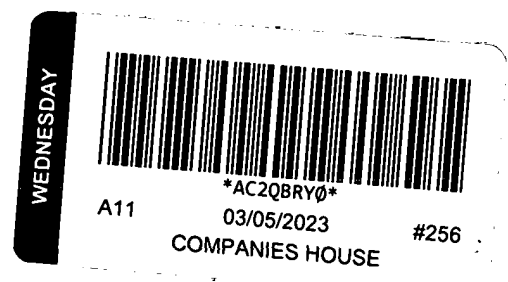


Company registration number 11192827 (England and Wales)

**Marson Garages Holdings Limited**  
**Annual report and Financial Statements**  
**For the year ended 31 July 2022**



# Marson Garages Holdings Limited

## Company information

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<b>Directors</b>	Mrs P J Marson Mr B P Marson Mr D S P Marson Mr R B S Marson Mrs T L Marson-Holland
<b>Company number</b>	11192827
<b>Registered office</b>	Tern Hill Hall Tern Hill Market Drayton Shropshire TF9 3PU
<b>Auditor</b>	DJH Mitten Clarke Audit Limited The Glades Festival Way Festival Park Stoke-on-Trent Staffordshire ST1 5SQ

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# Marson Garages Holdings Limited

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# Marson Garages Holdings Limited

## Strategic report

### For the year ended 31 July 2022

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The directors present the strategic report for the year ended 31 July 2022.

#### Fair review of the business

The principal activity of the group continued to be that of the provision of motor vehicle sales (Madeley Heath Motors), the provision of training (Martec Training) and the provision of hotel operations (Tern Hill Hall).

#### Review of financial performance

2021/22 has been a good financial year for the group as it continues to grow and become more profitable.

Motor vehicle sales have continued to grow, hotel income has increased and there has been an increase in training activity which has all helped to contribute towards the increase in group turnover and gross margin.

#### Principal risks and uncertainties

The principal risks and uncertainties are spread across the three business areas. The principal risk for the training business is potential changes to government funding and government support for training. The principal risk for the motor vehicle and hotel trade is changes to the general economic environment.

#### Key performance indicators

The directors consider that the following KPI's are a fair measure of the performance of the group:

- Turnover
- Gross profit margin
- Profit before tax

Turnover of the group has increased to £12.80m (2021- £12.03m).

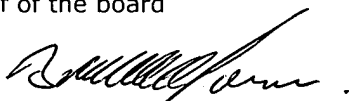
A higher gross margin of 16.31% (2021-11.16%) has been achieved by the favourable fluctuation in motor vehicle market and a relaxation of COVID conditions has allowed more weddings to proceed leading to an increase in turnover.

A profit before tax of £0.97m (2021- £0.27m) has been achieved, which includes fair value gains of investment property of £0.65m.

#### Future performance

The directors consider the future plans of the group to include the expansion of the motor vehicle business due to franchise opportunities with Isuzu and the expansion of its training and hotel operations.

On behalf of the board



Mr B P Marson  
**Director**

Date: 27/04/2023

# **Marson Garages Holdings Limited**

## **Directors' report**

### **For the year ended 31 July 2022**

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

#### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £206,000. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs P J Marson  
Mr B P Marson  
Mr D S P Marson  
Mr R B S Marson  
Mrs T L Marson-Holland

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

# Marson Garages Holdings Limited

## Directors' report (continued)

For the year ended 31 July 2022

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On behalf of the board



.....  
Mr B P Marson  
**Director**

Date: 27/04/2023 .....

# Marson Garages Holdings Limited

## Independent auditor's report

### To the members of Marson Garages Holdings Limited

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#### Opinion

We have audited the financial statements of Marson Garages Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the group statement of income and retained earnings, the group statement of financial position, the company statement of financial position, the group statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 31 July 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 and 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.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The 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.

# **Marson Garages Holdings Limited**

## **Independent auditor's report (continued)**

### **To the members of Marson Garages Holdings Limited**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

# **Marson Garages Holdings Limited**

## **Independent auditor's report (continued)**

### **To the members of Marson Garages Holdings Limited**

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Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- *agreeing financial statement disclosures to underlying supporting documentation; and*
- reviewing correspondence with HMRC, relevant regulators and the group's legal advisors.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **Marson Garages Holdings Limited**

## **Independent auditor's report (continued)**

### **To the members of Marson Garages Holdings Limited**

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#### **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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Stacey Parr FCCA (Senior Statutory Auditor)**  
**For and on behalf of DJH Mitten Clarke Audit Limited**

Date: 27/04/2023.....

**Chartered Accountants**  
**Statutory Auditor**

The Glades  
Festival Way  
Festival Park  
Stoke-on-Trent  
Staffordshire  
ST1 5SQ

# Marson Garages Holdings Limited

## Group statement of income and retained earnings

For the year ended 31 July 2022

		2022	2021
	Notes	£	as restated £
<b>Turnover</b>	<b>3</b>	12,802,258	12,030,609
Cost of sales		(10,714,308)	(10,688,484)
<b>Gross profit</b>		2,087,950	1,342,125
Administrative expenses		(1,520,160)	(1,248,822)
Other operating income		51,599	336,803
<b>Operating profit</b>	<b>4</b>	619,389	430,106
Interest payable and similar expenses	<b>7</b>	(62,799)	(44,750)
Amounts written off investments	<b>8</b>	651,950	-
<b>Profit before taxation</b>		1,208,540	385,356
Tax on profit	<b>9</b>	(233,867)	(112,901)
<b>Profit for the financial year</b>	<b>26</b>	974,673	272,455
Retained earnings brought forward		1,653,677	1,563,967
Dividends		(206,000)	(182,745)
Retained earnings carried forward		2,422,350	1,653,677

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

# Marson Garages Holdings Limited

## Group statement of financial position

As at 31 July 2022

		2022		2021	
				as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		2,353,269		2,382,931
Investment properties	13		1,092,150		440,200
			<u>3,445,419</u>		<u>2,823,131</u>
<b>Current assets</b>					
Stocks	16	2,214,514		1,862,717	
Debtors	17	340,868		389,126	
Cash at bank and in hand		611,516		76,204	
		<u>3,166,898</u>		<u>2,328,047</u>	
<b>Creditors: amounts falling due within one year</b>	18	(2,572,797)		(2,160,231)	
<b>Net current assets</b>			<u>594,101</u>		<u>167,816</u>
<b>Total assets less current liabilities</b>			<u>4,039,520</u>		<u>2,990,947</u>
<b>Creditors: amounts falling due after more than one year</b>	19		(998,292)		(864,992)
<b>Provisions for liabilities</b>					
Deferred tax liability	22	319,191		172,591	
		<u>(319,191)</u>		<u>(172,591)</u>	
<b>Net assets</b>			<u>2,722,037</u>		<u>1,953,364</u>
<b>Capital and reserves</b>					
Called up share capital	24		100,100		100,100
Capital redemption reserve	26		11,000		11,000
Other reserves	26		720,349		188,587
Profit and loss reserves	26		1,890,588		1,653,677
<b>Total equity</b>			<u>2,722,037</u>		<u>1,953,364</u>

The financial statements were approved by the board of directors and authorised for issue on .....22/04/2023 and are signed on its behalf by:

.....  
Mr B P Marson  
Director

Company registration number 11192827 (England and Wales)

# Marson Garages Holdings Limited

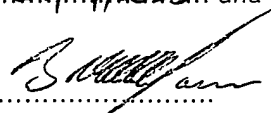
## Company statement of financial position

As at 31 July 2022

		2022		2021	
	Notes	£	£	as restated	£
<b>Fixed assets</b>					
Investments	14		100,101		100,101
<b>Current assets</b>					
Debtors	17	1,003,887		-	
Cash at bank and in hand		5,765		-	
		1,009,652		-	
<b>Creditors: amounts falling due within one year</b>	18	(65,309)		(1)	
<b>Net current assets/(liabilities)</b>			944,343		(1)
<b>Total assets less current liabilities</b>			1,044,444		100,100
<b>Creditors: amounts falling due after more than one year</b>	19		(939,814)		-
<b>Net assets</b>			104,630		100,100
<b>Capital and reserves</b>					
Called up share capital	24		100,100		100,100
Profit and loss reserves	26		4,530		-
<b>Total equity</b>			104,630		100,100

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £210,530 (2021 - £182,745 profit).

The financial statements were approved by the board of directors and authorised for issue on 27/04/2023 and are signed on its behalf by:

  
.....  
Mr B P Marson  
Director

Company registration number 11192827 (England and Wales)

# Marson Garages Holdings Limited

## Group statement of cash flows

For the year ended 31 July 2022

		2022	2021
			as restated
Notes	£	£	£
			£
<b>Cash flows from operating activities</b>			
Cash generated from operations	30	52,129	711,540
Income taxes paid		(56,993)	(23,551)
<b>Net cash (outflow)/inflow from operating activities</b>		(4,864)	687,989
<b>Investing activities</b>			
Purchase of tangible fixed assets	(119,764)		(157,721)
Proceeds from disposal of tangible fixed assets	126,290		30,427
Repayment of loans	10,673		1,286
<b>Net cash generated from/(used in) investing activities</b>		17,199	(126,008)
<b>Financing activities</b>			
Proceeds / (repayments) of borrowings	150,924		(140,656)
Repayment of bank loans	(30,363)		(1,603)
Payment of finance leases obligations	(7,642)		(3,841)
Interest paid	(62,799)		(44,750)
Dividends paid to equity shareholders	(206,000)		(182,745)
<b>Net cash used in financing activities</b>		(155,880)	(373,595)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(143,545)	188,386
Cash and cash equivalents at beginning of year		(44,101)	(232,487)
<b>Cash and cash equivalents at end of year</b>		(187,646)	(44,101)
<b>Relating to:</b>			
Cash at bank and in hand		611,516	76,204
Bank overdrafts included in creditors payable within one year		(799,162)	(120,305)

# Marson Garages Holdings Limited

## Notes to the group financial statements

For the year ended 31 July 2022

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### 1 Accounting policies

#### Company information

Marson Garages Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Tern Hill Hall, Tern Hill, Market Drayton, Shropshire, TF9 3PU.

The group consists of Marson Garages Holdings Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### 1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Marson Garages Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 July 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

### For the year ended 31 July 2022

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#### 1 Accounting policies

(Continued)

##### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

##### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5-15 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2%-20% reducing balance per annum
Plant and equipment	15%-20% reducing balance per annum
Fixtures and fittings	25% reducing balance per annum
Computers	25% straight line per annum
Motor vehicles	25% reducing balance per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

For the year ended 31 July 2022

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### 1 Accounting policies

(Continued)

#### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

For the year ended 31 July 2022

---

### 1 Accounting policies

(Continued)

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors, cash and bank balances and amounts due from fellow group companies, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

For the year ended 31 July 2022

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### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans and loans due to fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

### For the year ended 31 July 2022

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#### 1 Accounting policies

(Continued)

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### **1.15 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.16 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.17 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

For the year ended 31 July 2022

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### 1 Accounting policies

(Continued)

#### 1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### *Slow moving stock provision*

Vehicle stocks are valued at the lower cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand and the prevailing state of the market.

#### *Fair value of investment property*

The fair value of commercial property has been arrived at on the basis of a valuation carried out by B P Marson, a director of the group who is not a professionally qualified valuer. The valuation was arrived at by reference to market evidence of transaction prices for similar properties and the state of the rental market in the area where the property is situated.

The fair value of land held for resale has been arrived at on the basis of two elements. The first land element has been arrived at on the basis of a valuation carried out by B P Marson, a director of the company who is not a professionally qualified valuer. The valuation was arrived at by reference to market evidence of transaction prices for similar land held.

The fair value of the second land element has been arrived at on the basis of the directors post period end receiving and accepting conditional selling offers for such land based on the prevailing market price.

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

### For the year ended 31 July 2022

#### 3 Turnover and other revenue

In the opinion of the directors, disclosure of the analysis of turnover by class would be seriously prejudicial to the group's interests.

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Sale of goods	12,802,258	12,030,609

	2022	2021
	£	£
<b>Other revenue</b>		
Grants received	4,079	257,556
Other operating income	22,984	50,414
Net rents receivable	24,536	28,833

#### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(4,079)	(257,556)
Depreciation of owned tangible fixed assets	112,811	97,932
Depreciation of tangible fixed assets held under finance leases	1,866	-
Profit on disposal of tangible fixed assets	(22,045)	(3,807)
Pension costs	26,333	22,090
Operating lease charges	2,148	2,992

#### 5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	3,750	6,500
Audit of the financial statements of the company's subsidiaries	11,000	12,000
	14,750	18,500

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

### For the year ended 31 July 2022

#### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Staff	64	55	-	-
Directors	7	5	-	-
Total	71	60	-	-

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,414,731	1,188,105	-	-
Social security costs	113,393	93,207	-	-
Pension costs	26,416	22,090	-	-
	1,554,540	1,303,402	-	-

#### 7 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	39,288	26,268
Other interest on financial liabilities	22,753	17,608
Interest on finance leases and hire purchase contracts	791	874
Other interest	(33)	-
Total finance costs	62,799	44,750

#### 8 Amounts written off investments

	2022 £	2021 £
Changes in the fair value of investment properties	651,950	-

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

### For the year ended 31 July 2022

#### 9 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	87,267	62,493
Adjustments in respect of prior periods	-	2,916
Total current tax	87,267	65,409
<b>Deferred tax</b>		
Origination and reversal of timing differences	146,600	47,492
Total tax charge	233,867	112,901

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	1,208,540	385,356
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	229,623	73,218
Tax effect of expenses that are not deductible in determining taxable profit	453	5,097
Adjustments in respect of prior years	-	1,690
Permanent capital allowances in excess of depreciation	(6,991)	-
Depreciation on assets not qualifying for tax allowances	6,677	-
Movement in deferred tax due to changes in tax rate	5,539	-
Other tax adjustments, reliefs and transfers	(1,434)	-
Capital allowances	-	(8,405)
Depreciation	-	41,301
Taxation charge	233,867	112,901

Factors that may affect future tax charges:

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted at the balance sheet date and hence have been reflected in the measurement of deferred tax balances at the year end.

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

### For the year ended 31 July 2022

#### 10 Dividends

	2022	2021
	£	£
Recognised as distributions to equity holders:		
Interim paid	206,000	182,745

#### 11 Intangible fixed assets

Group	Goodwill
	£
<b>Cost</b>	
At 1 August 2021 and 31 July 2022	149,999
<b>Amortisation and impairment</b>	
At 1 August 2021 and 31 July 2022	149,999
<b>Carrying amount</b>	
At 31 July 2022	-
At 31 July 2021	-

The company had no intangible fixed assets at 31 July 2022 or 31 July 2021.

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

For the year ended 31 July 2022

### 12 Tangible fixed assets

Group	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 August 2021	2,390,313	514,001	-	3,799	151,202	3,059,315
Additions	-	32,710	680	5,687	150,183	189,260
Disposals	(71,750)	-	-	-	(39,447)	(111,197)
At 31 July 2022	2,318,563	546,711	680	9,486	261,938	3,137,378
<b>Depreciation and impairment</b>						
At 1 August 2021	287,522	348,908	-	950	39,004	676,384
Depreciation charged in the year	38,032	41,182	168	2,367	32,928	114,677
Eliminated in respect of disposals	-	-	-	-	(6,952)	(6,952)
At 31 July 2022	325,554	390,090	168	3,317	64,980	784,109
<b>Carrying amount</b>						
At 31 July 2022	1,993,009	156,621	512	6,169	196,958	2,353,269
At 31 July 2021	2,102,791	165,093	-	2,849	112,198	2,382,931

The company had no tangible fixed assets at 31 July 2022 or 31 July 2021.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Motor vehicles	87,722	24,080	-	-

### 13 Investment property

	Group 2022	Company 2022
	£	£
<b>Fair value</b>		
At 1 August 2021 and 31 July 2022	440,200	-
Net gains through fair value adjustments	651,950	-
At 31 July 2022	1,092,150	-

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

### For the year ended 31 July 2022

#### 13 Investment property

(Continued)

Investment property comprises commercial property and land held for resale.

The fair value of commercial property has been arrived at on the basis of a valuation carried out by B P Marson, a director of the group who is not a professionally qualified valuer. The valuation was arrived at by reference to market evidence of transaction prices for similar properties and the state of the rental market in the area where the property is situated.

The fair value of land held for resale has been arrived at on the basis of two elements. The first land element has been arrived at on the basis of a valuation carried out by B P Marson, a director of the group who is not a professionally qualified valuer. The valuation was arrived at by reference to market evidence of transaction prices for similar land held.

The fair value of the second land element has been arrived at on the basis of the directors post period end receiving and accepting conditional selling offers for such land based on the prevailing market price.

#### 14 Fixed asset investments

		Group 2022 £	2021 £	Company 2022 £	2021 £
	Notes				
Investments in subsidiaries	15	-	-	100,101	100,101

#### Movements in fixed asset investments Company

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 August 2021 and 31 July 2022	100,101
<b>Carrying amount</b>	
At 31 July 2022	100,101
At 31 July 2021	100,101

#### 15 Subsidiaries

Details of the company's subsidiaries at 31 July 2022 are as follows:

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

For the year ended 31 July 2022

### 15 Subsidiaries

(Continued)

Name of undertaking	Registered office	Class of shares held	% Held DirectIndirect	
Marson Garages (Wolstanton) Limited	Madeley Heath Motors, Keele Road, Madeley Heath, Newcastle under Lyme, Staffordshire, ST5 5AL	Ordinary	100.00	-
Tern Hill Hall Limited***	Tern Hill Hall, Tern Hill, Market Drayton, England, TF9 3PU	Ordinary	100.00	-
Showhome Properties Limited	Madeley Heath Motors, Keele Road, Madeley Heath, Newcastle under Lyme, Staffordshire, ST5 5AL	Ordinary	-	100.00
Martec Training Limited***	London Road, Lyme Valley, Newcastle under Lyme, Staffordshire, ST5 1LZ	Ordinary	-	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Marson Garages (Wolstanton) Limited	2,387,721	795,962
Tern Hill Hall Limited***	12,845	79,988
Martec Training Limited***	320,344	146,593

\*\*\* Tern Hill Hall Limited (company no 11195068) and Martec Training Limited (company no 11130391) are exempt from audit by virtue of section 479A of the Companies Act 2006.

### 16 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Parts and vehicles for resale	2,214,514	1,862,717	-	-

### 17 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	279,741	300,314	-	-
Corporation tax recoverable	-	5,061	-	-
Amounts owed by group undertakings	-	-	1,003,887	-
Other debtors	5,234	19,592	-	-
Prepayments and accrued income	55,893	64,159	-	-
	340,868	389,126	1,003,887	-

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

### For the year ended 31 July 2022

#### 18 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	20	857,310	297,580	58,148	-
Obligations under finance leases	21	24,750	7,432	-	-
Other borrowings	20	508,394	357,470	-	-
Trade creditors		343,818	463,102	-	-
Amounts owed to group undertakings		-	-	-	1
Corporation tax payable		87,706	62,493	7,161	-
Other taxation and social security		98,898	215,732	-	-
Other creditors		402,359	417,527	-	-
Accruals and deferred income		249,562	338,895	-	-
		<u>2,572,797</u>	<u>2,160,231</u>	<u>65,309</u>	<u>1</u>

Bank loans and overdrafts are secured by a debenture and first legal charge over certain fixed assets and a floating charge over all of the assets of the company.

Other loans are secured on the related stock items.

The liability in respect of net obligations under finance leases is secured on the related assets.

#### 19 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	20	939,814	851,050	939,814	-
Obligations under finance leases	21	58,478	13,942	-	-
		<u>998,292</u>	<u>864,992</u>	<u>939,814</u>	<u>-</u>

The liability in respect of net obligations under finance leases is secured on the related assets.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>689,502</u>	<u>421,378</u>	<u>689,502</u>	<u>-</u>
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# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

### For the year ended 31 July 2022

#### 20 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	997,962	1,028,325	997,962	-
Bank overdrafts	799,162	120,305	-	-
Other loans	508,394	357,470	-	-
	<u>2,305,518</u>	<u>1,506,100</u>	<u>997,962</u>	<u>-</u>
Payable within one year	1,365,704	655,050	58,148	-
Payable after one year	<u>939,814</u>	<u>851,050</u>	<u>939,814</u>	<u>-</u>

Long-term debt is in the form of a capital repayment bank loan, commencing August 2021, maturing in August 2036, with an interest rate applicable fixed for 10 years and then variable at 2.04% per annum over the Base Rate.

The bank loan is secured by debentures and first legal charges over certain fixed assets and a floating charge over all of the assets of the company.

#### 21 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	24,750	7,432	-	-
In two to five years	<u>58,478</u>	<u>13,942</u>	<u>-</u>	<u>-</u>
	<u>83,228</u>	<u>21,374</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

### For the year ended 31 July 2022

#### 22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
<b>Group</b>		
Accelerated capital allowances	319,191	172,935
Other short term differences	-	(344)
	<u>319,191</u>	<u>172,591</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
<b>Movements in the year:</b>		
Liability at 1 August 2021	172,591	-
Charge to profit or loss	146,600	-
Liability at 31 July 2022	<u>319,191</u>	<u>-</u>

#### 23 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>26,416</u>	<u>22,090</u>

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £26,416 (2021 - £22,090). Contributions totalling £6,163 (2021 - £5,120) were payable to the fund at the balance sheet date and are included in creditors.

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

For the year ended 31 July 2022

### 24 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
<b>Issued and fully paid</b>				
Ordinary A shares of 10p each	275,275	275,275	27,528	27,528
Ordinary B shares of 10p each	275,275	275,275	27,527	27,527
Ordinary C shares of 10p each	150,150	150,150	15,015	15,015
Ordinary D shares of 10p each	150,150	150,150	15,015	15,015
Ordinary E shares of 10p each	150,150	150,150	15,015	15,015
	<u>1,001,000</u>	<u>1,001,000</u>	<u>100,100</u>	<u>100,100</u>

All shares are entitled to one vote in any circumstances and each share is also entitled pari passu to dividend payments or any other distribution, including a distribution arising from a winding up of the company.

### 25 Non-distributable reserve

The non-distributable reserve represents the historic cumulative uplift on the fair value of the investment properties, less the deferred tax liability recognised on the potential capital gain on such investment property.

### 26 Reserves

#### Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

#### Profit and loss reserves

Retained earnings are made up of accumulated profits less accumulated losses and distributions. This is a distributable reserve.

### 27 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	895	2,148	-	-
Between two and five years	-	895	-	-
	<u>895</u>	<u>3,043</u>	<u>-</u>	<u>-</u>

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

For the year ended 31 July 2022

### 28 Events after the reporting date

After the period end the directors entered into selling negotiations and accepted an offer to sell a proportion of investment property for an estimated gain of £651,950.

### 29 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Director Loan	-	(232,807)	33,985	(38,000)	(236,822)
Director Loan	-	(96,509)	141,581	(117,935)	(72,863)
Director Loan	-	10,673	29,834	(50,001)	(9,494)
Director Loan	-	(45,269)	45,758	(50,000)	(49,511)
Director Loan	-	(19,909)	50,671	(50,002)	(19,240)
		<u>(383,821)</u>	<u>301,829</u>	<u>(305,938)</u>	<u>(387,930)</u>

No interest is charged on these balances.

D Marson had a maximum overdrawn balance in the period of £10,673.

### 30 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	974,673	272,455
<b>Adjustments for:</b>		
Taxation charged	233,867	112,901
Finance costs	62,799	44,750
Gain on disposal of tangible fixed assets	(22,045)	(3,807)
Fair value gain on investment properties	(651,950)	-
Depreciation and impairment of tangible fixed assets	114,677	97,932
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(351,797)	221,353
Decrease/(increase) in debtors	32,524	(127,098)
(Decrease)/increase in creditors	(340,619)	93,054
<b>Cash generated from operations</b>	<u>52,129</u>	<u>711,540</u>

# Marson Garages Holdings Limited

## Notes to the group financial statements (continued)

For the year ended 31 July 2022

### 31 Analysis of changes in net debt - group

	1 August 2021	Cash flows	New finance leases	31 July 2022
	£	£	£	£
Cash at bank and in hand	76,204	535,312	-	611,516
Bank overdrafts	(120,305)	(678,857)	-	(799,162)
	(44,101)	(143,545)	-	(187,646)
Borrowings excluding overdrafts	(1,385,795)	(120,561)	-	(1,506,356)
Obligations under finance leases	(21,374)	7,642	(69,496)	(83,228)
	(1,451,270)	(256,464)	(69,496)	(1,777,230)

### 32 Prior period adjustment

#### Reconciliation of changes in equity - group

The prior period adjustments do not give rise to any effect upon equity.

#### Reconciliation of changes in profit for the previous financial period

	2021 £
<b>Adjustments to prior year</b>	
Total adjustments	-
Profit as previously reported	272,455
Profit as adjusted	272,455

#### Reconciliation of changes in equity - company

The prior period adjustments do not give rise to any effect upon equity.

#### Reconciliation of changes in profit for the previous financial period

	2021 £
<b>Adjustments to prior year</b>	
Total adjustments	-
Profit as previously reported	182,745
Profit as adjusted	182,745

### Notes to reconciliation

#### Net down of internal sales

A prior period adjustment has been made to net down internal sales, this has had no effect on prior year profit.