

Registered number: 07129638

PAUL RIGBY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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PAUL RIGBY LIMITED

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PAUL RIGBY LIMITED

COMPANY INFORMATION

Directors	P M Rigby M A Rigby N A Gray A O L Kirkham C J Walsh
Registered number	07129638
Registered office	Chester Road Erdington Birmingham B24 0QY
Independent auditors	MHA Moorgate House 201 Silbury Boulevard Milton Keynes Buckinghamshire MK9 1LZ

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Introduction

The Directors present the Company's Strategic report for the year ended 31 December 2023.

Business review

The Company's primary business activities for the financial year ended 31 December 2023 continued to be the sale of new and used motor cars, and the repair and service of motor cars as a franchised dealer selling Hyundai, Volvo, MG, LEVC and Polestar brands. The directors are pleased to report stabilised profits for the year ended 31 December 2023, aligning with our budget and expectations. This achievement is notable despite a challenging economic and operational environment, characterised by continued supply chain issues, increased energy prices, and inflationary pressures.

The dealerships are generating substantial profits and returns, and we are confident that our turnover and profits will remain sustainable in the current financial year. We are committed to pursuing new opportunities to grow the business and develop our brand in an increasingly competitive and dynamic sector.

It is also noteworthy that the business has a significant amount of cash, £4.7 million, and no overdraft costs, further strengthening our financial position and ability to invest in future growth opportunities.

Principal risks and uncertainties

The markets in which our Company operates continue to be highly competitive, with the risk that customers may choose alternative brands that we do not supply. To mitigate this risk, we maintain a strong focus on delivering high customer satisfaction, which is regularly monitored.

Additionally, there is an ongoing risk related to the availability of new cars and parts from manufacturers, as supply chain issues affect product availability. This could materially impact our customer satisfaction levels, which we prioritize highly.

Moreover, our overhead costs are rising in line with inflation, posing a risk to our margins and profitability. We remain vigilant in managing these costs to protect our financial health.

PAUL RIGBY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Financial key performance indicators

The following sections provide a detailed summary of our financial performance across different areas of our business:

Total Group Summary

- Service: Overall cumulative service net profit increased by 33.6%, indicating strong and effective service operations.
- Bodyshop & Prep: Cumulative performance improved by 63.9%, demonstrating recovery and growth in bodyshop and preparation services.
- Parts: Cumulative parts net profit increased by 25.7%, showcasing successful parts sales strategies and robust performance.

The cumulative data across these segments demonstrate a substantial overall improvement in group performance, with a 38.6% increase, highlighting the effectiveness of our strategic initiatives and operational efficiencies.

The directors are optimistic about sustaining this positive trajectory in the coming year, with ongoing investments and strategic growth initiatives designed to strengthen our market position and financial performance.

Other key performance indicators

The business produces internal monthly management accounts which include number of units sold, customer satisfaction scores (as discussed above) and profits per dealership. These are benchmarked against other similar businesses in the same brand and we try to ensure we remain in the upper quartile in all of our locations. Staff retention and employee feedback is also measured in each location to ensure we have a consistent approach with all of our employees across each location.

Directors' statement of compliance with duty to promote the success of the Company

In the opinion of the directors, we believe we have acted in good faith and for the benefit of the Company to ensure the decisions made continue to promote and grow the business and ensure its future success.

This report was approved by the board and signed on its behalf.



P M Rigby
Director

Date: 22/07/2024

PAUL RIGBY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £2,085,401 (2022 - £2,670,362).

During the year, dividends of £68,408 were declared (2022 - £135,224).

Directors

The directors who served during the year were:

P M Rigby
M A Rigby
N A Gray
A O L Kirkham
C J Walsh

Future developments

The future developments are disclosed in the Strategic Report.

PAUL RIGBY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Engagement with suppliers, customers and others

We ensure, at all times, we pay our suppliers in line with their own terms of business and all of the manufacturers we work with, in line with industry practice, have access to our bank accounts to ensure all new vehicle stock and parts are paid for immediately when they fall due.

We regularly monitor customer feedback and ensure we provide balanced advice.

The Company values its employees highly and we continue to measure staff retention rates and employee satisfaction at regular intervals throughout the year. We provide modern, clean and up to date facilities in all of our locations to ensure we are able to employ any employee, regardless of gender or physical ability.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company's greenhouse gas emissions and energy consumption are as follows:

	2023	2022
Emissions resulting from activities for which the Company is responsible involving the combustion of gas or consumption of fuel for the purposes of transport (in tonnes of CO2 equivalent)	51	43
Emissions resulting from the purchase of the electricity by the Company for its own use, including the purposes of transport (in tonnes of CO2 equivalent)	148	126
Energy consumed from activities for which the Company is responsible involving the combustion of gas, or the consumption of fuel for the purposes of transport, and the annual quantity of energy consumed resulting from the purchase of electricity by the Company for its own use, including for the purposes of transport, in kWh	939,333	743,858

The disclosure has been calculated and prepared following the 2013 UK Government environmental reporting guidance along with the 2023 UK Government's Conversion factors for company reporting.

Intensity ratio tonnes of CO2 equivalent per £million (revenue) 1.72 (2022 - 1.71)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, MHA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

PAUL RIGBY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

This report was approved by the board and signed on its behalf.



P M Rigby
Director

Date: 22/07/2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAUL RIGBY LIMITED

Opinion

We have audited the financial statements of Paul Rigby Limited (the 'Company') for the year ended 31 December 2023, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2023 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAUL RIGBY LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAUL RIGBY LIMITED (CONTINUED)

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 an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiry of management around actual and potential litigation and claims;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

PAUL RIGBY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAUL RIGBY LIMITED (CONTINUED)

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 Auditors' 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.



Robert John Butler FCA (Senior Statutory Auditor)

for and on behalf of

MHA

Statutory Auditors

Milton Keynes, United Kingdom

Date: 22/07/2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

PAUL RIGBY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Turnover	4	115,177,083	98,615,525
Cost of sales		(101,239,979)	(86,080,027)
Gross profit		13,937,104	12,535,498
Administrative expenses		(10,563,711)	(8,749,196)
Operating profit		3,373,393	3,786,302
Interest payable and similar expenses	8	(648,432)	(386,609)
Profit before tax		2,724,961	3,399,693
Tax on profit	9	(639,560)	(729,331)
Profit for the financial year		2,085,401	2,670,362

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 16 to 31 form part of these financial statements.

PAUL RIGBY LIMITED
REGISTERED NUMBER: 07129638

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	2,220,525	2,449,951
		<u>2,220,525</u>	<u>2,449,951</u>
Current assets			
Stocks	12	16,098,498	19,872,959
Debtors: amounts falling due within one year	13	3,581,409	3,192,506
Cash at bank and in hand	14	4,718,970	4,815,955
		<u>24,398,877</u>	<u>27,881,420</u>
Creditors: amounts falling due within one year	15	(17,136,662)	(22,617,268)
Net current assets		<u>7,262,215</u>	<u>5,264,152</u>
Total assets less current liabilities		<u>9,482,740</u>	<u>7,714,103</u>
Creditors: amounts falling due after more than one year	16	(168,337)	(377,375)
Provisions for liabilities			
Deferred tax	18	(308,262)	(347,581)
		<u>(308,262)</u>	<u>(347,581)</u>
Net assets		<u><u>9,006,141</u></u>	<u><u>6,989,147</u></u>
Capital and reserves			
Called up share capital	19	300,003	300,002
Profit and loss account		8,706,138	6,689,145
		<u>9,006,141</u>	<u>6,989,147</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


P M Rigby
Director

Date: 22/07/2024

The notes on pages 16 to 31 form part of these financial statements.

PAUL RIGBY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2022	300,002	4,154,007	4,454,009
Profit for the year	-	2,670,362	2,670,362
Dividends: Equity capital	-	(135,224)	(135,224)
At 1 January 2023	300,002	6,689,145	6,989,147
Profit for the year	-	2,085,401	2,085,401
Dividends: Equity capital	-	(68,408)	(68,408)
Shares issued during the year	1	-	1
At 31 December 2023	300,003	8,706,138	9,006,141

The notes on pages 16 to 31 form part of these financial statements.

PAUL RIGBY LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	2,085,401	2,670,362
Adjustments for:		
Depreciation of tangible assets	475,222	406,527
Interest paid	648,432	386,609
Taxation charge	639,560	729,331
Decrease/(increase) in stocks	3,774,461	(8,028,894)
(Increase) in debtors	(388,903)	(1,763,177)
(Decrease)/increase in creditors	(5,104,174)	8,504,259
Corporation tax (paid)	(1,050,265)	(219,500)
Net cash generated from operating activities	1,079,734	2,685,517
Cash flows from investing activities		
Purchase of tangible fixed assets	(245,796)	(1,038,564)
Net cash from investing activities	(245,796)	(1,038,564)
Cash flows from financing activities		
Issue of ordinary shares	1	-
Repayment of loans	(214,084)	(140,916)
Dividends paid	(68,408)	(135,224)
Interest paid	(648,432)	(386,609)
Net cash used in financing activities	(930,923)	(662,749)
Net (decrease)/increase in cash and cash equivalents	(96,985)	984,204
Cash and cash equivalents at beginning of year	4,815,955	3,831,751
Cash and cash equivalents at the end of year	4,718,970	4,815,955
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,718,970	4,815,955
	4,718,970	4,815,955

The notes on pages 16 to 31 form part of these financial statements.

PAUL RIGBY LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	4,815,955	(96,985)	4,718,970
Debt due after 1 year	(337,421)	99,088	(238,333)
Debt due within 1 year	(174,996)	114,996	(60,000)
	<u>4,303,538</u>	<u>117,099</u>	<u>4,420,637</u>

The notes on pages 16 to 31 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

Paul Rigby Limited (registered number 07129638) a private company limited by shares, registered in England and Wales. The registered office is shown on the Company Information page.

The trading addresses during the year are:

Grange Lane, Lye, Stourbridge, West Midlands, DY9 7HH

12 Station St, Bromsgrove, Worcestershire, B60 2BS

5 Tyburn Way, Birmingham, West Midlands, B24 0AZ

Washford Drive, Redditch, Worcestershire, B98 0HX

The Touchwood Shopping Centre, 9 Crescent Arcade, B91 3GZ

Chester Road, Erdington, West Midlands, B24 0QY

The principal activity of the Company is that of retail and servicing of motor vehicles and parts.

The financial statements are presented in Pound Sterling, which is the functional currency of the Company. The financial statements are rounded to the nearest £1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

The Company has increased revenue and maintained profitability during the year. These profits have continued to remain strong post year end. The Company has a healthy cash balance which is more than adequate to fund business operations. The Company also have various stock funding facilities at our disposal.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Target related income and other manufacturer support

Vehicle registration bonuses that are specific to a vehicle are offset against the vehicle purchase price and recognised in cost of sales.

Target related bonuses and other similar incomes are recognised in revenue as performance criteria have to be met in order for the bonus to be earned. These incomes are recognised as the performance criteria are met.

Other bonuses such as but not limited to marketing contributions and salary support are recognised in other operating income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- lower of lease term or straight line over 8-15 years
Plant and machinery	- straight line over 5-10 years
Motor vehicles	- straight line over 5 years
Fixtures and fittings	- straight line over 5-10 years
Computer equipment	- straight line over 3-5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Consignment vehicles are regarded as being under the control of the Company when significant risks and responsibilities of ownership are deemed to have passed to the Company. These values are included within stocks on the balance sheet although legal title has not passed to the Company. The corresponding liability is included as new vehicle funding as it is secured directly on these vehicles.

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Determining net realisable value of stock

In determining the net realisable value of stock, management takes into account the most reliable evidence available at the dates the estimates are made. The Company's core business is continuously subject to rapid technology changes which may cause inventory obsolescence. Moreover, future realisation of the carrying amounts of stock is affected by price changes in different market segments. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the Company's stock within the next financial reporting period.

(b) Estimating useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available to use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Based on the management's assessment as at 31 December 2023, there is no change in estimated useful lives of those assets during the period. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

PAUL RIGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Turnover

An analysis of turnover by class of business is as follows:

	2023	2022
	£	£
Vehicle sales	99,203,671	85,441,444
Parts and service sales	9,720,106	8,424,860
Bonus income	3,945,890	2,074,586
Agency income	2,307,416	2,674,635
	<u>115,177,083</u>	<u>98,615,525</u>

5. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2023	2022
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	30,000	25,750
Fees payable to the Company's auditors in respect of:		
Taxation compliance services	2,500	2,500
All non-audit services not included above	2,500	2,500
	<u>2,500</u>	<u>2,500</u>

PAUL RIGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2023	2022
	£	£
Wages and salaries	4,966,497	3,957,958
Social security costs	478,366	398,511
Cost of defined contribution scheme	95,331	78,528
	5,540,194	4,434,997

The average monthly number of employees, including the directors, during the year was as follows:

	2023	2022
	No.	No.
Productive staff	48	28
Management staff	28	13
General staff	80	61
Sales staff	63	30
	219	132

7. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	449,152	475,448
Company contributions to defined contribution pension schemes	4,321	3,811
	453,473	479,259

During the year retirement benefits were accruing to 2 directors (2022 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £218,717 (2022 - £251,960).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2022 - £NIL).

During the year, remuneration of £601,454 (2022 - £627,803) was paid to key management personnel.

PAUL RIGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	1,381	25,033
Vehicle stocking interest	647,051	361,576
	648,432	386,609

9. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	688,266	584,652
Adjustments in respect of previous periods	(9,387)	-
Total current tax	678,879	584,652
Deferred tax		
Origination and reversal of timing differences	(39,319)	144,679
	639,560	729,331

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *higher than*) the standard rate of corporation tax in the UK of 23.52% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>2,724,961</u>	<u>3,399,693</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	640,911	645,942
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(8,607)	9,574
Depreciation in the year in excess of capital allowances/(Capital allowances for year in excess of depreciation)	55,962	(70,864)
Adjustments to tax charge in respect of prior periods	(9,387)	-
Deferred tax	(39,319)	144,679
Total tax charge for the year	<u>639,560</u>	<u>729,331</u>

Factors that may affect future tax charges

On 1 April 2023 the main rate of corporation tax in the UK increased to 25%.

10. Dividends

	2023 £	2022 £
Dividends paid on Ordinary shares	60,000	120,000
Dividends paid on Ordinary B shares	8,408	15,224
	<u>68,408</u>	<u>135,224</u>

PAUL RIGBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 January 2023	2,372,083	754,283	-	248,777	152,882	3,528,025
Additions	50,795	53,375	100,260	15,358	26,008	245,796
At 31 December 2023	2,422,878	807,658	100,260	264,135	178,890	3,773,821
Depreciation						
At 1 January 2023	385,735	351,510	-	229,312	111,517	1,078,074
Charge for the year on owned assets	314,618	106,381	9,735	18,408	26,080	475,222
At 31 December 2023	700,353	457,891	9,735	247,720	137,597	1,553,296
Net book value						
At 31 December 2023	1,722,525	349,767	90,525	16,415	41,293	2,220,525
At 31 December 2022	1,986,348	402,773	-	19,465	41,365	2,449,951

PAUL RIGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Stocks

	2023	2022
	£	£
Parts stock	247,799	224,855
Vehicle stock	15,850,699	19,648,104
	<u>16,098,498</u>	<u>19,872,959</u>

13. Debtors

	2023	2022
	£	£
Trade debtors	1,996,776	1,549,116
Other debtors	1,369,007	1,360,543
Prepayments and accrued income	215,626	282,847
	<u>3,581,409</u>	<u>3,192,506</u>

14. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	4,718,970	4,815,955
	<u>4,718,970</u>	<u>4,815,955</u>

PAUL RIGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank loans	-	10,000
Other loans	129,996	164,996
Trade creditors	1,227,783	2,245,135
Corporation tax	213,266	584,652
Other taxation and social security	183,213	124,232
Other creditors	14,629,741	18,598,433
Accruals and deferred income	752,663	889,820
	<u>17,136,662</u>	<u>22,617,268</u>

Included within other creditors is £14,438,079 (2022 - £18,139,680) which is secured by a fixed and floating charge over the vehicle stock.

16. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Bank loans	-	39,084
Other loans	168,337	298,337
Other creditors	-	39,954
	<u>168,337</u>	<u>377,375</u>

PAUL RIGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

17. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	-	10,000
Other loans	129,996	164,996
	<u>129,996</u>	<u>174,996</u>
Amounts falling due 1-2 years		
Bank loans	-	39,084
Other loans	153,337	129,996
	<u>153,337</u>	<u>169,080</u>
Amounts falling due 2-5 years		
Other loans	15,000	168,341
	<u>298,333</u>	<u>512,417</u>

There are three separate loans included within the Company.

Other Loan 1

There is no interest on the loan and the loan is repayable in 60 monthly installments of £5,000, ending in March 2026.

At the year end, a balance of £135,000 (2022 - £195,000) was outstanding on the loan.

Other Loan 2

Interest is charged on the loan at a fixed rate of 1.54% per annum.

The loan is repayable in 59 monthly installments of £5,833 and one final payment of £5,853, ending in May 2026.

At the year end, a balance of £163,333 (2022 - £233,333) was outstanding on the loan.

Other loan 3

The other loan was fully repaid during the year.

Bank Loan

The bank loan was fully repaid during the year.

PAUL RIGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

18. Deferred taxation

	2023 £	2022 £
At beginning of year	347,581	202,902
Charged to profit or loss	(39,319)	144,679
At end of year	308,262	347,581

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	310,309	360,179
Other	(2,047)	(12,598)
	308,262	347,581

19. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
300,000 (2022 - 300,000) Ordinary shares of £1.00 each	300,000	300,000
3 (2022 - 2) Ordinary B shares of £1.00 each	3	2
	300,003	300,002

1 Ordinary B share was issued for a consideration of £1.

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund. The amount recognised in the profit or loss in relation to defined contribution plans was £95,331 (2022 - £78,528). At the year end £22,357 (2022 - £57,845) was owed to the scheme.

PAUL RIGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

21. Commitments under operating leases

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	657,691	677,941
Later than 1 year and not later than 5 years	2,083,685	2,467,866
Later than 5 years	397,772	613,203
	<u>3,139,148</u>	<u>3,759,010</u>

22. Related party transactions

During the year the Company paid dividends totalling £68,408 (2022 - £135,224) to the Directors.

23. Controlling party

In the opinion of the Directors, the Company is under the control of P M Rigby due to his majority shareholding in the company.