</u>	<u>(60,776)</u>
Net cash from operating activities		<u>1,300,515</u>	<u>781,412</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(308,301)	(400,402)
Sale of tangible fixed assets		169,755	72,458
Interest received		2,642	-
Net cash from investing activities		<u>(135,904)</u>	<u>(327,944)</u>
Cash flows from financing activities			
New loans in year		-	125,000
Loan repayments in year		(94,620)	(46,462)
Capital repayments in year		-	(8,471)
Amount withdrawn by directors		(377,101)	(37,644)
Equity dividends paid		<u>(502,417)</u>	<u>(200,960)</u>
Net cash from financing activities		<u>(974,138)</u>	<u>(168,537)</u>
Increase in cash and cash equivalents		<u>190,473</u>	<u>284,931</u>
Cash and cash equivalents at beginning of year	2	1,659,495	1,374,564
Cash and cash equivalents at end of year	2	<u>1,849,968</u>	<u>1,659,495</u>

The notes form part of these financial statements

Green 4 Motor Group Limited (Registered number: 08777828)

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 October 2022**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	1,193,372	825,365
Depreciation charges	102,237	120,902
Loss on disposal of fixed assets	-	48,396
(Decrease)/Increase in consignment stock	-	(1,877,867)
Finance income	(2,642)	-
	<u>1,292,967</u>	<u>(883,204)</u>
(Increase)/decrease in stocks	(1,054,169)	1,490,661
Increase in trade and other debtors	(157,235)	(624,446)
Increase in trade and other creditors	<u>1,348,496</u>	<u>859,177</u>
Cash generated from operations	<u><u>1,430,059</u></u>	<u><u>842,188</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 October 2022

	31.10.22	1.11.21
	£	£
Cash and cash equivalents	<u>1,849,968</u>	<u>1,659,495</u>

Year ended 31 October 2021

	31.10.21	1.11.20
	£	£
Cash and cash equivalents	<u>1,659,495</u>	<u>1,374,564</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.11.21	Cash flow	At 31.10.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>1,659,495</u>	<u>190,473</u>	<u>1,849,968</u>
	<u>1,659,495</u>	<u>190,473</u>	<u>1,849,968</u>
Debt			
Debts falling due within 1 year	(94,620)	(11,630)	(106,250)
Debts falling due after 1 year	<u>(314,584)</u>	<u>106,250</u>	<u>(208,334)</u>
	<u>(409,204)</u>	<u>94,620</u>	<u>(314,584)</u>
Total	<u><u>1,250,291</u></u>	<u><u>285,093</u></u>	<u><u>1,535,384</u></u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 31 October 2022

1. STATUTORY INFORMATION

Green 4 Motor Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the use of fair values for certain financial instruments in accordance with the accounting policies set out below.

Basis of consolidation

The consolidated financial statements includes all of group's subsidiaries being; Green 4 Holdings Limited, Green 4 Motor Company Limited and Green 4 Investments Limited.

Significant judgements and estimates

In the application of the companies accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is reversed if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

No significant judgements have been made by managements in preparing these financial statements.

Key sources of estimation uncertainty

No key sources of uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Turnover

The company recognises revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits can be reliably measured, and it is probable that future economic benefits will flow to the entity. Revenue from the sale of goods is recognised when the risks and rewards of ownership are transferred to the customer. Revenue from services is recognised in the accounting periods in which the services are rendered.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Improvements to property	-	14.28%/20% on cost
Plant and machinery	-	20%/33% on cost
Fixtures and fittings	-	20%/33% on cost
Computer equipment	-	33% on cost
Motor vehicles	-	20%/33% on cost

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2022

2. ACCOUNTING POLICIES - continued

Stocks

Stocks consists of new and used cars for sale, together with spare parts and are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is determined using the first-in, first out (FIFO) method. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Stocks held on consignment are accounted for on the balance sheet when in terms of a consignment and commercial practice indicate that the principal benefit and risks of owning the stocks rest with the company. The corresponding creditor is accordingly accounted for on the balance sheet.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of liability.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Intangible fixed liabilities

Negative goodwill arises on the consolidation of the group accounts following the purchase of Coventry Motor Company Holdings Limited in January 2014 and is being amortised over 20 years. In the opinion of the directors, this represents a prudent estimate of the period over which the company will derive economic benefit from the reputation and customer loyalty acquired as part of that business.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2022

2. ACCOUNTING POLICIES - continued

Financial instruments

The limited company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from and to related parties and bank loans.

Cash and cash equivalents

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

Trade debtors

Trade debtors are amounts due for goods sold or services rendered in the ordinary course of business.

Trade debtors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtor.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade creditors are classified as current liabilities of the company does not have an unconditional right, at the end of the reporting date, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

3. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	1,382,668	1,367,418
Social security costs	171,333	151,337
Other pension costs	33,623	36,049
	<u>1,587,624</u>	<u>1,554,804</u>

The average number of employees during the year was as follows:

	2022	2021
Management and Administration	24	21
Sales	14	14
Parts and Servicing	32	36
	<u>70</u>	<u>71</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 70 (2021 - 71).

	2022	2021
	£	£
Directors' remuneration	<u>174,232</u>	<u>132,490</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2022

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Hire of plant and machinery	-	1,328
Other operating leases	341,495	303,458
Depreciation - owned assets	114,869	133,534
Loss on disposal of fixed assets	-	48,396
Goodwill amortisation	(12,632)	(12,632)
Auditors' remuneration	<u>20,100</u>	<u>21,000</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	229,738	129,530
Deferred tax	<u>(913)</u>	<u>24,033</u>
Tax on profit	<u>228,825</u>	<u>153,563</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Profit before tax	<u>1,193,372</u>	<u>825,365</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	226,741	156,819
Effects of:		
Expenses not deductible for tax purposes	(2,400)	(1,168)
Capital allowances in excess of depreciation	-	(21,371)
Depreciation in excess of capital allowances	9,027	-
Deferred income taxable	-	(4,750)
Deferred tax charge	(913)	24,033
Profit on disposal	<u>(3,630)</u>	<u>-</u>
Total tax charge	<u>228,825</u>	<u>153,563</u>

6. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Green 4 Motor Group Limited (Registered number: 08777828)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2022**

7. DIVIDENDS

	2022	2021
	£	£
Interim	<u>502,417</u>	<u>200,960</u>

8. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 November 2021
and 31 October 2022 (262,477)

AMORTISATION

At 1 November 2021 (98,267)
Amortisation for year (12,632)
At 31 October 2022 (110,899)

NET BOOK VALUE

At 31 October 2022 (151,578)
At 31 October 2021 (164,210)

Negative goodwill arises on the consolidation of the group accounts following the purchase of Green 4 Holdings Limited in previous years and is being amortised over 20 years. In the opinion of the directors, this represents a prudent estimate of the period over which the company will derive economic benefit from the reputation and customer loyalty acquired as part of that business.

9. TANGIBLE FIXED ASSETS

Group

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 November 2021	447,247	64,523	109,880
Additions	59,282	11,298	9,334
Disposals	-	-	-
At 31 October 2022	<u>506,529</u>	<u>75,821</u>	<u>119,214</u>
DEPRECIATION			
At 1 November 2021	210,383	44,250	80,101
Charge for year	60,828	6,480	14,311
Eliminated on disposal	-	-	-
At 31 October 2022	<u>271,211</u>	<u>50,730</u>	<u>94,412</u>
NET BOOK VALUE			
At 31 October 2022	<u>235,318</u>	<u>25,091</u>	<u>24,802</u>
At 31 October 2021	<u>236,864</u>	<u>20,273</u>	<u>29,779</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2022

9. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 November 2021	157,787	23,913	803,350
Additions	225,102	3,285	308,301
Disposals	(188,863)	-	(188,863)
At 31 October 2022	<u>194,026</u>	<u>27,198</u>	<u>922,788</u>
DEPRECIATION			
At 1 November 2021	24,024	9,464	368,222
Charge for year	24,841	8,409	114,869
Eliminated on disposal	(19,108)	-	(19,108)
At 31 October 2022	<u>29,757</u>	<u>17,873</u>	<u>463,983</u>
NET BOOK VALUE			
At 31 October 2022	<u>164,269</u>	<u>9,325</u>	<u>458,805</u>
At 31 October 2021	<u>133,763</u>	<u>14,449</u>	<u>435,128</u>

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 November 2021 and 31 October 2022	<u>250,100</u>
NET BOOK VALUE	
At 31 October 2022	<u>250,100</u>
At 31 October 2021	<u>250,100</u>

Green 4 Motor Group Limited (Registered number: 08777828)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2022**

10. FIXED ASSET INVESTMENTS - continued

	Country of incorporation	Class of shares	Percentage held by the company	Nature of business
Green 4 Holdings Limited	England	Ordinary	100%	Holding Company
Green 4 Motor Company Limited *	England	Ordinary	100%	Motor vehicle retailers
Green 4 Investments Limited	England	Ordinary	100%	Investment Company

* Held by Green 4 Holdings Limited

The registered office addresses of the above named companies, are the same as Green 4 Motor Group Limited, which is detailed on the Company Information page.

11. STOCKS

	Group	
	2022	2021
	£	£
Finished goods	<u>4,674,574</u>	<u>3,620,405</u>

Stocks pledged as security for funding facilities amounted to £4,412,242 (2021: £3,271,517).

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	773,376	625,657	-	-
Other debtors	10,000	32,012	-	-
Directors' current accounts	410,862	-	410,862	-
Tax	57,656	-	57,656	-
Prepayments and accrued income	<u>254,702</u>	<u>223,174</u>	<u>-</u>	<u>-</u>
	<u>1,506,596</u>	<u>880,843</u>	<u>468,518</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2022

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Bank loans and overdrafts (see note 15)	106,250	94,620	-	-
Trade creditors	1,830,621	1,362,581	-	-
Consignment stock creditor	1,354,763	610,435	-	-
Vehicle funding creditor	2,075,925	1,954,472	-	-
Amounts owed to group undertakings	-	-	1,356,907	1,484,842
Tax	287,380	129,530	57,656	-
Social security and other taxes	111,225	111,716	-	-
VAT	93,223	135,516	-	-
Other creditors	188,709	146,584	-	-
Directors' current accounts	70,967	37,206	70,967	37,206
Accruals and deferred income	421,066	405,732	-	-
	<u>6,540,129</u>	<u>4,988,392</u>	<u>1,485,530</u>	<u>1,522,048</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2022 £	2021 £
Bank loans (see note 15)	<u>208,334</u>	<u>314,584</u>

15. LOANS

An analysis of the maturity of loans is given below:

		Group	
		2022 £	2021 £
Amounts falling due within one year or on demand:			
Bank loans		<u>106,250</u>	<u>94,620</u>
Amounts falling due between one and two years:			
Bank loans - 1-2 years		<u>106,250</u>	<u>106,248</u>
Amounts falling due between two and five years:			
Bank loans - 2-5 years		<u>102,084</u>	<u>208,336</u>

Bank loan terms of repayment are 60 months and interest is payable at 3% over base on the principle amount.

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Green 4 Motor Group Limited (Registered number: 08777828)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2022**

Group

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	315,920	318,500
Between one and five years	1,053,911	1,150,075
In more than five years	<u>1,632,559</u>	<u>1,929,756</u>
	<u>3,002,390</u>	<u>3,398,331</u>

Operating lease payments recognised as an expense in the year amounted to £341,495 (2021: £303,458).

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2022	2021
	£	£
Bank loans	<u>314,584</u>	<u>409,204</u>

The bank loan is secured by way of a Debenture, being a fixed and floating charge over the whole assets of the company.

18. PROVISIONS FOR LIABILITIES

	Group	
	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	<u>65,739</u>	<u>66,652</u>

Group

	Deferred tax
	£
Balance at 1 November 2021	66,652
Provided during year	(913)
Balance at 31 October 2022	<u>65,739</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2022	2021
Number:	Class:	Nominal value:	£	£
124,600	Ordinary	£1	<u>124,600</u>	<u>124,600</u>

The above shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2022

20. RESERVES

Group

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 November 2021	912,633	24,800	937,433
Profit for the year	964,547		964,547
Dividends	(502,417)		(502,417)
At 31 October 2022	<u>1,374,763</u>	<u>24,800</u>	<u>1,399,563</u>

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 November 2021	-	24,800	24,800
Profit for the year	502,417		502,417
Dividends	(502,417)		(502,417)
At 31 October 2022	<u>-</u>	<u>24,800</u>	<u>24,800</u>

21. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged against profits represent the contributions payable to the scheme in respect of the accounts accounting period and amounts to £33,623 (2021: £36,049.) There were £2,879 outstanding contributions payable at the year end.

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 October 2022 and 31 October 2021:

	2022 £	2021 £
T Leggett		
Balance outstanding at start of year	(37,172)	(74,815)
Amounts advanced	734,258	158,706
Amounts repaid	(286,224)	(121,063)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>410,862</u>	<u>(37,172)</u>

Interest has been charged on the overdrawn directors loan account balance at the HM Revenue & Customs official rate of interest for the year being 2%.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2022

23. **RELATED PARTY DISCLOSURES**

Key management personnel of the entity or its parent (in the aggregate)

During the year, the total amount paid to key management personnel, including directors fees, was £193,210 (2021: £143,249).

Other related parties

The total amount of rent payable to companies with common directors was £Nil (2021: £43,381).

24. **ULTIMATE CONTROLLING PARTY**

The controlling party is T Leggett.

Mr T Leggett owns 55.2% of the company's share capital at the year end and therefore has control.

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.