


## **Prep-Point Limited**

Report and unaudited financial statements

For the 15 months ended 31 March 2022

Company Number 00660067

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# **Prep-Point Limited**

## **Report and unaudited financial statements**

**For the 15 months ended 31 March 2022**

<b>CONTENTS</b>	<b>Page</b>
Officers and Professional Advisers	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Income Statement	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8

**Prep-Point Limited**  
**Officers and Professional Advisers**  
**For the 15 months ended 31 March 2022**

**The Board of Directors**

R. J. Blumberger  
J. H. Crowther  
J. L. Head  
T. G. Lampert

**Company Secretary**

S.R. Jones

**Registered Office**

Airport House  
The Airport  
Cambridge  
CB5 8RY  
United Kingdom

**Banker**

Barclays Bank plc  
9-11 St. Andrew's Street  
Cambridge  
CB2 3AA

**Solicitor**

Dentons UKMEA LLP  
*The Pinnacle*  
170 Midsummer Boulevard  
Milton Keynes  
MK9 1FE

# **Prep-Point Limited**

## **Directors' Report**

**For the 15 months ended 31 March 2022**

### **Directors**

The Directors of Prep-Point Limited ("the Company") throughout the period and to the date of this report were:

D. Gupta (resigned on 25 May 2022)  
R. J. Blumberger  
J. H. Crowther (appointed on 1 July 2022)  
J. L. Head (appointed on 1 July 2022)  
T. G. Lampert (appointed on 1 July 2022)

### **Results and dividends**

The activities of the Company continue to consist primarily of maintenance and repair of motor vehicles and associated activities. The Company is owned by Marshall Motor Holdings Limited ("the Group").

On 21 December 2021, the Company changed its accounting reference date from 31 December to 31 March. Consequently, the Company's financial performance as reported in these financial statements is for the 15 month period ended 31 March 2022; the comparative period remains that of the year ended 31 December 2020.

The loss for the period, after tax, amounted to £198,000 (year ended 31 December 2020: £118,000). No dividends have been paid during the period (year ended 31 December 2020: £nil).

### **Charitable donations**

During the period, the Company made charitable donations of £nil (year ended 31 December 2020: £nil).

### **Events since the balance sheet date**

For full details of all such events see Note 20 'Events after the reporting period'.

### **Going concern**

The financial statements are prepared on a going concern basis. After making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date that these financial statements are signed. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

For further information on the going concern assessment see Note 1 'Basis of preparation and statement of compliance'.

### **Approval**

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

A Strategic Report has not been completed for the Company as it has elected to claim the small companies' exemption from doing so under section 414A of the Companies Act 2006.

This Directors' Report was approved by order of the Board on 16 December 2022.

DocuSigned by:

*Richard Blumberger*

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R.J. Blumberger  
**Director**

## **Prep-Point Limited**

### **Statement of Directors' Responsibilities**

**For the 15 months ended 31 March 2022**

The Directors are responsible for preparing 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 period. Under that law the Directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

# Prep-Point Limited

## Income Statement

For the 15 months ended 31 March 2022

		15 months ended 31 March 2022	Year ended 31 December 2020
	Note	£'000	£'000
<b>Turnover</b>	4	1,257	1,017
Cost of sales		(562)	(399)
<b>Gross profit</b>		<b>695</b>	<b>618</b>
Administrative expenses		(940)	(813)
Other operating income	5	-	49
<b>Operating loss</b>		<b>(245)</b>	<b>(146)</b>
Interest payable and similar charges	8	(1)	-
<b>Loss on ordinary activities before taxation</b>	6	<b>(246)</b>	<b>(146)</b>
Tax on loss on ordinary activities	9	48	28
<b>Loss for the financial period</b>		<b>(198)</b>	<b>(118)</b>

The Company has no recognised gains or losses other than the loss for the period as set out above.

All of the activities of the Company are classed as continuing.

The notes on pages 8 to 14 form part of these financial statements.

# Prep-Point Limited

## Balance Sheet As at 31 March 2022

	Note	31 March 2022		31 December 2020	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	10		20		12
<b>Current assets</b>					
Stock	11	3		31	
Debtors	12	814		634	
		<u>817</u>		<u>665</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(747)</u>		<u>(388)</u>	
<b>Net current assets</b>			71		277
<b>Total assets less current liabilities</b>			<u>91</u>		<u>289</u>
<b>Net assets</b>			<u><b>91</b></u>		<u><b>289</b></u>
<b>Capital and reserves</b>					
Called-up share capital	17		-		-
Profit and loss account	18		91		289
<b>Shareholder's funds</b>			<u><b>91</b></u>		<u><b>289</b></u>

The notes on pages 8 to 14 form part of these financial statements.

For the 15 months ended 31 March 2022 the Company was entitled to exemption under section 479A of the Companies Act 2006. No members have required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and for the preparation of accounts.

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2022.

DocuSigned by:  
  
 6AAAF2ACF9A148C

R.J. Blumberger  
**Director**

Company Number: 00660067

# **Prep-Point Limited** **Statement of Changes in Equity** **For the 15 months ended 31 March 2022**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 January 2020</b>	-	407	407
Loss for the financial year	-	(118)	(118)
<b>Total comprehensive income for the year</b>	-	(118)	(118)
<b>At 31 December 2020</b>	-	<b>289</b>	<b>289</b>
Loss for the financial period	-	(198)	(198)
<b>Total comprehensive loss for the period</b>	-	(198)	(198)
<b>At 31 March 2022</b>	-	<b>91</b>	<b>91</b>



# **Prep-Point Limited**

## **Notes to the Financial Statements**

### **For the 15 months ended 31 March 2022**

## **1. Basis of preparation and statement of compliance**

Prep-Point Limited (company number: 00660067) ("the Company") is a private company, limited by shares, incorporated in England and Wales. The registered office is Airport House, The Airport, Newmarket Road, Cambridge, CB5 8RY. The financial statements have been prepared in compliance with FRS 102, 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'.

The financial statements of the Company were authorised for issue by the Board of Directors on 16 December 2022.

*The financial statements are prepared in sterling which is the functional and presentational currency of the Company and rounded to the nearest £'000.*

The Company accounts have also adopted the following disclosure exemptions:

- presentation of a cash-flow statement and related notes
- financial instrument related disclosures
- key management personnel compensation disclosures
- related party disclosures with wholly owned subsidiaries within the Group.

These exemptions have been applied as the Company is a qualifying entity and the shareholders of the Company have been notified in writing and no objection has been made to the use of the exemptions.

The Company has taken the exemption from an audit for the 15 months ended 31 March 2022 by virtue of s479A of the Companies Act 2006. In order to allow the Company to take the audit exemption, the parent company Marshall Motor Holdings Limited has given a statutory guarantee of all the outstanding liabilities of the Company as at 31 March 2022.

Under section 479C of the Companies Act 2006, the parent company Marshall Motor Holdings Limited has guaranteed all outstanding liabilities to which the Company was subject at the end of 31 March 2022 until they are satisfied in full. Such guarantees are enforceable against Marshall Motor Holdings Limited by any person to whom any such liability is due.

### **Reporting period**

The Company's immediate parent undertaking is S. G. Smith Automotive Limited, being a subsidiary of S. G. Smith Holdings Limited, which is in turn a subsidiary of Marshall Motor Holdings Limited. On 11 May 2022 the entire share capital of Marshall Motor Holdings Limited was acquired by CAG Vega 2 Limited, part of the Constellation Automotive Group. In anticipation of this change of ownership, to align the reporting period with that of the acquirer, all entities in the Group changed their accounting reference date from 31 December to 31 March. Amounts presented in respect of the 2022 reporting period cover 15 months. Comparative figures per the Income Statement, Statement of Changes in Equity and related notes are for a 12 month period.

### **Going concern**

The Company reported a loss for the fifteen months ended 31 March 2022, however, maintained a positive financial position. The Company has a treasury arrangement with other companies in the group of companies of which Marshall Motor Holdings Limited is the parent company. As at 31 March 2022 the Group had £60 million of committed, but undrawn, banking facilities made available under a facility agreement due to expire in September 2024.

The financial statements are prepared on a going concern basis. After making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date that these financial statements are signed. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company were unable to continue as a going concern.

## **2. Accounting policies**

### **Revenue recognition**

Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding Value Added Tax. The following criteria must also be met before revenue is recognised:

### **Rendering of services**

Turnover in respect of maintenance and repair services is recognised once the service has been provided.

## **Prep-Point Limited**

### **Notes to the Financial Statements *(continued)***

**For the 15 months ended 31 March 2022**

## **2. Accounting policies *(continued)***

### **Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. All such grants relate to expense items. The grant is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The grant income is disclosed in other operating income in the Income Statement.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of tangible assets have different useful lives, those components are accounted for as separate items of tangible fixed assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

Depreciation is charged to the Income Statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Estimated residual values are included in the calculation of depreciation. The useful lives applicable are:

Fixtures and fittings	- 5 years
Computer equipment	- 2-5 years

### **Impairment of non-financial assets**

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Income Statement for the period.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in the Income Statement for the period.

### **Stock**

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

### **Basic financial instruments**

#### **Debtors**

Short term debtors are measured at transaction price, less any impairment. Any losses arising from impairment are recognised in the Income Statement in administrative expenses.

#### **Creditors**

Short term trade creditors are measured at the transaction price.

### **Leasing – as lessee**

Rentals payable under operating leases are charged in the Income Statement on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis.

# Prep-Point Limited

## Notes to the Financial Statements *(continued)*

For the 15 months ended 31 March 2022

### 2. Accounting policies *(continued)*

#### Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

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

Deferred tax is calculated without discounting using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition in a business combination, the tax charge / (credit) is presented either in the Income Statement or Statement of Changes in Equity depending on the transaction that resulted in the tax charge / (credit).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### Pensions

The Company participates in a defined contribution scheme for the benefit of its employees. Contributions are charged to the Income Statement as they become payable in accordance with the rules of the scheme.

### 3. Significant judgements and key sources of estimation uncertainty

The Company makes judgements and estimates concerning the future. The judgements and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

#### Estimated useful life of tangible fixed assets and impairment of non-financial assets

The Company estimates the useful life and residual values of tangible fixed assets and reviews these estimates at each financial period end. The Company also tests for impairment when a trigger event occurs or annually as appropriate.

### 4. Turnover

Turnover is all attributable to the principal activity of the Company, which is maintenance and repair of motor vehicles. All turnover arises from continuing activities within the United Kingdom and is stated net of VAT.

Turnover is analysed as follows:

	15 months ended 31 March 2022 £'000	Year ended 31 December 2020 £'000
Sale of goods	22	-
Rendering of services	1,235	1,017
	<b>1,257</b>	<b>1,017</b>

### 5. Other operating income

	15 months ended 31 March 2022 £'000	Year ended 31 December 2020 £'000
Coronavirus Job Retention grant income	-	49

# Prep-Point Limited

## Notes to the Financial Statements *(continued)* For the 15 months ended 31 March 2022

### 6. Loss on ordinary activities before taxation

This is stated after charging:

	15 months ended 31 March 2022 £'000	Year ended 31 December 2020 £'000
Depreciation of tangible fixed assets (note 10)	12	4
Operating lease costs - land and buildings	537	317

### 7. Staff costs

Staff costs during the period were as follows:

	15 months ended 31 March 2022 £'000	Year ended 31 December 2020 £'000
Wages and salaries	320	289
Social security costs	29	26
Other pension costs	6	5
	<b>355</b>	<b>320</b>

Employee costs stated above exclude grant income of £nil (year ended 31 December 2020: £49,000) received under the Coronavirus Job Retention Scheme.

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

	15 months ended 31 March 2022 No.	Year ended 31 December 2020 No.
Administration	5	5
Sales and aftersales	5	5
	<b>10</b>	<b>10</b>

The costs of Directors' services were borne by the Group.

### 8. Interest payable and similar charges

	15 months ended 31 March 2022 £'000	Year ended 31 December 2020 £'000
Other interest payable	1	-

### 9. Tax

#### a) Tax on loss on ordinary activities

The tax credit is made up as follows:

	15 months ended 31 March 2022 £'000	Year ended 31 December 2020 £'000
Current tax		
Current tax on loss for the period	(48)	(28)
<b>Total current tax</b>	<b>(48)</b>	<b>(28)</b>
<b>Taxation on loss on ordinary activities</b>	<b>(48)</b>	<b>(28)</b>

# Prep-Point Limited

## Notes to the Financial Statements *(continued)*

For the 15 months ended 31 March 2022

### 9. Tax *(continued)*

#### b) Factors affecting the total tax credit

The tax assessed on the loss on ordinary activities for the period is the lower than (year ended 31 December 2020: same as) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	15 months ended 31 March 2022 £'000	Year ended 31 December 2020 £'000
Loss on ordinary activities before tax	(246)	(146)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020: 19%)	(47)	(28)
Effects of:		
Capital allowances super deduction	(1)	-
<b>Total tax credit for the period</b>	<b>(48)</b>	<b>(28)</b>

#### c) Factors that may affect future tax charges

Future tax charges, therefore the Company's effective tax rate, may be affected by factors such as acquisitions, disposals, restructuring and tax regime reforms.

In the Budget of 3 March 2021, the Chancellor of the Exchequer announced a 6% increase in the standard rate of corporation tax, which will be applicable in the financial year beginning 1 April 2023. This change in the rate of corporation tax to 25% will affect the amount of future tax payments for which the Company will be responsible. Being substantively enacted, this rate change has already been reflected in the measurement of the Company's deferred tax assets and liabilities.

For further information on deferred tax balances see Note 14 'Deferred Tax'.

### 10. Tangible fixed assets

	Plant and machinery £'000
<b>Cost</b>	
At 1 January 2021	124
Additions	20
Disposals	(4)
<b>At 31 March 2022</b>	<b>140</b>
<b>Depreciation</b>	
At 1 January 2021	112
Charge for the period	12
On disposals	(4)
<b>At 31 March 2022</b>	<b>120</b>
<b>Net book value</b>	
<b>At 31 March 2022</b>	<b>20</b>
At 1 January 2021	12

# Prep-Point Limited

## Notes to the Financial Statements *(continued)*

### For the 15 months ended 31 March 2022

#### 11. Stock

	31 March 2022 £'000	31 December 2020 £'000
Stock held for resale	3	31

The replacement cost of stock is not significantly different from the value included in the Balance Sheet.

#### 12. Debtors

	31 March 2022 £'000	31 December 2020 £'000
Trade debtors	4	8
Amounts owed by Group undertakings	748	498
Other debtors	2	8
VAT	12	16
Prepayments	47	103
Deferred taxation (note 14)	1	1
	<b>814</b>	<b>634</b>

During the 15 months ended 31 March 2022, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (year ended 31 December 2020: £nil).

#### 13. Creditors: amounts falling due within one year

	31 March 2022 £'000	31 December 2020 £'000
Trade creditors	50	109
Accruals	697	279
	<b>747</b>	<b>388</b>

Outstanding balances with Group entities are unsecured, interest free and are expected to be settled in cash. Management considers the carrying amount of creditors to approximate their fair value.

#### 14. Deferred tax

The movement on the deferred tax asset for the period is as follows:

	31 March 2022 £'000	31 December 2020 £'000
<b>At 1 January 2021 and 31 March 2022</b>	<b>1</b>	<b>1</b>

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

	31 March 2022 £'000	31 December 2020 £'000
Decelerated capital allowances	1	1
<b>Total deferred tax (note 12)</b>	<b>1</b>	<b>1</b>

During the year beginning 1 April 2022, the net reversal of existing deferred tax assets and liabilities is expected to increase the corporation tax charge for the period by £2,000 (year ended 31 December 2020: £nil). This is due to deferred tax relating to timing differences on tangible fixed assets.

#### 15. Operating lease commitments

The Company's future minimum operating lease commitments all relate to land and buildings and are as follows:

	31 March 2022 £'000	31 December 2020 £'000
Within one year	189	189
Between one and five years	315	551
	<b>504</b>	<b>740</b>

# Prep-Point Limited

## Notes to the Financial Statements *(continued)*

### For the 15 months ended 31 March 2022

#### 15. Pensions

As described in Note 2, the Company participates in a defined contribution pension scheme for the benefit of its employees. The scheme is funded by the payment of contributions to a trustee-administered fund which is kept independently from the assets of the participating employers.

The total pension cost for the period for the Company in respect of the scheme were £6,000 (year ended 31 December 2020: £5,000).

The total unpaid pension contributions outstanding at the 15-month period end were £nil (year ended 31 December 2020: £nil).

#### 16. Share capital

	31 March 2022 £	31 December 2020 £
Allotted, called up and fully paid: 100 ordinary shares of £1 each	100	100

#### 17. Reserves

Profit and loss account reserves – includes all current and prior period profits and losses.

#### 18. Guarantees and other financial commitments

The Group has a revolving credit facility of £60,000,000 of which £nil was drawn at 31 March 2022 (at 31 December 2020: £nil). This facility includes access to an overdraft facility of £25,000,000. This facility is available for general corporate purposes including acquisitions or working capital requirements.

The facility is secured by cross-guarantees granted by certain members of the Group. The facility is available until September 2024.

#### 19. Ultimate parent company

The Company's immediate parent undertaking is S. G. Smith Automotive Limited which is a subsidiary of Marshall Motor Holdings Limited. On 11 May 2022 Marshall Motor Holdings Limited was acquired by a new intermediate parent company, CAG Vega 2 Limited, a company incorporated in England and Wales. The ultimate controlling party became TDR Capital LLP, a Limited Liability Partnership incorporated in England and Wales. Constellation Automotive Holdings Limited is the largest undertaking that consolidates these financial statements. The parent company of the smallest such group is Marshall Motor Holdings Limited.

Copies of the consolidated financial statements for both Marshall Motor Holdings Limited and Constellation Automotive Holdings Limited can be obtained from The Registrar of Companies at Companies House, Crown Way, Cardiff CF14 3UZ.

#### 20. Events after the reporting period

On 29 November 2021 the Board of Constellation Automotive Holdings Limited announced the terms of a cash offer pursuant to which its wholly-owned subsidiary CAG Vega 2 Limited would acquire the entire issued, and to be issued, share capital of Marshall Motor Holdings Limited, subject to the requisite regulatory approvals being obtained. Marshall of Cambridge (Holdings) Limited provided an irrevocable undertaking to accept the offer in respect of its entire shareholding in the ordinary share capital of Marshall Motor Holdings, representing approximately 64.4% of the issued ordinary share capital. Following the granting of the requisite regulatory approvals on 11 May 2022, the change of control took effect.