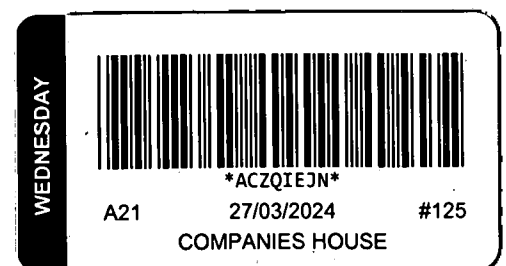


Ridgeway Garages (Newbury) Limited
Report and financial statements

For the year ended 31 March 2023

Company number 03297014



Ridgeway Garages (Newbury) Limited
Report and financial statements
For the year ended 31 March 2023

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**Ridgeway Garages (Newbury) Limited
Officers and Professional Advisers
For the year ended 31 March 2023**

Directors

M C Hemus
A Wallington
J A Mullins
M S Casha

Company secretary

M R Letza

Registered office

C/O Marshall Volkswagen Milton Keynes
Greyfriars Court
Milton Keynes
Buckinghamshire
MK10 0BN

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
40 Clarendon Road
Watford
WD17 1JJ

Principal banker

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

Solicitor

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

Ridgeway Garages (Newbury) Limited

Strategic report

For the year ended 31 March 2023

Review of the business

The activities of Ridgeway Garages (Newbury) Limited ("the Company") continue to consist primarily of vehicle sales, servicing of vehicles and associated activities.

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 year ended 31 March 2023; the comparative period remains that of the 15 month period ended 31 March 2022.

The Company's financial performance is assessed primarily by reference to turnover and gross margin as disclosed in the Income Statement. Turnover declined to £458,784,000 (15 months ended 31 March 2022: £570,846,000) along with a decrease in gross profit to £52,205,000 (15 months ended 31 March 2022: £63,973,000).

Key performance indicators

The business activities of the Company cover multiple divisions operated by the group headed by Marshall Motor Holdings Limited ("the Group"). As performance is managed on a divisional basis, additional Company-specific performance indicators are not considered necessary to provide an understanding of the financial position and performance of business activities. Divisional performance is discussed in the Marshall Motor Holdings Limited consolidated financial statements which can be obtained from the address in Note 28. The Marshall Motor Holdings Limited consolidated financial statements do not form part of this Strategic Report.

Principal risks and uncertainties

The principal risks and uncertainties that may have a significant impact on the Company's financial condition, results of operations and/or reputation include: business interruption, business relationships and strategy, legal and regulatory changes, compliance risk, economic and political uncertainty, treasury and finance risks, environmental and health and safety risks, attracting and retaining key employees and IT and cyber security risks. The Company is a member of the group headed by Marshall Motor Holdings Limited ("MMH"). For full details of these risks and mitigations, see the Principal Risks and Uncertainties section of the MMH consolidated financial statements.

Financial risk management

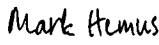
Business activities are carried out under normal trade terms; these terms and relationships with suppliers and customers are regularly reviewed. The Company has a treasury arrangement providing access to Group facilities; funding requirements are managed on a group-wide basis. The Company does not use financial derivatives and does not enter into financial instruments, including derivative financial instruments, for speculative purposes.

Board decision making (s172 statement)

When making decisions, the Directors consider what is most likely to lead to the success of the Company and to be of benefit to the members as a whole over the long term. When making such decisions, the Directors also consider the interests of other key stakeholder groups and seek to arrive at conclusions which do not adversely affect these groups as a whole. For full details of these considerations, see the Strategic Report section of the Marshall Motor Holdings Limited consolidated financial statements.

Approval

This report was approved by the Board of Directors on 26 March 2024 and signed on its behalf.

DocuSigned by:

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M C Hemus
Director

**Ridgeway Garages (Newbury) Limited
Directors' report
For the year ended 31 March 2023**

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

M C Hemus (appointed 30 January 2023)
A Wallington (appointed 1 September 2022)
J H Crowther (appointed 1 July 2022 and resigned 1 December 2023)
J L Head (appointed 1 July 2022 and resigned 1 December 2023)
J A Mullins (appointed 30 March 2023)
T.G Lampert (appointed on 1 July 2022 and resigned on 31 March 2023)
D Gupta (resigned on 25 May 2022)
R J Blumberger (resigned on 31 December 2022)
M S Casha (appointed 29 November 2023)

Results and dividends

The Company is owned by Marshall Motor Holdings Limited ("the Group").

The profit for the year, after tax, amounted to £9,564,000 (15 months ended 31 March 2022: £14,255,000). No dividends have been paid during the year (15 months ended 31 March 2022: £nil) and the Directors do not recommend the payment of a final dividend.

Auditor

In so far as each of the persons who were Directors at the date of approving these financial statements is aware:

- there is no relevant information of which the Company's auditor is unaware; and
- each Director has taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

A resolution to reappoint PricewaterhouseCoopers LLP as the auditors will be proposed at the Annual General Meeting.

Charitable donations

During the year, the Company made charitable donations of £3,500 (15 months ended 31 March 2022: £4,000).

Events since the balance sheet date

On 1 March 2024 the trade and assets of Ridgeway Bavarian Limited, a wholly owned subsidiary of the Company, were transferred to Marshall Motor Group Limited as part of a reorganisation to simplify Marshall Motor Holdings Group. The purpose of the transfer is to reduce the number of trading legal entities within the group and the underlying trade and operations of Ridgeway Bavarian Limited has not changed. The Company received a distribution in kind of £38,779 from Ridgeway Bavarian Limited in respect of unsettled intercompany balances and wrote off its investment in Ridgeway Bavarian Limited valued at £100.

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'.

Ridgeway Garages (Newbury) Limited Directors' report (continued) For the year ended 31 March 2023

Future developments

The Group's strategic vision is to be regarded as the UK's premier automotive retailer. The Company will continue to focus on achieving this goal through:

- the performance optimisation of the business
- offering outstanding customer service
- demonstrating retailing excellence
- building strong relations with our brand partners and key suppliers, and
- being a great place to work.

Employment of disabled persons

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

During the year the Company has continued to provide employees with information about the Company and Group as a whole through the newsletters 'Marshall Matters' and 'Compliance Matters', team briefings and through the Group wide email distribution. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Business relationships

The Directors recognise that it is essential for the ongoing success and reputation of the Company to foster strong relationships with the stakeholder community. For full details of these considerations and the effect this regard has had on the principal decisions made in the period, see the Board Decision Making (s172 Statement) section of the Strategic Report in the Marshall Motor Holdings Limited consolidated financial statements.

Streamlined Energy and Carbon Reporting (SECR)

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the Regulations"), the Company is mandated to disclose its UK energy use and the associated greenhouse gas emissions relating to natural gas, electricity and transport fuel. In addition, publication of an intensity ratio as well as the calculation methodology applied is required.

The energy consumption and associated greenhouse gas emissions of the Company's operations during the reporting period from 1 April 2022 to 31 March 2023 are included within the figures reported in the SECR section of the Directors' Report in the Marshall Motor Holdings Limited consolidated financial statements. As a result, these statistics are not also required to be reported in the Company's financial statements. The Marshall Motor Holdings Limited consolidated financial statements do not form part of this Directors' Report.

Directors' insurance and indemnities

The Directors have the benefit of the indemnity provisions contained in the Company's Articles and the Company has maintained, throughout the Year, Directors' and Officers' liability insurance for the benefit of the Company, the Directors and its officers. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Ridgeway Garages (Newbury) Limited
Directors' report (continued)
For the year ended 31 March 2023

Directors' responsibilities statement (continued)

Under Company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also 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.

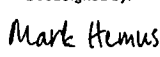
Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approval

This Directors' Report was approved by order of the Board on 26 March 2024.

DocuSigned by:

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M C Hemus
Director

Ridgeway Garages (Newbury) Limited

Independent auditors' report to the members of Ridgeway Garages (Newbury) Limited Report on the audit of the financial statements

Opinion

In our opinion, Ridgeway Garages (Newbury) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and financial statements (the "Annual Report"), which comprise: the Balance Sheet and the Statement of Changes in Equity as at 31 March 2023; the Income Statement and the Statement of Other Comprehensive Income for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Ridgeway Garages (Newbury) Limited
Independent auditors' report to the members of Ridgeway Garages (Newbury) Limited
Report on the audit of the financial statements (continued)

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and UK Corporation tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and journal entries that inappropriately credit cash, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, and review of legal costs;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations for example credit to revenue with a debit entry to an unexpected account, or journals which credit cash without going through the standard purchases and payables process;
- Testing management's assumptions made in their significant accounting estimates, to ensure these are not indicative of management bias;
- Evaluation of management's controls designed to prevent and detect irregularities; and
- Performed procedures to ensure the financial statements are appropriately prepared and disclosed in line with the Companies Act 2006.

Ridgeway Garages (Newbury) Limited
Independent auditors' report to the members of Ridgeway Garages (Newbury) Limited
Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Julian Gray (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
26 March 2024

Ridgeway Garages (Newbury) Limited
Income Statement
For the year ended 31 March 2023

		Year ended 31 March 2023 £000	15 months ended 31 March 2022 £000
	Note		
Turnover	4	458,784	570,846
Cost of sales		(406,579)	(507,053)
Gross profit		52,205	63,793
Administrative expenses		(40,429)	(46,529)
Other operating income	5	1,829	2,172
Operating profit	6	13,605	19,436
Interest payable and similar charges	8	(1,355)	(1,182)
Profit on ordinary activities before income tax		12,250	18,254
Tax on profit on ordinary activities	9	(2,686)	(3,999)
Profit for the year/period		9,564	14,255

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

The notes on page 13 to 26 form part of these financial statements.

Ridgeway Garages (Newbury) Limited
Statement of Other Comprehensive Income
For the year ended 31 March 2023

		Year ended	15 months
	Note	31 March 2023	ended
		£000	31 March 2022
			£000
Profit for the year/period		9,564	14,255
Deferred tax rate change	9	-	(214)
Other comprehensive loss for the year/period		-	(214)
Total comprehensive income for the year/period		9,564	14,041

The notes on page 13 to 26 form part of these financial statements.

Ridgeway Garages (Newbury) Limited
Balance Sheet
As at 31 March 2023

		As at 31 March 2023 £000	As at 31 March 2022 £000
	Note		
Fixed assets			
Intangible assets	10	9	48
Tangible assets	11	41,697	42,670
Investment property	12	18,109	18,109
Investments	13	15,508	15,508
		<u>75,323</u>	<u>76,335</u>
Current assets			
Stock	14	54,649	44,459
Cash and cash equivalents			6,291
Debtors	15	89,865	73,736
		<u>144,514</u>	<u>124,486</u>
Creditors: amounts falling due within one year	16	<u>(136,183)</u>	<u>(126,476)</u>
Net current assets		<u>8,331</u>	<u>(1,990)</u>
Total assets less current liabilities		83,654	74,345
Creditors: amounts falling due after more than one year	17	(6,063)	(6,397)
Provisions for liabilities	19	(878)	(799)
Net assets		<u>76,713</u>	<u>67,149</u>
Equity			
Share capital	24	67	67
Share premium account		77	77
Retained earnings		72,613	62,986
Revaluation reserve	25	3,956	4,019
Total shareholder's funds		<u>76,713</u>	<u>67,149</u>

The notes on pages 13 to 26 form part of these financial statements.

The financial statements on pages 9 to 26 were authorised for issue by the Board of Directors on 26 March 2024 and were signed on its behalf.

DocuSigned by:

Mark Hemus

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M C Hemus
Director

Company registration number: 03297014

Ridgeway Garages (Newbury) Limited
Statement of Changes in Equity
For the year ended 31 March 2023

	Note	Share capital £000	Share premium £000	Revaluation reserve £000	Retained earnings £000	Total £000
Balance as at 1 January 2021		67	77	4,221	48,743	53,108
Profit for the period		-	-	-	14,255	14,255
Other comprehensive loss		-	-	-	(214)	(214)
Total comprehensive income for the period		-	-	-	14,041	14,041
Revaluation depreciation transfer	11	-	-	(202)	202	-
Balance as at 31 March 2022		67	77	4,019	62,986	67,149
Profit for the year		-	-	-	9,564	9,564
Total comprehensive income for the year		-	-	-	9,564	9,564
Revaluation depreciation transfer	11	-	-	(63)	63	-
Balance as at 31 March 2023		67	77	3,956	72,613	76,713

The notes on pages 13 to 26 form part of these financial statements.

Ridgeway Garages (Newbury) Limited

Notes to the financial statements

For the year ended 31 March 2023

1 Basis of preparation and statement of compliance

Ridgeway Garages (Newbury) Limited (company number: 03297014) ("the Company") is a private company, limited by shares, incorporated in England and Wales. The registered office is C/O Marshall Volkswagen Milton Keynes, Greyfriars Court, Milton Keynes, Buckinghamshire, MK10 0BN. 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 26 March 2024.

The financial statements are prepared in sterling, which is the functional and presentational currency of the Company. All amounts are 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.

Consolidation

In accordance with section 400 of the Companies act 2006 consolidated financial statements have not been prepared as the Company is a wholly owned subsidiary of Marshall Motor Holdings Limited, the intermediate parent company of the MMH Group (see below), which is registered in England and Wales for which consolidated financial statements are publicly available. These financial statements therefore present information about the Company alone and not about its group.

Reporting period

On 11 May 2022 the entire share capital of the Company 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 the end of the reporting period from 31 December to 31 March. Amounts presented for the 2022 reporting period are for a 15 month period.

Going concern

The Company reported a profit for the year ended 31 March 2023 and maintained a positive financial position. In addition, the Company has a treasury arrangement with other companies in the group of companies of which Marshall Motor Holdings Limited is the parent company ("the Group"). As at 31 March 2023 the Group had £60 million of committed, but undrawn, banking facilities made available under a facility agreement due to expire in September 2024.

In addition to these banking facilities, the Company also has, through being a member of the Group, access to substantial vehicle stock funding arrangements of which £55.1 million was utilised by the Company and a total of £461.0 million was utilised by the Group at 31 March 2023. These Group treasury arrangements facilitate the Company being able to meet its liabilities as they fall due.

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.

Ridgeway Garages (Newbury) Limited
Notes to the financial statements *(continued)*
For the year ended 31 March 2023

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:

Sale of goods

Turnover in respect of new and used vehicle sales is recognised when: the significant risks and rewards of ownership of the goods have passed to the buyer, (usually when a customer takes possession of a vehicle); the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or expected to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover in respect of other services is recognised once the service has been provided.

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 fixed 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.

Freehold and long leasehold land and buildings are stated at valuation, based on formal valuations by external independent valuers, less accumulated depreciation and any accumulated impairment losses. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

The revaluation reserve is reduced by transfer of the accumulated depreciation on the revalued portion of the freehold and long leasehold land and buildings.

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:

Freehold buildings	50 years
Long leasehold	shorter of the lease term or 75 years
Computer equipment	2 - 5 years
Leasehold improvements	shorter of the lease term or 10 years
Fixtures and fittings	5 years

Investment properties

Some of the Company's properties are held for long-term investment. Investment properties are initially recognised at cost, which includes purchase cost and any directly attributable expenditure.

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 Income Statement.

Ridgeway Garages (Newbury) Limited
Notes to the financial statements *(continued)*
For the year ended 31 March 2023

Accounting policies *(continued)*

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 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.

Goodwill

Goodwill acquired on each business combination is capitalised, classified as an asset in the Balance Sheet and amortised on a straight-line basis over its useful life not exceeding 20 years. Where a business is sold, or where goodwill has been impaired, the net book value or the amount of impaired goodwill, as applicable, is charged through the Income Statement in the period of disposal or impairment. Currently goodwill is being amortised evenly over its useful economic life of 10 years which is based on the length of the franchise agreement in place and other factors such as the maturity of the customer base acquired. Amortisation is included within administrative expenses in the Income Statement.

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.

Stock held on consignment is recognised in the Balance Sheet when the terms of a consignment agreement and commercial practice indicate that the principal benefit of owning the stock (the ability to sell it) and principal risks of ownership (stock holding cost, responsibility for safe-keeping and some risk of obsolescence) rest with the Company. Stock held on consignment is recognised net of value added taxes.

The Company finances the purchase of new and used vehicle stock using vehicle funding facilities provided by various lenders including the captive finance companies associated with brand partners.

These finance arrangements have varying maturity profiles with terms ranging from 60 to 360 days. The Company is normally required to repay amounts outstanding on the earlier of the sale of the vehicles that have been funded under the facilities or the stated maturity date. Amounts due to finance companies in respect of vehicle funding are included within trade creditors and disclosed under vehicle financing arrangements. Vehicle financing facilities are subject to finance house base rate (or similar) interest rates. The interest incurred under these arrangements is included within interest payable and similar charges and classified as stock financing charges.

Inventory is reviewed for impairment and a provision recorded where net realisable value has fallen below cost.

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. Trade creditors include the liability for vehicles (inclusive of value added taxes) held on consignment with the corresponding asset included within stock (exclusive of value added taxes).

Interest-bearing Loans and borrowings

All interest-bearing loans and borrowings are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is recognised in the Income Statement.

Ridgeway Garages (Newbury) Limited
Notes to the financial statements *(continued)*
for the year ended 31 March 2023

Accounting policies *(continued)*

Basic financial instruments *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in hand.

Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Financial liabilities

Financial liabilities are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

Provisions for liabilities

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised in interest payable.

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.

Leasing - as lessor

Leases that do not transfer substantially all the risks and rewards of ownership are treated as operating leases. Their annual rentals are credited to the Income Statement on a straight-line basis over the term of the lease. Costs incurred are recognised in line with normal depreciation policy for similar assets.

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 in either the Income Statement, Other Comprehensive Income 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.

Ridgeway Garages (Newbury) Limited
Notes to the financial statements (continued)
For the year ended 31 March 2023

Accounting policies (continued)

Pensions

The parent company, Marshall Motor Holdings Limited operates a defined contribution scheme for the employees of the Group. The Company participates in a defined contribution scheme for its employees. Contributions are charged to the Income Statement as they come payable in accordance with the rules of the scheme.

3 Critical accounting judgements and estimates

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:

Revaluation of investment properties / freehold and long leasehold land and buildings

The Company carries its investment property and some of its freehold and long leasehold land and buildings at fair value, with changes in fair value recognised in the Income Statement and Statement of Other Comprehensive Income. The Company engages an independent valuation specialist to determine fair value. The determined fair value of the investment property or freehold and long leasehold land and buildings is most sensitive to a number of assumptions including estimated yield as well as the long-term vacancy rate.

Stock valuation

Motor vehicle stock is stated at the lower of cost and net realisable value (being the fair value of the motor vehicles less costs to sell). Fair values are assessed using reputable industry valuation data which is based upon recent industry activity and forecasts. Whilst this data is deemed representative of the current value of vehicles held in stock it is possible that the price at which the vehicles are actually sold will differ from the vehicles' industry valuations. Where this is the case, adjustments arise in the Income Statement on the sale of vehicles held in stock.

Industry valuations are sensitive to rapid changes in regulatory and market conditions which are difficult to anticipate. In light of the materiality of the inventory balance in the Balance Sheet, this uncertainty is considered to represent a key source of estimation uncertainty. The inventory provision as at 31 March 2023 represents 4.8% of the gross inventory balance (31 March 2022: 3.5%), this increase is due to market volatility.

4 Turnover

Turnover is all attributable to the principal activity of the Company, which is car and commercial vehicle sales, distribution and service. All turnover arises from continuing activities within the United Kingdom and is stated net of VAT.

	Year ended 31 March 2023	15 months ended 31 March 2022
	£000	£000
Sale of goods	437,017	546,905
Rendering of services	21,767	23,941
	458,784	570,846

Ridgeway Garages (Newbury) Limited
Notes to the financial statements (continued)
For the year ended 31 March 2023

5 Other operating income

	Year ended 31 March 2023	15 months ended 31 March 2022
	£000	£000
Rental income	1,829	2,172
	1,829	2,172

6 Operating profit

Operating profit is stated after charging:

	Year ended 31 March 2023	15 months ended 31 March 2022
	£000	£000
Depreciation of property, plant and equipment	1,659	2,408
Amortisation of intangible assets	39	49
Loss on disposal of tangible fixed assets	-	11
Operating lease costs- land and buildings	1,322	5,696
Operating lease costs - vehicles and equipment	-	89

The audit fee for the financial statements of the Company is £63,000 (15 month period ended 31 March 2022: £30,000). This is borne by the Company's fellow subsidiary undertaking, Marshall Motor Group Limited.

7 Staff costs

Staff costs during the period were as follows:

	Year ended 31 March 2023	15 months ended 31 March 2022
	£000	£000
Wages and salaries	19,015	23,250
Social security costs	2,133	2,517
Other pension costs	363	433
	21,511	26,200

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

	Year ended 31 March 2023 Number	15 months ended 31 March 2022 Number
By activity		
Administrative and management	72	58
Sales and after sales	391	403
	463	461

The costs of Directors' services are borne by Marshall Motor Holdings Limited and Marshall Motor Group Limited.

During both the current and prior periods no Directors were granted options or exercised share options granted in previous periods.

Ridgeway Garages (Newbury) Limited
Notes to the financial statements (continued)
For the year ended 31 March 2023

8 Interest payable and similar charges

	Year ended 31 March 2023 £000	15 months ended 31 March 2022 £000
Bank interest	136	97
Stock financing interest	1,219	1,085
	1,355	1,182

Certain banking facilities to which the Group's subsidiary companies are party are held in cash pooling arrangements. Interest payable on pooled balances is borne by Marshall Motor Group Limited.

9 Tax

a) Tax on profit on ordinary activities

Tax charge included in the income statement:

	Year ended 31 March 2023 £000	15 months ended 31 March 2022 £000
<i>Current tax:</i>		
Current tax on profits for the year/period	2,337	3,610
Adjustments in respect of previous periods	-	3
Total current tax	2,337	3,613
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	349	48
Adjustments in respect of previous periods	-	(1)
Effect of change in tax rates	-	339
Total deferred tax	349	386
Taxation on profit on ordinary activities	2,686	3,999

b) Factors affecting the total tax charge

The tax assessed on the profit on ordinary activities for the year is higher (15 months ended 31 March 2022: higher) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

Income tax reconciliation

	Year ended 31 March 2023 £000	15 months ended 31 March 2022 £000
Profit on ordinary activities before income tax	12,250	18,254
Profit multiplied by the standard rate of tax in the UK of 19% (15 months ended 31 March 2022: 19%)	2,328	3,468
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3	181
Accelerated tax depreciation	211	-
Movement in unrecognised deferred tax on property revaluations	-	9
Tax rate change	79	339
Adjustments in respect of previous periods	-	2
Deferred tax movement not recognised	65	-
Total tax charge for the year/period	2,686	3,999

Ridgeway Garages (Newbury) Limited
Notes to the financial statements (continued)
For the year ended 31 March 2023

9 Tax (continued)

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 20 'Deferred Tax'

10 Intangible fixed assets

Goodwill
£000

Cost

As at 1 April 2022	1,938
Additions	-
As at 31 March 2023	1,938

Accumulated amortisation

As at 1 April 2022	1,890
Charge for the year	39
Disposals	-
As at 31 March 2023	1,929

Net book value

As at 31 March 2023	9
As at 31 March 2022	48

11 Tangible fixed assets

	Freehold and long leasehold land and buildings	Leasehold improvements	Plant and machinery	Total
	£000	£000	£000	£000
Cost				
As at 1 April 2022	44,747	4,753	6,529	56,029
Additions	-	37	649	686
Disposals	-	(13)	(10)	(23)
As at 31 March 2023	44,747	4,777	7,168	56,692
Accumulated depreciation				
As at 1 April 2022	5,085	2,909	5,365	13,359
Charge for the year	681	335	643	1,659
Disposals	-	(13)	(10)	(23)
As at 31 March 2023	5,766	3,231	5,998	14,995
Net book value				
As at 31 March 2023	38,981	1,546	1,170	41,697
As at 31 March 2022	39,662	1,844	1,164	42,670

As at 31 March 2023, the Company had capital commitments totalling £nil (31 March 2022: £21,000) relating to ongoing construction projects.

Ridgeway Garages (Newbury) Limited
Notes to the financial statements (continued)
For the year ended 31 March 2023

11 Tangible fixed assets (continued)

Valuation

The Company's freehold and long leasehold land and buildings are valued on a rotational basis in accordance with Section 17 of FRS102: assets are valued by an independent valuer at least every 5 years or more regularly if considered necessary.

The company reviews properties annually for indicators of impairment and material value movements. A full valuation of freehold and long leasehold land and buildings was carried out as at 26 September 2022 by BNP Paribas Real Estate.

The Directors assessed the valuations of these properties and based on internal expert assessments, no indicators were identified which signalled a material change in the fair value of freehold and long leasehold land and buildings.

As such, freehold and long leasehold land and buildings continue to be held at their 26 September 2022 valuations.

If freehold and long leasehold land and buildings had not been included at valuation, they would have been included under the historical cost convention as follows:

	31 March 2023	31 March 2022
	£000	£000
Cost	41,283	41,283
Accumulated depreciation	(5,133)	(4,504)
Net book value	36,150	36,779

Revaluation reserve transfer

A transfer of £63,000 (15 month period ended 31 March 2022: £202,000) represents the depreciation charged in the period on revaluation balances.

12 Investment Properties

	31 March 2023	31 March 2022
	£000	£000
At 1 April	18,109	17,288
Additions	-	221
At year end	18,109	18,109

Investment properties are stated at fair value; a formal valuation is carried out at least every 3 years by a Chartered Surveyor on an open market value basis. A full valuation of investment properties was carried out as at 26 September 2022 by BNP Paribas Real Estate.

The Directors assessed the valuations of these properties based on internal expert assessments; no indicators were identified which signalled a material change in the fair value of investment properties. As such, investment properties continue to be held at their 26 September 2022 valuation.

The properties are rented out to other subsidiary companies in the Group. Rental income of £1,829,000 was recognised in the year (15 month period ended 31 March 2022: £2,172,000).

If investment properties had not been included at valuation they would have been included under the historical cost convention as follows:

	31 March 2023	31 March 2022
	£000	£000
Cost	17,898	17,898
Accumulated depreciation	(4,678)	(4,119)
Net book value	13,220	13,779

Ridgeway Garages (Newbury) Limited
Notes to the financial statements (continued)
For the year ended 31 March 2023

13 Investments in subsidiaries

	Total £000
<i>Cost and net book value</i>	
At 1 April 2022 and 31 March 2023	15,508

Name of subsidiary undertaking	Proportion held	Country of incorporation	Principal activity at period end
Pentagon Limited	100%	England and Wales	Franchised motor dealership
Ridgeway Bavarian Limited	100%	England and Wales	Franchised motor dealership
Ridgeway TPS Limited	100%	England and Wales	Motor parts sales
Pentagon South West Limited	100%	England and Wales	Dormant
Wood in Hampshire Limited	100%	England and Wales	Dormant
Wood of Salisbury Limited	100%	England and Wales	Dormant

The Company directly owns the whole of the issued and fully paid share capital of these subsidiary undertakings. The registered office of all the above subsidiaries is C/O Marshall Volkswagen Milton Keynes, Greyfriars Court, Milton Keynes, Buckinghamshire, MK10 0BN.

14 Stock

	31 March 2023 £000	31 March 2022 £000
Stock held for resale	54,649	44,459

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

At 31 March 2023 and 31 March 2022 all new, and the majority of used, vehicles are held under vehicle financing arrangements (see Note 16).

Included in stock held for resale include Parts stock to the value of £165,000 (31 March 2022: £182,000). Inventory is stated after provision of £2,760,000 (31 March 2022: £2,046,000).

15 Debtors: amounts falling due within one year

	31 March 2023 £000	31 March 2022 £000
Trade debtors	5,706	5,074
Amounts owed by Group undertakings	77,363	68,822
Other debtors	5,716	3,819
Prepayments and accrued income	1,080	1,021
	89,865	73,736

Trade receivables are stated after provision for impairment of £68,000 (31 March 2022: £155,000).

Amounts owed by Group undertakings are unsecured, repayable on demand and do not bear interest.

16 Creditors: amounts falling due within one year

	31 March 2023 £000	31 March 2022 £000
Bank overdraft	1,208	-
Mortgages	641	641
Trade creditors		
- vehicle financing arrangements	55,085	44,980
- other trade creditors	13,915	12,470
Amounts owed to Group undertakings	57,533	62,962
Taxation and social security	2,879	2,097
Other creditors	2,174	423
Accruals and deferred income	2,748	2,903
	136,183	126,476

Ridgeway Garages (Newbury) Limited
Notes to the financial statements (continued)
For the year ended 31 March 2023

16 Creditors: amounts falling due within one year (continued)

The Company finances the purchase of new and used vehicle stock using vehicle funding facilities provided by various lenders including the captive finance companies associated with brand partners. These finance arrangements have varying maturity profiles with terms ranging from 60 to 360 days. The Company is normally required to repay amounts outstanding on the earlier of the sale of the vehicles that have been funded under the facilities or the stated maturity date.

Vehicle financing facilities are subject to floating interest rates linked to the Bank of England Base Rate (or equivalent finance house base rates). The interest incurred under these arrangements is included within interest payable and similar charges and is classified as stock financing charges.

Vehicle funding facilities provided by various lenders are secured against vehicles and by guarantees provided by the Group's parent company, Marshall Motor Holdings Limited.

Management considers the carrying amount of creditors to approximate to their fair value.

17 Creditors: amounts falling due more than one year

	31 March 2023	31 March 2022
	£000	£000
Mortgages (note 18)	2,926	3,581
Deferred Income	382	411
Deferred tax (note 20)	2,755	2,405
	6,063	6,397

18 Loans and borrowings

	31 March 2023	31 March 2022
	£000	£000
Within one year	641	641
Between one and two years	641	641
Between two to five years	1,924	1,924
Over five years	361	1,818
	3,567	4,222

The terms of the debt and the repayment schedule are as follows:

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	31 March 2023	31 March 2022
					£000	£000
Mortgage Loan 1	GBP	LIBOR+2.02%	2028	Quarterly	1,867	2,222
Mortgage Loan 2	GBP	LIBOR+2.02%	2029	Quarterly	1,714	2,000
					3,581	4,222

19 Provisions for liabilities

	Dilapidations
	£000
At 1 April 2022	799
Amount provided in the year	106
Amount released in the year	(27)
At 31 March 2023	878

Ridgeway Garages (Newbury) Limited
Notes to the financial statements (continued)
For the year ended 31 March 2023

20 Deferred tax

The movement in deferred tax liability during the period was:

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

	31 March 2023	31 March 2022
	£000	£000
Decelerated capital allowances	1,995	1,644
Other short term timing differences	(36)	(35)
Revaluations of property	796	796
Total deferred tax	2,755	2,405

Following the introduction with effect from 1 April 2023 of full expensing for tax purposes of expenditure on qualifying plant and machinery, a net reversal of existing deferred tax assets is expected to arise and so reducing the corporation tax charge for the year. This is due to fixed asset movements expected during the period, offset by the unwinding of the deferred tax asset in relation to the defined benefit pension scheme Section 75 employer debt payment made on cessation of participation in the scheme in 2019; deductibility of which is spread over four years for tax purposes.

Deferred tax assets of £383,000 (31 March 2022: £383,000) in relation to freehold and long leasehold property revaluations and investment property revaluations have not been recognised on the basis that crystallisation of a capital loss is uncertain.

21 Pension

As described in Note 2 'Accounting Policies', the Company participates in defined contribution pension schemes for the benefit of its employees. All schemes are funded by the payment of contributions to trustee-administered funds which are kept independently from the assets of the participating employers.

The total pension cost for the year for the Company in respect of defined contribution schemes was £363,000 in 31 March 2023 (15 months ended 31 March 2022: £433,000). The total unpaid pension contributions outstanding at year end were £61,000 (15 months ended 31 March 2022: £66,000).

22 Operating lease commitments – Company as lessee

	31 March 2023		31 March 2022	
	Property £000	Vehicles and equipment £000	Property £000	Vehicles and equipment £000
Within one year	974	36	1,253	50
Between one and 5 years	3,028	5	3,518	31
After 5 years	1,152	-	2,128	-
	5,154	41	6,899	81

23 Operating lease commitments – Company as lessor

The Company has entered into non-cancellable operating leases, as lessor, on all properties held within investment properties. The terms of these leases vary.

Future minimum lease rentals receivable under non-cancellable operating leases are as follows:

	31 March 2023	31 March 2022
	£000	£000
Within one year	1,829	1,829
	1,829	1,829

Ridgeway Garages (Newbury) Limited
Notes to the financial statements (continued)
For the year ended 31 March 2023

24 Share Capital

	31 March 2023 £000	31 March 2022 £000
Authorised, allotted and fully paid		
66,668 ordinary shares of £1 each as at 31 March 2022 and 31 March 2023	<u>67</u>	<u>67</u>

25 Reserves

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

Revaluation reserve – used to record increases in the fair value of freehold and long leasehold land and buildings and decreases to the extent that such decrease relates to an increase on the same asset.

These amounts are not distributable to shareholders as dividends as the gains are not realised.

26 Guarantees and other financial commitments

The Group has a revolving credit facility of £60,000,000 of which £nil was drawn at 31 March 2023 (31 March 2022: £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. The Group's principal vehicle stock funding facility is secured by a cross-guarantee granted by the Company.

27 Related party transactions

The Company has taken advantage of the exemptions conferred by FRS 102 in paragraph 33.1A to IAS 24, including the requirements to disclose related party transactions entered between two or more, wholly owned, members of a group.

Sales of goods to subsidiaries of Constellation Automotive Group SARL, which do not consolidate into Constellation Automotive Holdings Limited for the year were £3,142,000 (15 months ended 31 March 2022: £nil) and the amount due at year end £nil (15 months ended 31 March 2022: £nil).

Purchases of goods from subsidiaries of Constellation Automotive Group SARL, which do not consolidate into Constellation Automotive Holdings Limited for the year were £1,686,000 (15 months ended 31 March 2022: £nil) and the amount due at year end £134,000 (15 months ended 31 March 2022: £nil).

Outstanding balances with Group entities are unsecured, interest free and are expected to be settled in cash. During the year ended 31 March 2023, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (15 months ended 31 March 2022: £nil).

28 Ultimate controlling party

The Company is a wholly owned 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.

Ridgeway Garages (Newbury) Limited
Notes to the financial statements (continued)
For the year ended 31 March 2023

29 Events since the balance sheet date

On 1 March 2024 the trade and assets of Ridgeway Bavarian Limited, a wholly owned subsidiary of the Company, were transferred to Marshall Motor Group Limited as part of a reorganisation to simplify Marshall Motor Holdings Group. The purpose of the transfer is to reduce the number of trading legal entities within the group and the underlying trade and operations of Ridgeway Bavarian Limited has not changed. The Company received a distribution in kind of £38,779 from Ridgeway Bavarian Limited in respect of unsettled intercompany balances and wrote off its investment in Ridgeway Bavarian Limited valued at £100.