Breeze Motor Company Limited

Registered number: 03943216

Annual report

For the year ended 31 December 2021

COMPANY INFORMATION

Director	J E Corderoy
Registered number	03943216
Registered office	5th Floor Merck House Seldown Lane Poole Dorset BH15 1TW
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor Merck House Seldown Lane Poole Dorset BH15 1TW
Bankers	Barclays Bank PLC Barclays House Ocean Village Southampton SO14 2ZP
Solicitors	Denton Wilde Sapte LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1FE

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Director presents his Strategic Report for the year ended 31 December 2021.

Business review and strategy

New Sales

New vehicle car sales volumes were heavily impacted by a global shortage of semi-conductors (computer chips) across the whole range of both Volkswagen passenger car and commercial vehicle product. Whilst this led to extended lead times, margins improved significantly in what was a supply/demand market.

Q1 2021 saw showroom closures due to COVID-19 restrictions, this saw improvements to the digital selling model that was implemented during the re-opening of the businesses after the first lockdown of 2020. Whilst a frustration, this style of retailing led to a further improved transactional quality through both unit and F+I profitability.

Used Sales

Due to supply shortages in new vehicles, used sales were an area of significant improvement during 2021 with all sites outperforming their individual budgets. Across the market, used vehicle values showed consistent improvement throughout the year which posed some challenges with re-stocking to match a strong rate of sale. This was managed through the use of market intelligence, effective stock profiling and a dynamic pricing strategy to ensure a maximised profit opportunity.

Future Developments

New Suzuki franchise will be opening in Q1 2022 after an extensive refurbishment. This diversifies the Breeze group and we continue to look to grow the business where the management team identifies a strategic fit.

Electrification continues to be an area of exceptional growth across the Volkswagen passenger car franchise. This model line-up is to be joined by the ID5, the 3rd model in the ID family due in spring 2022. Built on the same MEB platform, the commercial franchise will see the launch of the eagerly anticipated ID Buzz in both cargo and passenger carrying derivatives during late 2022. This is an exceptionally important product along with the new Multi-Van as a Caravelle replacement.

Coronavirus

The Breeze Management Team continue to react to government guidelines regarding COVID-19, there is an ongoing focus to ensure the businesses are correctly resourced in line with showroom closures and subsequent pent-up demand for those wishing for a physical transaction upon re-opening.

Principal risks and uncertainties

The management of the business and the nature of the Group's strategy are subject to a number of risks. The main risks arising are manufacturer product, competition, interest rate risk, credit risk and liquidity risk. The Director reviews and agrees policies for managing each of these risks and they are summarised below.

The Director is of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

Manufacturer product

We are reliant on our new vehicle product from Volkswagen which continues to be strong, despite a lack of physical supply. Whilst we are exposed to risks, we believe that the new product in future years from Volkswagen will be of a continued high quality. We mitigate this risk by focusing on our other core business areas including vehicle sales, parts sales and service sales.

Competition

The motor retail market in which the group operates is highly competitive. As a result there is constant downwards pressure on margins and the additional risk of being unable to meet customer's expectations. Policies of transparency in negotiations, constant price monitoring and continuing to focus on our high level of service are in place to mitigate such risks.

Interest rate risk

The Group finances its operations through a mixture of retained profits and the cash at bank. The Group's exposure to interest rate fluctuations on its borrowings is managed by the use of effective working capital management keeping borrowings within the agreed facilities limit.

The interest rate exposure of the financial assets and liability of the Group as at 31 December 2021 is shown in the balance sheet. The Group policy throughout the year has been to achieve an effective working capital management through the day to day involvement of management in business decisions.

Credit risk

The Group's principal financial assets are freehold property, stock, cash and trade debtors. The credit risk associated with cash is limited as the counter parties have high credit ratings assigned by international credit rating agencies. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the Director sets limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitability. The Group policy throughout the year has been to achieve this objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum liquidity ratios. Short term flexibility is achieved by overdraft facilities. The Group is encompassed in the Group facility.

BREXIT

New trading arrangements between the United Kingdom and the European Union took effect on 31 December 2020. In general, tariffs and quotas on trade have not been introduced, although administrative complications and regulatory restrictions have reduced the freedom of cross-border trade. The effect on the Group has been minimised due to the Volkswagen Group UK importing the vehicles into the UK for the network. The business is continually monitoring the supply chain to understand any delays due to BREXIT and the COVID-19 pandemic.

Financial key performance indicators

The Director has monitored the progress of the overall Group strategy and the individual strategic elements by reference to certain financial and non-financial key performance indicators.

	2021	2020	
Gross profit margin %	8.9	6.9	The ratio of gross profit to sales.
Operating profit margin %	3.3	1.6	The ratio of operating profit to sales.
Capital expenditure (£'000)	1,000	183	Investment made in respect of capital items.

Non-financial key performance indicators

New Customer Satisfaction	4.90/5
Used Customer Satisfaction	4.91/5
Aftersales Customer Satisfaction	4.62/5

Energy and emissions reporting

This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 1 January 2021 to 31 December 2021, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.

Our methodology to calculate our greenhouse gas emissions is based on the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)' issued by DEFRA, using DEFRA's 2020 and 2021 conversion factors as appropriate. In some cases, consumption has been extrapolated from available data or direct comparison made to a comparable period.

We report using a financial control approach to define our organisational boundary. We have reported all material emission sources required by the regulations for which we deem ourselves to be responsible and have maintained records of all source data and calculations.

During the reporting period, no energy efficiency actions have been taken. The table below includes total energy consumption (reported as kWh) and greenhouse gas emissions for the sources required by the regulations, along with our intensity ratio.

UK & Offshore	01/01/2021 – 31/12/2021	01/01/2020 – 31/12/2020
Total Energy Consumption – Used for Emissions Calculation (kWh)	929,650	718,883
Gas Combustion Emissions, Scope 1 (tCO_2e)	43	45
Purchased Electricity Emissions, Scope 2 (tCO_2e)	83	80
Vehicle Fuel Combustion Emissions, Scope 1 (tCO_2e)	70	31
Vehicle Fuel Combustion Emissions, Scope 3 (tCO_2e)	3	0
Total Gross Reported Emissions (tCO_2e)	199	156
Turnover (£m)	72.9	55.7
Intensity Ratio: Turnover (tCO_2e / £m)	2.7	2.8

Director's statement of compliance with duty to promote the success of the Group

Corporate governance within the Group provides a framework to not only demonstrate how the board makes decisions for the long term success of the Group and its stakeholders, but also has regard to how the board ensures the Group complies with the requirements of Section 172 of Companies Act 2006.

During 2021 the key decisions taken by the board included:

Manufacture Partners

- Sustained relationship with Volkswagen, Volkswagen Commercial Vehicles and Suzuki GB to improve business performance. We continue to engage in brand initiatives and systems to future proof the business.
- Regular dialogue between the Director and manufacturer partners to ensure a cohesive approach in driving progression through the business.
- Attendance to manufacturer conferences as required.
- Seek out additional opportunities with new or existing brands.

Director's statement of compliance with duty to promote the success of the Group (continued)

Financial Stakeholders

- Actively reporting strategic decisions, financial performance and controls to financial stakeholders.
- Continued communication with financial stakeholders through quarterly meetings to encourage sufficient financial reporting between stakeholders.

Employees

- Senior Management team provides monthly video updates to include business performance, strategy and other company news.
- Company specific management training provided to key managers within the Group.
- Regular performance reviews and performance related bonuses.
- Introduction of enhanced benefit package to include health and wellbeing benefits.

Environment/Regulation

- Continued roll out of the all-electric carbon neutral Volkswagen ID range.
- Work towards compliance of the 2030 ban on internal combustion engines as set out by the government.
- Initiated energy management initiative to proactively reduce the Group's energy usage and invest energy saving hardware for the future.
- Remaining up to date with government COVID-19 guidelines.
- Investment in energy efficient heating/cooling and lighting across the sites.

Customers/Community

- Ensure our customers get the very best experience measured by customer satisfaction surveys and acting on a feedback received.
- Various sponsorships within local community and continued support of local charities.
- Adopting a successful apprenticeship programme for young people.

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

J E Corderoy
Director

Date: 31 May 2022

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Results and dividends

The profit for the year, after taxation, amounted to £2,162,526 (2020: profit of £722,705).

The director recommended the payment of a dividend for the year of £335,000 (2020: £nil).

Principal activity

The principal activity of the Group and Company in the year under review was that of a motor retailer.

Director

The director who served during the year and to the date of this report was:

J E Corderoy

Director's responsibilities statement

The director is responsible for preparing the Group Strategic Report, the Director's Report and the consolidated financial statements in accordance with applicable laws and regulations.

Company laws require 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 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 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Going concern

The financial statements have been prepared on a going concern basis. In considering going concern, management has reviewed the financial information of the Group and the Company for a period of at least 12 months from the date of approval of the accounts. Having reviewed this information, management has a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Breeze continue to have the support of our financial stakeholders Barclays Bank, Lombard and Volkswagen Bank for the overdraft facility and stocking facility.

As at 31 December 2021 the Group reported a profit of £2,162,526 (2020: profit of £722,705) and a net asset position of £3,012,674 (2020: £1,110,148). The director has applied the going concern basis in preparing the financial statements.

Qualifying third party indemnity provisions

The Director benefits from a qualifying third party indemnity provision in the form permitted by the Section 234 of the Companies Act 2006 in respect of certain third party actions against the Director. No claim or notice of claim in respect of these indemnities has been received in the period. The qualifying indemnity provision was in force throughout the financial period and up to the date of approval of the Director's Report.

Matters covered in the Group Strategic Report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 1 to 6. These matters relate to business review, future development and principal risks and uncertainties.

Provision of information to auditor

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- he 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 and the Group's auditor is aware of that information.

Post balance sheet events

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

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

J E Corderoy
Director

Date: 31 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BREEZE MOTOR COMPANY LIMITED

Opinion

We have audited the financial statements of Breeze Motor Company Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Positions, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and 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 FRS 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 and the Company's affairs as at 31 December 2021 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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 Group and 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 the 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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BREEZE MOTOR COMPANY LIMITED

Responsibilities of Director

As explained more fully in the Director's Responsibilities Statement set out on page 6, 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 Group and 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 intends either to liquidate the Group and 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Group and Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: pension legislation, employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19, VW standards and WLTP.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the director's and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, revenue recognition (which we pinpointed to the cut-off assertion, and significant one-off or unusual transactions).

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

Use of the audit 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 Group and the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Lesley Fox (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor Merck House

Seldown Lane
Poole

Dorset
BH15 1TW

31 May 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	**4**	99,000,300	77,409,820
Cost of sales		(90,324,720)	(72,047,120)
Gross profit		8,675,580	5,362,700
Administrative expenses		(5,544,968)	(5,072,203)
Other operating income	**5**	162,643	965,190
Operating profit	**6**	3,293,255	1,255,687
Interest receivable and similar income	**10**	1,385	999
Interest payable and similar expenses	**11**	(533,974)	(505,727)
Profit before taxation		2,760,666	750,959
Tax on profit	**12**	(598,140)	(28,254)
Profit for the financial year		2,162,526	722,705
Unrealised surplus on revaluation of assets		75,000	-
Other comprehensive income		-	-
Total comprehensive income for the year		2,237,526	722,705
Profit for the year attributable to:			
Non-controlling interests		-	-
Owners of the parent Company		2,162,526	722,705
		2,162,526	722,705

The Consolidated Statement of Comprehensive Income is prepared on the basis that all operations are continuing operations.

The notes on pages 22 to 47 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	**14**		6,000		-
Tangible fixed assets	**15**		2,344,360		2,112,894
Investment property	**17**		740,000		680,000
			3,090,360		2,792,894
Current assets					
Stocks	**18**	13,894,088		18,937,248	
Debtors: amounts falling due within one year	**19**	2,175,622		3,188,704	
Cash and cash equivalents	**20**	2,851,545		194,623	
		18,921,255		22,320,575	
Creditors: amounts falling due within one year	**21**	(18,018,037)		(23,128,042)	
Net current assets/(liabilities)			903,218		(807,467)
Total assets less current liabilities			3,993,578		1,985,427
Creditors: amounts falling due after more than one year	**22**		(858,551)		(803,849)
Provisions for liabilities					
Deferred taxation	**26**	(122,353)		(71,430)	
			(122,353)		(71,430)
Net assets			3,012,674		1,110,148

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	**27**	75,000	75,000
Revaluation reserve	**28**	322,045	247,045
Profit and loss account	**28**	2,612,177	784,651
Equity attributable to owners of the parent Company		3,009,222	1,106,696
Non-controlling interests		3,452	3,452
Total equity		3,012,674	1,110,148

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

J E Corderoy
Director

Date: 31 May 2022

The notes on pages 22 to 47 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	**14**		6,000		-
Tangible fixed assets	**15**		1,672,546		1,297,981
Investments	**16**		1,685,564		1,685,564
Investment property	**17**		740,000		680,000
			4,104,110		3,663,545
Current assets					
Stocks	**18**	8,461,586		13,588,606	
Debtors: amounts falling due within one year	**19**	1,292,920		1,865,817	
Cash and cash equivalents	**20**	1,350,723		2,960	
		11,105,229		15,457,383	
Creditors: Amounts Falling Due Within One Year	**21**	(12,244,949)		(17,575,827)	
Net current liabilities			(1,139,720)		(2,118,444)
Total assets less current liabilities			2,964,390		1,545,101
Creditors: amounts falling due after more than one year	**22**		(831,668)		(390,865)
Provisions for liabilities					
Deferred taxation	**26**	(110,048)		(56,121)	
			(110,048)		(56,121)
Net assets			2,022,674		1,098,115

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	**27**	75,000	75,000
Revaluation reserve	**28**	322,045	247,045
Profit and loss account	**28**	1,625,629	776,070
Total equity		2,022,674	1,098,115

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £ 1,184,559 (2020: profit of £472,595).

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

J E Corderoy
Director

Date: 31 May 2022

The notes on pages 22 to 47 form part of these financial statements.

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

	Called up share capital	Revaluation reserve	Profit and loss account	Equity attributable to owners of parent Company	on-controlling interests	Total equity
	£	£	£	£	£	£
At 1 January 2020	75,000	247,045	61,946	383,991	3,452	387,443
Comprehensive income for the year						
Profit for the year	-	-	722,705	722,705	-	722,705
At 1 January 2021	75,000	247,045	784,651	1,106,696	3,452	1,110,148
Comprehensive income for the year						
Profit for the year	-	-	2,162,526	2,162,526	-	2,162,526
Surplus on revaluation of investment property	-	60,000	-	60,000	-	60,000
Surplus on revaluation of freehold property	-	15,000	-	15,000	-	15,000
Dividends	-	-	(335,000)	(335,000)	-	(335,000)
At 31 December 2021	75,000	322,045	2,612,177	3,009,222	3,452	3,012,674

The notes on pages 22 to 47 form part of these financial statements.

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

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	75,000	247,045	303,475	625,520
Comprehensive income for the year				
Profit for the year	-	-	472,595	472,595
At 1 January 2021	75,000	247,045	776,070	1,098,115
Comprehensive income for the year				
Profit for the year	-	-	1,184,559	1,184,559
Surplus on revaluation of investment property	-	60,000	-	60,000
Surplus on revaluation of freehold property	-	15,000	-	15,000
Dividends	-	-	(335,000)	(335,000)
At 31 December 2021	75,000	322,045	1,625,629	2,022,674

The notes on pages 22 to 47 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	2,162,526	722,705
Adjustments for:		
Amortisation of intangible assets	2,000	-
Depreciation of tangible fixed assets	389,839	405,040
Interest paid	533,974	505,727
Interest received	(1,385)	(999)
Taxation charge	598,140	28,254
Decrease/(increase) in stocks	5,043,212	(811,289)
Decrease in debtors	1,096,876	877,422
Increase in amounts owed by related party	(83,568)	(161,051)
Increase/(decrease) in creditors	(5,520,611)	1,031,281
Corporation tax (paid)/received	(66,020)	22,469
Net cash generated from operating activities	4,154,983	2,619,559
Cash flows from investing activities		
Purchase of intangible assets	(8,000)	-
Purchase of tangible fixed assets	(606,305)	(183,469)
Interest received	1,385	999
HP interest paid	(6,484)	(11,567)
Net cash from investing activities	(619,404)	(194,037)
Cash flows from financing activities		
New/(repayment) of loans	61,420	(169,947)
Repayment of finance leases	(63,217)	(68,227)
Dividends paid	(335,000)	-
Interest paid	(527,490)	(494,160)
Net cash used in financing activities	(864,287)	(732,334)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Net increase in cash and cash equivalents	2,671,292	1,693,188
Cash and cash equivalents at beginning of year	180,253	(1,512,935)
Cash and cash equivalents at the end of year	2,851,545	180,253
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,851,545	194,623
Bank overdrafts	-	(14,370)
	2,851,545	180,253

The notes on pages 22 to 47 form part of these financial statements.

1. General information

Breeze Motor Company Limited (No. 03943216) is a private company limited by shares incorporated in England and Wales. The registered office is 5th Floor Merck House, Seldown Lane, Poole, Dorset, BH15 1TW. Its principal business address is Tower Park, Yarrow Road, Poole, BH12 4QY.

The principal activity of the Group and Company in the year under review was that of a motor retailer.

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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12 (b) not to present the Company Statement of Cash Flows.

The financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

The financial statements have been prepared on a going concern basis. In considering going concern, management has reviewed the financial information of the Group and the Company for a period of at least 12 months from the date of approval of the accounts. Having reviewed this information, management has a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Breeze continue to have the support of our financial stakeholders at Barclays Bank, Lombard and Volkswagen Bank for the overdraft facility and stocking facility. for the overdraft facility and stocking facility.

As at 31 December 2021 the Group reported a profit of £2,162,526 (2020: profit of £722,705) and a net asset position of £ 3,012,674 (2020: £1,110,148). The director has applied the going concern basis in preparing the financial statements.

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Sales of motor vehicles, parts and accessories are recognised on the earlier of full payment by, or delivery date to, the customer together with the associated manufacturer vehicle bonus income. Any other manufacturer income in relation to achieving targets is recognised on an accruals basis. Servicing revenue is recognised on the completion of the agreed work.

Sale of goods

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

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group 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

Turnover 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 turnover can be measured reliably;
- it is probable that the Group 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.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.6 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2. Accounting policies (continued)

2.7 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 Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.8 Interest receivable and similar income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.9 Interest payable and similar expenses

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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 reporting date.

2. Accounting policies (continued)

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.13 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Freehold property	- 2.5% straight line on buildings
Long-term leasehold property	- Over the period of the lease
Plant and machinery	- 20% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 33% straight line
Assets in the course of construction	- Not depreciated

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 the Consolidated Statement of Comprehensive Income.

2. Accounting policies (continued)

2.14 Revaluation of tangible fixed assets

Individual freehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the Consolidated Statement of Comprehensive Income.

2.15 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 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 reporting 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.

Liabilities relating to stocking loan liabilities are included in trade creditors on the Statement of Financial Position.

Stock provisions are made by management based on age and condition of stock and related costs using their knowledge of the business and prevailing market conditions.

Consignment stock is valued at prices set by manufacture. Management controls the ageing profile of the consignment stock and is reviewed frequently.

2. Accounting policies (continued)

2.18 New Vehicle funding

Consignment vehicles on which the company bears the risk and responsibilities of ownership are regarded as being under the control of the company and, in accordance with Section 13 of FRS 102, are included in inventory on the Statement of Financial Position, although legal title has not passed to the company. The corresponding liability is included as new vehicle funding and is secured directly on these vehicles.

2.19 Debtors: Amounts falling due within one year

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.

2.20 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 Consolidated 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 Group's cash management.

2.21 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. Accounting policies (continued)

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.23 Financial instruments

The Group 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 Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

2.24 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. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities. Future events and their affects cannot be determined with absolute certainty. Therefore the determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some circumstances, actuarial techniques. The Group constantly re-evaluates these significant factors and makes adjustments where facts and circumstances dictate.

3.1 Critical judgements in applying the Group's accounting policies

(i) Deferred Tax

Deferred tax liabilities are always provided in full. Deferred tax assets are recognised to the extent that it is probable that the underlying deductable temporary difference will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as a component of the tax expense in the income statement, except where it relates to items charged to other comprehensive income or directly to equity.

(ii) Tangible fixed assets

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

(iii) Investments

The carrying value of investments in subsidiaries are measured at cost less impairment. This is considered at each balance sheet date, based upon market value.

3.2 Key sources of estimation uncertainty

(i) Inventories

In determining the net realisable value of inventories, management consider approaches based on type of inventory. Demonstrator stock is held at cost less provision in line with NRV for the end of the term of demonstrator. Used vehicle stock is continuously monitored against market conditions based on industry leading valuation estimates. Parts stock is reviewed for obsolescence periodically.

4. Turnover

The whole of the turnover is attributable to the principal activities of the Group and Company, being the sale and servicing of new and used motor vehicles.

All turnover arose within the United Kingdom.

5. Other operating income

	2021	2020
	£	£
Government grants receivable	162,643	965,190

The government grants receivable of £162,643 (2020: £965,190) relate to the Coronavirus Job Retention Scheme (CJRS).

6. Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	381,935	405,040
Other operating lease rentals	1,028,619	984,123

7. Auditor's remuneration

Fees payable to the Group's auditor in respect of:

Taxation compliance services	7,990	6,180
All other services	7,800	7,450
Fees payable to the Group's auditor for the audit of the Group's annual accounts	56,650	49,870
	72,440	63,500

8. Employees

Staff costs, including director's remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	7,284,330	6,294,709	4,658,891	3,724,766
Social security costs	696,417	650,570	492,716	448,255
Cost of defined contribution scheme	118,426	116,004	64,048	65,619
	8,099,173	7,061,283	5,215,655	4,238,640

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

	2021 No.	2020 No.
Service and sales	149	157
Management and administration	38	39
	187	196

9. Director's remuneration

	2021 £	2020 £
Director's emoluments	515,016	352,357

The highest paid director received remuneration of £515,016 (2020: £352,357).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2020: £nil).

We have identified Key Management Personnel and their total remuneration amounts to £830,374 (2020: £554,402), this comprises £816,360 (2020: £545,251) in wages and £14,014 (2020: £9,151) in pension contributions.

10. Interest receivable and similar income

	2021 £	2020 £
Other interest receivable	1,385	999

11. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	71,356	100,348
Other loan interest payable	456,134	393,812
Finance leases and hire purchase contracts	6,484	11,567
	533,974	505,727

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	515,302	100,800
Adjustments in respect of previous periods	31,915	(57,388)
Total current tax	547,217	43,412
Deferred tax		
Origination and reversal of timing differences	27,745	(20,985)
Adjustments in respect of previous periods	472	(3,901)
Effect of tax rate change on opening balance	22,706	9,728
Total deferred tax	50,923	(15,158)
Taxation on profit	598,140	28,254

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
Profit before tax	2,760,666	750,959
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	524,527	142,682
Effects of:		
Fixed asset differences	(1,150)	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,965	148
Capital allowances for year in excess of depreciation	-	20,125
Remeasurement of deferred tax for changes in tax rates	20,451	(1,943)
Adjustment to tax charge in respect of prior periods	31,915	-
Other differences leading to an increase (decrease) in the tax charge	472	(61,687)
Group relief	-	(95)
Deferred tax not recognised	14,810	(70,976)
Income not taxable for tax purposes	(2,850)	-
Total tax charge for the year	598,140	28,254

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

13. Dividends

	2021	2020
	£	£
Dividends paid	335,000	-

14. Intangible assets

Group and Company

	Domain Name
	£
Cost	
At 1 January 2021	-
Additions	8,000
At 31 December 2021	8,000
Amortisation	
At 1 January 2021	-
Charge for the year	2,000
At 31 December 2021	2,000
Net book value	
At 31 December 2021	6,000
At 31 December 2020	-

The additions during the year relate to the domain name.

Tangible fixed assets

Group

	Freehold property	Long-term leasehold property	Plant and machinery	Fixtures and fittings	Computer equipment	Assets in the course of onstruction	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2021	585,000	1,911,740	1,207,014	473,244	281,723	-	4,458,721
Additions	-	14,578	34,548	30,714	11,504	514,961	606,305
Revaluations	15,000	-	-	-	-	-	15,000
At 31 December 2021	600,000	1,926,318	1,241,562	503,958	293,227	514,961	5,080,026
Depreciation							
At 1 January 2021	-	854,435	904,362	334,117	252,913	-	2,345,827
Charge for the year	-	150,873	149,556	62,828	26,582	-	389,839
At 31 December 2021	-	1,005,308	1,053,918	396,945	279,495	-	2,735,666
Net book value							
At 31 December 2021	600,000	921,010	187,644	107,013	13,732	514,961	2,344,360
At 31 December 2020	585,000	1,057,305	302,652	139,127	28,810	-	2,112,894

15. Tangible fixed assets (continued)

Company

	Freehold property	Long-term leasehold property	Plant and machinery	Fixtures and fittings	Computer equipment	Assets in the course of onstruction	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2021	585,000	871,698	841,724	259,577	224,312	-	2,782,311
Additions	-	14,578	17,113	10,043	11,504	514,961	568,199
Revaluations	15,000	-	-	-	-	-	15,000
At 31 December 2021	600,000	886,276	858,837	269,620	235,816	514,961	3,365,510
Depreciation							
At 1 January 2021	-	367,454	696,038	212,834	208,004	-	1,484,330
Charge for the year	-	69,428	92,488	31,459	15,259	-	208,634
At 31 December 2021	-	436,882	788,526	244,293	223,263	-	1,692,964
Net book value							
At 31 December 2021	600,000	449,394	70,311	25,327	12,553	514,961	1,672,546
At 31 December 2020	585,000	504,244	145,686	46,743	16,308	-	1,297,981

15. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts for the Group are as follows:

	2021	2020
	£	£
Plant and machinery	61,350	92,025
Furniture, fittings and equipment	43,999	65,998
	105,349	158,023

The valuation of freehold property was made in December 2021 by Primmer Olds BAS, on an open market value for freehold vacant possession. The director is not aware of any material change in value by the year end therefore the valuation has not been updated. If the property had been accounted for under the historic cost accounting rules, the carrying value as at 31 December 2021 would be £502,990 (2020: £523,529).

16. Fixed asset investments

Company

	Investments in subsidiary companies
	£
Cost	
At 1 January 2021	1,685,564
At 31 December 2021	1,685,564
Net book value	
At 31 December 2021	1,685,564
At 31 December 2020	1,685,564

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Breeze (Southampton) Limited	Mazars LLP, 5th Floor Merck House, Seldown Lane, Poole, Dorset, BH15 1TW	Provision and sale of commercial vehicles	Ordinary	100 %
Bournemouth TPS Limited	Mazars LLP, 5th Floor Merck House, Seldown Lane, Poole, Dorset, BH15 1TW	Provision of automotive management services	Ordinary	100 %
Southampton TPS LLP	Mazars LLP, 5th Floor Merck House, Seldown Lane, Poole, Dorset, BH15 1TW	Dormant	Ordinary	95 %

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Breeze (Southampton) Limited	1,095,961	886,452
Bournemouth TPS Limited	1,052,325	91,515
Southampton TPS LLP	527,278	-

17. Investment property

Group and Company

	Freehold investment property
	£
Valuation	
At 1 January 2021	680,000
Surplus on revaluation	60,000
At 31 December 2021	740,000

All of the Group's investment property are held in the Parent company.

The latest valuation of investment property was made in December 2021 by Primmer Olds BAS, on an open market value for freehold vacant possession. If the property had been accounted for under the historic cost accounting rules, the carrying value as at 31 December 2021 would be £502,990 (2020: £523,529).

18. Stocks

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Consignment stock	1,330,237	9,503,342	1,123,551	7,812,911
Finished goods and goods for resale	12,563,851	9,433,906	7,338,035	5,775,695
	13,894,088	18,937,248	8,461,586	13,588,606

The director has considered the substance of the stocking arrangements with the suppliers of vehicle stock. The director considered that the consignment stock held by the Company is in substance an asset of the Group. The Group has access to the benefits of stock and exposure to the risks and costs of holding it.

Stocks are stated after provisions for impairment of £452,866 (2020: £336,971).

19. Debtors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	598,702	1,356,128	476,050	730,729
Amounts owed by related party	616,384	532,816	-	-
Other debtors	460,483	740,265	450,642	701,235
Prepayments and accrued income	500,053	559,495	366,228	433,853
	2,175,622	3,188,704	1,292,920	1,865,817

Trade debtors are stated net of provisions for impairment of £984 (2020: £922).

Amounts owed by related party are unsecured, interest-free and repayable on demand.

20. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	2,851,545	194,623	1,350,723	2,960
Less: bank overdrafts	-	(14,370)	-	(14,370)
	2,851,545	180,253	1,350,723	(11,410)

21. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	-	14,370	-	14,370
Bank loans	194,518	207,234	194,518	157,234
Payments received on account	414,057	237,810	274,674	155,736
Trade creditors	13,420,083	11,153,096	7,693,769	7,103,305
Consignment creditor	1,330,236	9,503,342	1,123,550	7,812,911
Amounts owed to group undertakings	-	-	1,361,153	986,792
Corporation tax	547,356	65,881	293,705	51,831
Other taxation and social security	454,012	871,260	330,571	713,030
Obligations under finance lease and hire purchase contracts	23,750	67,533	-	-
Other creditors	633,392	227,295	451,865	170,734
Accruals and deferred income	1,000,633	780,221	521,144	409,884
	18,018,037	23,128,042	12,244,949	17,575,827

The bank loan represents a term loan from Barclays Bank upon which interest is payable at between 2.5% and 3.85% above base rate. Bank loans also consist of term loans from Volkswagen Financial Services (UK) Limited upon which interest is payable at 2.85% above Finance House base rate.

The bank loans and overdrafts are secured by a debenture which incorporates a fixed and floating charge over all property and assets of the Company.

Trade creditors include vehicle stocking loans totaling £10,415,969 (2020: £10,110,045) which are secured against the vehicle stocks to which it relates.

Consignment creditor totaling £1,330,236 (2020: £9,503,342) is secured against the vehicle stocks to which it relates.

There is a group set-off arrangement in place between Breeze Motor Company Limited, Breeze (Southampton) Limited, Bournemouth TPS Limited, Southampton TPS LLP and Coastal Cars LLP. The items of security comprise of a cross-guarantee and a debenture between the entities above.

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	831,668	757,532	831,668	390,865
Obligations under finance lease and hire purchase contracts	26,883	46,317	-	-
	858,551	803,849	831,668	390,865

23. Loans

The bank loans are secured by a debenture which incorporates a fixed and floating charge over all property and assets of the Company.

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank loans	194,518	207,234	194,518	157,234
Amounts falling due 1-2 years				
Bank loans	201,999	207,234	201,999	157,234
Amounts falling due 2-5 years				
Bank loans	302,999	341,153	302,999	191,153
Amounts falling due after more than 5 years				
Bank loans	326,670	209,145	326,670	42,478
	1,026,186	964,766	1,026,186	548,099

24. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £
Within one year	23,750	67,533
Between 1-5 years	26,883	46,317
	50,633	113,850

25. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	4,527,114	2,752,655	2,277,415	1,530,772
Financial liabilities				
Financial liabilities measured at amortised cost	(16,080,294)	(13,139,649)	(11,054,117)	(9,791,093)

Financial assets measured at amortised cost comprise of cash, trade debtors, other debtors and amounts owed by related parties.

Financial liabilities measured at amortised cost comprise of bank overdrafts, bank loans, other loans, trade creditors, amounts owed to group companies, other creditors and accruals.

26. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	(71,430)	(86,588)
Charged to the Consolidated Statement of Comprehensive Income	(50,923)	15,158
At end of year	(122,353)	(71,430)

26. Deferred taxation (continued)

Company

	2021 £	2020 £
At beginning of year	(56,121)	(62,778)
Charged to the Consolidated Statement of Comprehensive Income	(53,927)	6,657
At end of year	(110,048)	(56,121)

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(125,503)	(71,430)	(112,405)	(56,121)
Short term timing differences	3,150	-	2,357	-
	(122,353)	(71,430)	(110,048)	(56,121)

27. Called up share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
75,000 (2020: 75,000) ordinary shares shares of £1 each	75,000	75,000

The Company has one class of ordinary shares, each share carries one voting right and no right to fixed income.

28. Reserves

Revaluation reserve

The revaluation reserve includes all movements arising form revaluations of investment properties and other assets accounted for under the valuation method.

Profit and loss account

The profit & loss account is made up of distributable reserves less any dividends paid.

29. Analysis of net debt

	At 1 January 2021 £	Cash flows £	Repayment of finance leases £	At 31 December 2021 £
Cash at bank and in hand	194,623	2,656,922	-	2,851,545
Bank overdrafts	(14,370)	14,370	-	-
Debt due after 1 year	(757,532)	(74,136)	-	(831,668)
Debt due within 1 year	(9,710,576)	8,092,758	-	(1,617,818)
Finance leases	(113,850)	-	63,217	(50,633)
	(10,401,705)	10,689,914	63,217	351,426

30. Pension commitments

The Company and Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company and Group in an independently administered fund. The pension cost charge represents contributions payable by the Company and Group to the fund and amounted to £119,403 (2020: £116,004). Contributions totaling £26,274 (2020: £6,456) were payable to the fund at the reporting date.

31. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	1,057,698	976,913	893,844	711,059
Later than 1 year and not later than 5 years	2,786,363	2,394,301	2,202,946	1,747,908
Later than 5 years	4,507,959	4,102,878	3,178,956	2,042,500
	8,352,020	7,474,092	6,275,746	4,501,467

32. Other financial commitments

At the year end the Company is committed to purchasing vehicles with a value of £1,097,299 (2020: £1,206,776).

33. Related party transactions

The Company has taken advantage of the exemption in section 33 of FRS102 from the requirement to disclose transactions with group companies on the grounds that it is wholly owned, except for Southampton TPS LLP which was dormant for the year ended 31 December 2021.

During the year the Group entered into transactions, in the ordinary course of business, with Coastal Cars LLP, a company in which J E Corderoy has a controlling interest. There were sales made to Coastal Cars LLP in the year of £3,786,056 (2020: £1,638,259) and purchases from Coastal of £167,282 (2020: £15,002). As at 31 December 2021 £17,838 (2020: £47,396) was owed to Breeze Motor Company Group Limited.

As at 31 December 2021 loans from J Corderoy totalled £77,314 (2020 loans to: £141,936) with the maximum balance outstanding during the year of £241,936 (2020: £141,936). The total amounts loaned during the year was £335,000 (2020: loaned £131,533). The loan was repaid in April 2021.

34. Post balance sheet events

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

35. Controlling party

J E Corderoy is the single controlling party of Breeze Motor Company Limited, by virtue of his 100% shareholding.