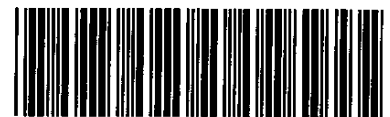


GARNHAM MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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GARNHAM MANAGEMENT SERVICES LIMITED

COMPANY INFORMATION

Directors	A P Skerry Mrs K A Skerry
Company secretary	A P Skerry
Registered number	06306382
Registered office	Stebbings Car Centre Hamlin Way Hardwick Narrows King's Lynn Norfolk PE30 4NG
Independent auditors	Larking Gowen LLP Chartered Accountants & Statutory Auditors 1st Floor Prospect House Rouen Road Norwich NR1 1RE

GARNHAM MANAGEMENT SERVICES LIMITED

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GARNHAM MANAGEMENT SERVICES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their strategic report for Garnham Management Services Limited for the year ended 31 December 2022.

Business review

The principal activity of the Group continued to be that of garage proprietors selling second hand cars. The parent company also holds and manages a number of investment properties.

2022 has been another strong year for the Group and the directors are very pleased with the continued profitability that has been delivered. Turnover at £43.8m was very consistent with the prior year although the strong market in 2021 had cooled a little which meant there was a slight fall in gross margin on unit sales. Nevertheless continued lack of supply of both new and used vehicles coupled with strong demand post-pandemic meant second hand car market prices remained strong throughout most of the period and the Group reported another pleasing operating profit of £1.65m.

The Group's industrial units remain fully occupied and this has driven strong rental income.

As we move into 2023 there are distinct signs that the cost of living crisis and interest rate increases are having an impact on sales and activity has been very subdued. The priority of the directors for the year ahead is to continue to source high quality cars in order to meet customer demand whilst maintaining a close watch on costs and to closely monitor the economic environment in order to react quickly to changes as these happen. We still expect to report profits for 2023 but it now looks highly unlikely that the strong market conditions of the past two years will be repeated.

At the balance sheet date the net assets of the group had increased to just under £15m.

Principal risks and uncertainties

The directors believe the principal risks and uncertainties faced by the Group are related to the current economic uncertainty and inflation driven mainly by the war in Ukraine and other macro-economic factors. This is a significant short term risk as the second hand motor industry is influenced by general economic conditions and consumer confidence. Rising interest rates also influences the market as it impacts the affordability of finance contracts.

Other risks and uncertainties include;

- The impact of the economic conditions on our tenants and their continued ability to meet the rental liabilities due.
- A number of regulations affect parts of our business of financing vehicles, such as those set out by the Financial Conduct Authority, including the new Consumer Duty requirements. The directors take this risk very seriously due to the potential fines and/or suspension that could arise from non-compliance.
- GDPR and cyber security are an increasingly important issue in most companies that handle large volumes of customer data and the directors take steps to protect the Group due to the significant implications of a breach in this area.

The directors recognise that success of the business depends to a large extent upon the effort and abilities of our senior management and key employees. We are therefore dependent upon our ability to continue to attract and retain talented and skilled personnel.

GARNHAM MANAGEMENT SERVICES LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Financial risk management objectives and policies

In common with other businesses, the Group aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate working capital is in place to meet the requirements of the business. Levels of stock are also regularly reviewed to reduce risk of slow moving stocks being held.

Financial key performance indicators

The directors use a range of performance measures to monitor and manage the business effectively.

These are both financial and non-financial and the most significant of these are the key performance indicators (KPIs). The key financial performance indicators are turnover, gross profit and operating profit. These KPIs indicate the volume of activity undertaken by the Group as well as the efficiency and profitability with which this activity have been carried out. The key non-financial performance indicator is the number of staff employed by the Group.

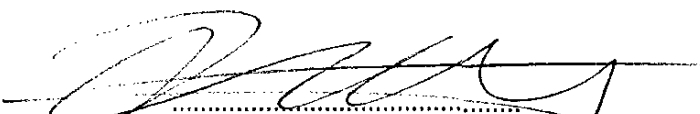
	2022 £	2021 £
Turnover	43,808,838	44,319,535
Gross profit	2,734,714	3,135,294
Operating profit	1,653,293	2,336,495
Number of employees	47	46

Financial instruments

The group's principal financial instruments include financial assets and liabilities such as trade creditors arising directly from its operations.

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

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



A P Skerry
Director

Date: 26 September 2023

GARNHAM MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation, amounted to £1,250,091 (2021 - £1,652,267).

No dividend was paid in the year (2021 - £Nil).

Directors

The directors who served during the year were:

A P Skerry
Mrs K A Skerry

Future developments

The directors do not anticipate any significant changes to the business during the current year.

Qualifying third party indemnity provisions

Qualifying third party indemnity provision is in place for the benefit of all Directors of the Group.

GARNHAM MANAGEMENT SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditors

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

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

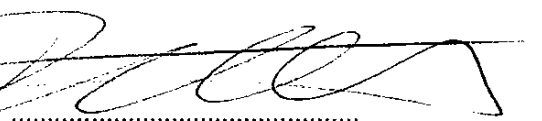
Post balance sheet events

There are no significant post balance sheet events affecting the group.

Auditors

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

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



A P Skerry
Director

Date: 26 September 2023

GARNHAM MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GARNHAM MANAGEMENT SERVICES LIMITED

Opinion

We have audited the financial statements of Garnham Management Services Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated statement of cash flows, the Consolidated statement of changes in equity, the Company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

GARNHAM MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GARNHAM MANAGEMENT SERVICES LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

GARNHAM MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GARNHAM MANAGEMENT SERVICES LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 Group financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

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:

Due to the field in which the company operates, we identified the areas as those most likely to have a direct material impact on the financial statements as compliance with UK tax legislation, UK accounting standards and the Companies Act 2006. In addition, we considered the provisions of other laws and regulations which whilst not having a direct impact on the financial statements, are fundamental to the Company's ability to operate including health and safety; employment law; GDPR and compliance with FCA rules.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing board minutes and any relevant correspondence with external authorities;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to property valuations, depreciation calculations and stock valuations; and;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

GARNHAM MANAGEMENT SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GARNHAM MANAGEMENT SERVICES
LIMITED (CONTINUED)**

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

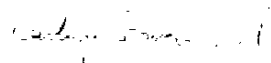
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Anders Rasmussen FCA (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

1st Floor Prospect House
Rouen Road
Norwich
NR1 1RE

Date: 26 September 2023

GARNHAM MANAGEMENT SERVICES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	43,820,537	44,319,535
Cost of sales		(41,083,712)	(41,184,241)
Gross profit		2,736,825	3,135,294
Administrative expenses		(1,717,506)	(1,423,478)
Other operating income	5	636,085	624,679
Operating profit		1,655,404	2,336,495
Interest receivable and similar income		-	5,357
Interest payable and similar expenses	9	(103,317)	(67,990)
Profit before taxation		1,552,087	2,273,862
Tax on profit	10	(301,996)	(621,595)
Profit for the financial year		1,250,091	1,652,267
Movement on deferred tax on freehold property valuations		-	(23,809)
Other comprehensive income for the year		-	(23,809)
Total comprehensive income for the year		1,250,091	1,628,458
Profit for the year attributable to:			
Owners of the parent Company		1,250,091	1,652,267
		1,250,091	1,652,267
Total comprehensive income for the year attributable to:			
Owners of the parent Company		1,250,091	1,628,458
		1,250,091	1,628,458

The notes on pages 18 to 39 form part of these financial statements.

GARNHAM MANAGEMENT SERVICES LIMITED
REGISTERED NUMBER: 06306382

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

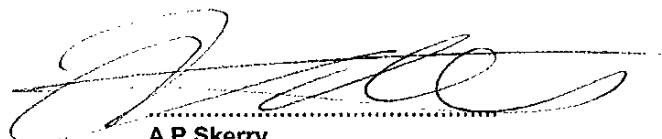
	Note	2022 £	2021 £
Fixed assets			
Intangible assets	11	24,677	-
Tangible assets	12	3,661,951	3,715,558
Investments	13	7,347	7,347
Investment property	14	6,017,844	5,579,549
		<u>9,711,819</u>	<u>9,302,454</u>
Current assets			
Stocks	15	8,613,934	9,796,846
Debtors: amounts falling due within one year	16	607,163	539,006
Cash at bank and in hand	17	1,568,079	750,582
		<u>10,789,176</u>	<u>11,086,434</u>
Creditors: amounts falling due within one year	18	(2,129,245)	(3,027,476)
Net current assets		<u>8,659,931</u>	<u>8,058,958</u>
Total assets less current liabilities		<u>18,371,750</u>	<u>17,361,412</u>
Creditors: amounts falling due after more than one year	19	(2,356,103)	(2,586,130)
Provisions for liabilities			
Deferred taxation	23	(880,349)	(887,964)
Other provisions	24	(203,658)	(205,769)
		<u>(1,084,007)</u>	<u>(1,093,733)</u>
Net assets		<u><u>14,931,640</u></u>	<u><u>13,681,549</u></u>

GARNHAM MANAGEMENT SERVICES LIMITED
REGISTERED NUMBER: 06306382

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Capital and reserves			
Called up share capital	25	1,100	1,100
Revaluation reserve	26	783,989	783,989
Profit and loss account	26	14,146,551	12,896,460
		<u>14,931,640</u>	<u>13,681,549</u>

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



A P Skerry
Director

Date: 26 September 2023

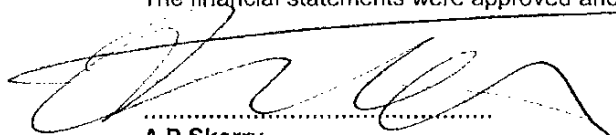
The notes on pages 18 to 39 form part of these financial statements.

GARNHAM MANAGEMENT SERVICES LIMITED
REGISTERED NUMBER: 06306382

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	13	100	100
Investment Property	14	7,562,844	7,124,549
		<u>7,562,944</u>	<u>7,124,649</u>
Current assets			
Debtors: amounts falling due within one year	16	26,816	445,814
Cash at bank and in hand	17	403,052	242,361
		<u>429,868</u>	<u>688,175</u>
Creditors: amounts falling due within one year	18	(454,733)	(377,157)
Net current (liabilities)/assets		<u>(24,865)</u>	<u>311,018</u>
Total assets less current liabilities		<u>7,538,079</u>	<u>7,435,667</u>
Creditors: amounts falling due after more than one year	19	(2,313,415)	(2,474,996)
Provisions for liabilities			
Deferred taxation	23	(740,072)	(739,941)
		<u>(740,072)</u>	<u>(739,941)</u>
Net assets		<u>4,484,592</u>	<u>4,220,730</u>
Capital and reserves			
Called up share capital	25	1,100	1,100
Profit and loss account	26	4,483,492	4,219,630
		<u>4,484,592</u>	<u>4,220,730</u>

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


A P Skerry
 Director

Date: 26 September 2023

The notes on pages 18 to 39 form part of these financial statements.

GARNHAM MANAGEMENT SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2021	1,100	807,798	11,244,193	12,053,091
Comprehensive income for the year				
Profit for the year	-	-	1,652,267	1,652,267
Movement of deferred tax relating to revaluation of tangible fixed assets	-	(23,809)	-	(23,809)
Total comprehensive income for the year	-	(23,809)	1,652,267	1,628,458
Total transactions with owners	-	-	-	-
At 1 January 2022	1,100	783,989	12,896,460	13,681,549
Comprehensive income for the year				
Profit for the year	-	-	1,250,091	1,250,091
Total comprehensive income for the year	-	-	1,250,091	1,250,091
Total transactions with owners	-	-	-	-
At 31 December 2022	1,100	783,989	14,146,551	14,931,640

The notes on pages 18 to 39 form part of these financial statements.

GARNHAM MANAGEMENT SERVICES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	1,100	3,987,114	3,988,214
Comprehensive income for the year			
Profit for the year	-	232,516	232,516
	-	232,516	232,516
Total comprehensive income for the year			
	-	-	-
Total transactions with owners			
At 1 January 2022	1,100	4,219,630	4,220,730
Comprehensive income for the year			
Profit for the year	-	263,862	263,862
	-	263,862	263,862
Total comprehensive income for the year			
Total transactions with owners			
	-	-	-
At 31 December 2022	1,100	4,483,492	4,484,592

The notes on pages 18 to 39 form part of these financial statements.

GARNHAM MANAGEMENT SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flow from operating activities		
Profit for the financial year	1,250,091	1,652,267
Adjustments for:		
Amortisation of intangible assets	1,073	-
Depreciation of tangible assets	148,470	147,907
Loss on disposal of tangible assets	(25,640)	(72,209)
Interest paid	103,317	67,990
Interest received	-	(5,357)
Taxation charge	301,996	621,595
Decrease/(increase) in stocks	1,182,912	(4,182,616)
(Increase) in debtors	(68,157)	(330,586)
(Decrease)/increase in creditors	(782,951)	1,305,901
(Decrease)/increase in provisions	(2,111)	53,912
Corporation tax (paid)	(408,010)	(273,672)
Net cash generated from operating activities	1,700,990	(1,014,868)
Cash flows from investing activities		
Purchase of intangible fixed assets	(25,750)	-
Purchase of tangible fixed assets	(127,278)	(259,220)
Sale of tangible fixed assets	58,055	146,012
Purchase of investment properties	(438,295)	(38,523)
Interest received	-	5,357
HP interest paid	(2,999)	(2,999)
Net cash from investing activities	(536,267)	(149,373)
Cash flows from financing activities		
New secured loans	-	2,750,000
Repayment of loans	(161,581)	(3,176,668)
Repayment of other loans	(25,980)	(25,980)
Repayment of/new finance leases	(59,347)	11,867
Interest paid	(100,318)	(64,991)
Net cash used in financing activities	(347,226)	(505,772)
Net increase/(decrease) in cash and cash equivalents	817,497	(1,670,013)
Cash and cash equivalents at beginning of year	750,582	2,420,595
Cash and cash equivalents at the end of year	1,568,079	750,582

GARNHAM MANAGEMENT SERVICES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,568,079	750,582
	<u>1,568,079</u>	<u>750,582</u>

The notes on pages 18 to 39 form part of these financial statements.

GARNHAM MANAGEMENT SERVICES LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	750,582	817,497	1,568,079
Debt due after 1 year	(2,492,032)	178,617	(2,313,415)
Debt due within 1 year	(736,003)	102,617	(633,386)
Finance leases	(148,752)	59,347	(89,405)
	<u>(2,626,205)</u>	<u>1,158,078</u>	<u>(1,468,127)</u>

The notes on pages 18 to 39 form part of these financial statements.

GARNHAM MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Garnham Management Services Limited is a company domiciled in England and Wales, registered number 06306382. The registered office is Stebbings Car Centre, Hamlin Way, Hardwick Narrows, King's Lynn, Norfolk, PE30 4NG.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements are presented in Sterling (£) and rounded to the nearest £.

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

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

The following principal accounting policies have been applied consistently throughout the year.

2.2 Basis of consolidation

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

2.3 Going concern

The directors have considered the company's and group's position at the time of signing the financial statements, including financial forecasts and projections and the financial strength of the company and group.

Based on this, the directors have concluded that the company and group will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of approval of these financial statements. The directors therefore continue to adopt the going concern basis in preparing the financial statements.

GARNHAM MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.1 Revenue

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

Sale of goods - used car sales

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

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

Commission income

Commission income is recognised at the point of sale of the applicable vehicle.

Rental income

Rental income is recognised when receivable.

2.5 Operating leases: the Group as lessor

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

2.6 Operating leases: the Group as lessee

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

2.7 Government grants

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

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

2.8 Finance costs

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

GARNHAM MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.9 Borrowing costs

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

2.10 Pensions

Defined contribution pension plan

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

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

2.11 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

GARNHAM MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 Intangible assets

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

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

The estimated useful lives range as follows:

Website	- 10 years straight line
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2.13 Tangible fixed assets

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

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

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

Land is not depreciated. Depreciation is charged so as to allocate the cost or valuation of assets less their residual value over their estimated useful lives.

The estimated useful lives range as follows:

Freehold property	- 25 years straight line
Leasehold property	- 10 years straight line
Plant and machinery	- 15 - 25% reducing balance
Motor vehicles	- 25% straight line
Fixtures and fittings	- 15% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

GARNHAM MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.14 Revaluation of tangible fixed assets

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

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

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

2.15 Investment property

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

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

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

2.18 Debtors

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

GARNHAM MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.19 Cash and cash equivalents

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

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

2.20 Creditors

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

2.21 Provisions for liabilities

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

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

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

2.22 Financial instruments

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

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Stock is provided for on the basis of the age and condition of the vehicles in line with industry wide car valuation guidelines and also known actual sales post year end of vehicles held at the year end date.

Valuations of investment and freehold property are derived by the directors based on regular external valuations by professional advisors.

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Turnover

The whole of the turnover is attributable to the group's principal activity undertaken within the United Kingdom.

5. Other operating income

	2022	2021
	£	£
Other operating income	240,862	153,702
Net rents receivable	395,223	362,145
Government grants receivable	-	108,832
	636,085	624,679

Government grants receivable relate to the Coronavirus Job Retention Scheme ("CJRS") grants received from central government to cover some of the costs of employing certain members of staff placed on furlough leave, in response to the coronavirus pandemic.

6. Auditors' remuneration

	2022	2021
	£	£
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	14,550	14,550

The auditors fees for the company amounted to £3,300 (2021: £3,300).

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Employees

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

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Wages and salaries	1,376,283	1,238,716	-	-
Social security costs	124,593	122,437	-	-
Cost of defined contribution scheme	34,561	61,844	-	12,833
	<u>1,535,437</u>	<u>1,422,997</u>	<u>-</u>	<u>12,833</u>

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

	2022 No.	<i>2021 No.</i>
Sales and customer service	31	29
Administrative	9	8
Management	3	3
Maintenance & security	4	6
	<u>47</u>	<u>46</u>

8. Directors' remuneration

	2022 £	<i>2021 £</i>
Directors' emoluments	33,191	60,118
Group contributions to defined contribution pension schemes	-	13,749
	<u>33,191</u>	<u>73,867</u>

During the year retirement benefits were accruing to no director (2021 - 1) in respect of defined contribution pension schemes.

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Interest payable and similar expenses

	2022	2021
	£	£
Bank interest payable	-	17,215
Other loan interest payable	97,004	47,776
Finance leases and hire purchase contracts	6,313	2,999
	<u>103,317</u>	<u>67,990</u>

10. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	308,093	415,067
Adjustments in respect of previous periods	1,518	1,096
Total current tax	<u>309,611</u>	<u>416,163</u>
Origination and reversal of timing differences	(7,615)	205,432
Total deferred tax	<u>(7,615)</u>	<u>205,432</u>
Taxation on profit on ordinary activities	<u>301,996</u>	<u>621,595</u>

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2021 - higher than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	1,552,087	2,273,862
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% <i>(2021 - 19%)</i>	294,897	432,034
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	124	2,899
Capital allowances for year in excess of depreciation	7,687	(687)
Adjustments to tax charge in respect of prior periods	1,519	-
Non-taxable income	-	(1,040)
Capital gains	883	3,818
Changes in deferred tax rates	(1,829)	185,065
Other differences leading to an increase (decrease) in the tax charge	(1,285)	(494)
Total tax charge for the year	301,996	621,595

Factors that may affect future tax charges

Legislation to increase the main rate of corporation tax from 19% to 25% in the UK with effect from 1 April 2023 was included in the Finance Act 2021.

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Intangible assets

Group and Company

	Website £
Cost	
Additions	25,750
At 31 December 2022	25,750
Amortisation	
Charge for the year on owned assets	1,073
At 31 December 2022	1,073
Net book value	
At 31 December 2022	24,677
At 31 December 2021	-

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets

Group

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation						
At 1 January 2022	3,105,000	144,328	687,335	233,947	151,772	4,322,382
Additions	-	8,948	86,105	31,400	825	127,278
Disposals	-	-	(10,378)	(57,040)	-	(67,418)
At 31 December 2022	<u>3,105,000</u>	<u>153,276</u>	<u>763,062</u>	<u>208,307</u>	<u>152,597</u>	<u>4,382,242</u>
Depreciation						
At 1 January 2022	21,208	66,089	337,508	99,639	82,380	606,824
Charge for the year on owned assets	20,232	14,805	65,825	37,168	10,440	148,470
Disposals	-	-	(4,178)	(30,825)	-	(35,003)
At 31 December 2022	<u>41,440</u>	<u>80,894</u>	<u>399,155</u>	<u>105,982</u>	<u>92,820</u>	<u>720,291</u>
Net book value						
At 31 December 2022	<u>3,063,560</u>	<u>72,382</u>	<u>363,907</u>	<u>102,325</u>	<u>59,777</u>	<u>3,661,951</u>
At 31 December 2021	<u>3,083,792</u>	<u>78,239</u>	<u>349,827</u>	<u>134,308</u>	<u>69,392</u>	<u>3,715,558</u>

Included in land and buildings is freehold land at valuation or cost of £2,545,000 (2021: £2,545,000) which is not depreciated.

Freehold land and property was revalued as at 31 December 2020 by Jones Lang LaSalle Limited, on an open market value for existing use basis.

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022	2021
	£	£
Plant and machinery	108,284	118,292
Motor vehicles	10,245	30,458
	118,529	148,750

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

	2022	2021
	£	£
Cost	3,118,566	2,680,271
Accumulated depreciation	(537,949)	(509,435)
	2,580,617	2,170,836

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Fixed asset investments

Group

	Listed investments £
Cost or valuation	
At 1 January 2022	7,347
At 31 December 2022	7,347

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	100
At 31 December 2022	100

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Stebbings Car Centre Limited	Hamlin Way, Hardwick Narrows, King's Lynn, Norfolk, PE30 4NG	Ordinary	100%

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2022	5,579,549
Additions at cost	438,295
At 31 December 2022	6,017,844

Directors considered that the valuation of properties held at 31 December 2022 are in line with the recent market data of yields for similar properties.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2022 £	2021 £
Historic cost	3,451,485	3,013,190
	3,451,485	3,013,190

Company

	Freehold investment property £
Valuation	
At 1 January 2022	7,124,549
Additions at cost	438,295
At 31 December 2022	7,562,844

Directors considered that the valuation of properties held at 31 December 2022 are in line with the recent market data of yields for similar properties.

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Stocks

	Group 2022 £	<i>Group 2021 £</i>
Raw materials and consumables	86,468	54,494
Finished goods and goods for resale	8,527,466	9,742,352
	8,613,934	9,796,846

The carrying value of stocks are stated net of impairment losses totalling £100,000 (2021 - £100,000).

16. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade debtors	387,709	441,258	26,814	28,744
Amounts owed by group undertakings	-	-	-	416,168
Other debtors	104,049	54,488	2	902
Prepayments and accrued income	115,405	43,260	-	-
	607,163	539,006	26,816	445,814

17. Cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Cash at bank and in hand	1,568,079	750,582	403,052	242,361
	1,568,079	750,582	403,052	242,361

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Creditors: Amounts falling due within one year

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Bank loans	183,336	183,336	183,336	183,336
Other loans	15,155	24,099	-	-
Trade creditors	337,670	856,026	642	-
Amounts owed to group undertakings	-	-	152,409	-
Corporation tax	196,399	294,798	69,767	97,244
Other taxation and social security	167,145	176,606	13,667	19,767
Obligations under finance lease and hire purchase contracts	46,717	54,654	-	-
Other creditors	604,037	787,316	18,218	14,500
Accruals and deferred income	578,786	650,641	16,694	62,310
	2,129,245	3,027,476	454,733	377,157

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

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Bank loans	2,313,415	2,474,996	2,313,415	2,474,996
Other loans	-	17,036	-	-
Net obligations under finance leases and hire purchase contracts	42,688	94,098	-	-
	2,356,103	2,586,130	2,313,415	2,474,996

The bank loan is secured by means of a debenture that creates a fixed and floating charge over the assets of Stebbings Car Centre Limited and Garnham Management Services Limited, and a guarantee from Garnham Management Services Limited.

The bank loan is fully repayable on the 30 April 2024. Interest is charged at LIBOR plus 2% and is payable at 3 monthly intervals.

In 2020 a financing loan was secured for £77,940. This is repayable in 36 monthly installments of £2,516. Interest is charged at an effective rate of 10% per annum, with the first 12 months interest paid by the government.

The obligations under finance lease and hire purchase contracts are secured upon the assets to which they relate.

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Bank loans	183,336	183,336	183,336	183,336
Other loans	15,155	24,099	-	-
	<u>198,491</u>	<u>207,435</u>	<u>183,336</u>	<u>183,336</u>
Amounts falling due 1-2 years				
Bank loans	2,313,415	183,336	2,313,415	183,336
Other loans	-	17,036	-	-
	<u>2,313,415</u>	<u>200,372</u>	<u>2,313,415</u>	<u>183,336</u>
Amounts falling due 2-5 years				
Bank loans	-	2,291,660	-	2,291,660
	<u>-</u>	<u>2,291,660</u>	<u>-</u>	<u>2,291,660</u>
	<u>2,511,906</u>	<u>2,699,467</u>	<u>2,496,751</u>	<u>2,658,332</u>

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	Group 2021 £
Within one year	52,915	70,268
Between 1-5 years	50,590	106,636
Less interest	(14,100)	(28,152)
	<u>89,405</u>	<u>148,752</u>

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Financial instruments

	Group 2022 £	Group 2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>7,347</u>	<u>7,347</u>

Financial assets measured at fair value through profit or loss comprise of listed investments.

23. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	(887,964)	(658,723)
Charged to profit or loss	7,615	(205,432)
Charged to other comprehensive income	-	(23,809)
At end of year	<u>(880,349)</u>	<u>(887,964)</u>

Company

	2022 £	2021 £
At beginning of year	(739,941)	(561,595)
Charged to profit or loss	(131)	(178,346)
At end of year	<u>(740,072)</u>	<u>(739,941)</u>

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	(146,266)	(153,881)	(7,274)	(7,143)
Deferred tax on revalued assets	(734,083)	(734,083)	(732,798)	(732,798)
	<u>(880,349)</u>	<u>(887,964)</u>	<u>(740,072)</u>	<u>(739,941)</u>

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

24. Provisions

Group

	Provisions £
At 1 January 2022	205,769
Charged to profit or loss	(2,111)
At 31 December 2022	203,658

Commission Clawback Provision

Included in the above is an amount in respect of commission paid to the group from finance companies which could be clawed back in the case of customer default or early settlement. This is estimated on the basis of actual costs incurred in the prior periods. As at 31 December 2022 this provision totaled £114,820 (2021: £126,519).

Warranty Provision

The group has a three month burden of proof with regard to warranty work on used vehicles. This provision reflects an estimate based on vehicles sold in the last three months and the company's previous experience of the cost of the work which will be required relating to used vehicle sales up to 31 December 2022 amount to £48,838 (2021: £39,250).

Dilapidations Provision

Included in the above is an amount in respect of dilapidations totaling £40,000 (2021: £40,000).

Company

There were no provisions within the company.

25. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,100 (2021 - 1,100) Ordinary shares of £1.00 each	1,100	1,100

GARNHAM MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

26. Reserves

Revaluation reserve

Revaluation reserve comprise all current and prior period gains on freehold property.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

27. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £34,561 (2021: £61,844). Contributions payable to the fund at the Statement of Financial Position date were £4,429 (2021: £7,393).

28. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Not later than 1 year	315,390	<i>346,973</i>	315,390	<i>412,890</i>
Later than 1 year and not later than 5 years	893,393	<i>1,061,893</i>	893,393	<i>1,069,643</i>
Later than 5 years	855,230	<i>993,120</i>	855,230	<i>993,120</i>
	<u>2,064,013</u>	<i><u>2,401,986</u></i>	<u>2,064,013</u>	<i><u>2,475,653</u></i>

29. Transactions with directors

At the year end the Group owed the directors £434,893 (2021: £527,666).

The directors loan account is unsecured and repayable on demand.

30. Related party transactions

The total key management personnel compensation (including directors) in 2022 was £243,191 (2021: £224,251). This includes consultancy payments of £210,000 (2021: £150,000) which were paid by the subsidiary company to a company under the control of a member of key management for services provided to the subsidiary company.

Remuneration paid to directors family members in 2021 was £30,759 (2021: £17,418).

The company has taken advantage of the exemptions in FRS 102 Section 33 from the requirement to disclose transactions with wholly owned companies within the same group.

GARNHAM MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

31. Controlling party

The company is controlled by A P and K A Skerry.