
DINNAGES GARAGES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



DINNAGES GARAGES LIMITED

COMPANY INFORMATION

Directors

M E Broyd
J M Broyd
D J Broyd
A E Broyd
J C W Broyd

Company secretary

A E Broyd

Registered number

00296492

Registered office

22 Wivelsfield Road
Haywards Heath
West Sussex
RH16 4EQ

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
2nd Floor
St John's House
Haslett Avenue West
Crawley
RH10 1HS

Bankers

Barclays Bank Plc
The Old Bank
High Street
Lewes
East Sussex
BN7 2JP

DINNAGES GARAGES LIMITED

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 5
Independent Auditor's Report	6 - 10
Statement of Income and Retained Earnings	11
Statement of Financial Position	12 - 13
Notes to the Financial Statements	14 - 30

DINNAGES GARAGES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Company is principally engaged as Ford main dealers in the selling of motor vehicles, lubricants, motor parts and accessories and automobile engineering from its dealerships in Haywards Heath, Worthing and Brighton. The Company also operates a Renault parts and servicing franchise from the Haywards Heath location.

Business and future developments

2022 saw new car registrations slightly down on previous year. This continued lack of supply of new vehicles into the market reflects in good demand for used and therefore resilient used car values.

Light commercial vehicle registrations were 20% down although Ford products were strong in this weak market with Transit Custom being the bestselling van again in 2022, and Transit van took second spot. In fact, Custom was the second bestselling van or car after Nissan Qashqai.

With new vehicle registrations still suppressed the general vehicle parc is ageing and Service and Parts departments performed strongly.

Our Accident Repair Centre enjoyed a better year with its new management.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report. The financial position of the Company, including borrowing facilities, are detailed in the financial statements.

The Company meets its day to day working capital requirements through a positive cash balance and has agreed borrowing facilities. The cash balance at the year end and post year end has remained strong.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate with the level of its current facilities. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Principal risks and uncertainties

The management and strategy of the business is reliant on the ongoing relationships with the manufacturers, the availability of desirable new vehicle products and a number of other risks. The directors have set out below the principal risks facing the business.

Financial instruments

The Company uses various financial instruments comprising borrowings, cash and other items such as trade debtors and creditors that arise from its operations. The purpose of these financial instruments is to raise cash for the Company's operations. The main risks arising from the Company's financial instruments are interest rate and liquidity risk.

Interest rate risk

The Company finances its operations through a mixture of retained profits, shareholders loans and borrowings from Ford and the Company's bankers. The Company's exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities.

DINNAGES GARAGES LIMITED

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

Liquidity risk

Funds available to the Group are above operating requirements. The directors keep firm control of stocks, especially new and used vehicle stocks, and monitor levels on a daily basis. Monthly management accounts are produced and EBITDA is measured to ensure liquidity.

Market risk

The market in which the Company operates is highly competitive. There is constant pressure on margins and policies of price monitoring and market research are in place to mitigate risks. The enhanced success of the business is reliant on consumer spending. A downturn in the economy results in a reduction of this spending and the directors are always monitoring the environment to react as necessary.

We believe that our "hands on approach", with ongoing emphasis on customer relationship management, will enable us to maintain our strong market position.

Financial key performance indicators

	2022	2021	Change	Change
	£000	£000	£000	%
Turnover	40,050	38,732	1,318	3.4
Gross profit	3,429	2,948	481	16.3
Profit before tax	1,120	971	149	15.3

Statement by the director in performance of his statutory duties in accordance with s172(1) Companies Act 2006

The directors consider that they have acted in a way they consider in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1) (a-f) of the Act) in the decisions taken during the year ended 31 December 2022 and in creating future business plans ('the plans'):

a) The plans are designed to have a long-term beneficial impact on the Group and to contribute to its success by providing our customers high-quality service. We achieve this objective by continuing to focus on the customer and their needs in vehicle purchases or aftercare services.

b) Our employees are fundamental to the delivery of our plans. We aim to be a responsible and attractive employer in our approach to the pay and benefits our employees receive and the opportunities they have to grow their careers.

c) The plans are informed by engagement with our suppliers and customers, enabling us to gain an in depth understanding of their needs and priorities. We aim to act responsibly and fairly in how we engage with all stakeholders.

d) The plans consider the impact of the Group's operations on the community and the environment. We encourage our employees to support the communities they work in.

e) As directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of the plans.

f) As directors, our intention is to behave responsibly towards our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plans.

DINNAGES GARAGES LIMITED

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

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

Adam Broyd

A E Broyd
Director
22/9/2023

DINNAGES GARAGES 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.

Information in respect of the Business Review and Principle Risks and Uncertainties are not shown in the Directors' report because they are presented in the Strategic Report in accordance with s414c(ii) of the Companies Act 2006.

Results and dividends

The profit for the year, after taxation, amounted to £899,000 (2021: £696,000).

A dividend of £540 was paid in the year (2021: £540).

Directors

The directors who served during the year and after year end were:

M E Broyd
J M Broyd
D J Broyd
A E Broyd
J C W Broyd

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial 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, including FRS 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 and profit or loss of the Company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

DINNAGES GARAGES LIMITED

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

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the year is included in the consolidated accounts of Dinnages Holdings Limited, parent company, as at 31 December 2022 and these financial statements may be obtained from Companies House.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK 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.

Adam Broyd

A E Broyd

Director

22/9/2023



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DINNAGES GARAGES LIMITED

Opinion

We have audited the financial statements of Dinnages Garages Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Company's affairs as at 31 December 2022 and of its 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 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties, such as the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DINNAGES GARAGES LIMITED
(CONTINUED)**

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 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DINNAGES GARAGES LIMITED
(CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 set out on page 4, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DINNAGES GARAGES LIMITED (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The entity is subject to various laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; financial reporting legislation, distributable profits legislation, tax legislation, anti-bribery legislation and employment law.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management and those charged with governance.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to journal entries and potential management bias in determining accounting estimates.
- *Audit procedures performed by the engagement team include*
 - Evaluation of the programme and controls established to address the risks related to irregularities and fraud;
 - review of board meeting minutes and making enquiries of management and those charged with governance;
 - journal entry testing, with a focus on journals indicating large or unusual transactions based on our understanding of the business;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing related party transactions;
 - audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DINNAGES GARAGES LIMITED
(CONTINUED)**

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the company.

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

Use of 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.

Grant Thornton UK LLP

Jonathan Oakey FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley
Date: 22/9/2023

DINNAGES GARAGES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Turnover	4	40,050	38,732
Cost of sales		(36,621)	(35,784)
Gross profit		3,429	2,948
Administrative expenses		(2,358)	(2,176)
Other operating income	5	141	276
Fair value movements	15	-	26
Operating profit	6	1,212	1,074
Interest receivable and similar income	10	54	-
Interest payable and similar expenses	11	(146)	(103)
Profit before tax		1,120	971
Tax on profit	12	(221)	(275)
Profit after tax		899	696
Retained earnings at the beginning of the year		4,823	4,127
Profit for the year		899	696
Retained earnings at the end of the year		5,722	4,823

The notes on pages 14 to 30 form part of these financial statements.

DINNAGES GARAGES LIMITED
REGISTERED NUMBER:00296492

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	13	1,351	1,452
Investments	14	23	23
Investment property	15	650	650
		<u>2,024</u>	<u>2,125</u>
Current assets			
Stocks	16	8,636	5,726
Debtors: amounts falling due within one year	17	1,542	1,314
Cash at bank and in hand	18	4,957	5,201
		<u>15,135</u>	<u>12,241</u>
Creditors: amounts falling due within one year	19	(11,135)	(9,246)
Net current assets		<u>4,000</u>	<u>2,995</u>
Total assets less current liabilities		<u>6,024</u>	<u>5,120</u>
Creditors: amounts falling due after more than one year	20	(9)	(9)
Provisions for liabilities			
Deferred tax	21	(277)	(272)
		<u>(277)</u>	<u>(272)</u>
Net assets		<u><u>5,738</u></u>	<u><u>4,839</u></u>

DINNAGES GARAGES LIMITED
REGISTERED NUMBER:00296492

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

	Note	2022 £000	2021 £000
Capital and reserves			
Called up share capital	22	11	11
Other reserves	23	5	5
Profit and loss account	23	5,722	4,823
		<u>5,738</u>	<u>4,839</u>

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

Daniel Boyd

D J Broyd
 Director 22/9/2023

Adam Broyd

A E Broyd
 Director 22/9/2023

The notes on pages 14 to 30 form part of these financial statements.

DINNAGES GARAGES LIMITED

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

1. General information

Dinnages Garages Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 22 Wivelsfield Road, Haywards Heath, West Sussex, RH16 4EQ.

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 Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand (£000) except when otherwise stated.

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements to present a cash flow statement and related notes
- Financial instrument disclosures including:
 - categories of financial instruments; and
 - items of income, expenses, gains and losses relating to financial instruments;
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Dinnages Holdings Limited (parent company) as at 31 December 2022 and these financial statements may be obtained from Companies House of United Kingdom.

2.3 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report.

The financial position of the Company, including borrowing facilities, are detailed in the financial statements.

The Company meets its day to day working capital requirements through a positive cash balance and has agreed borrowing facilities. The cash balance at the year end and post year end has remained strong.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate with the level of its current facilities.

DINNAGES GARAGES LIMITED

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

2. Accounting policies (continued)**2.3 Going concern (continued)**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Cash flow

The Company, being a subsidiary where the parent of the group prepares consolidated financial statements and the financial statements are publicly available, is exempt from the requirement to prepare a cash flow statement in accordance with FRS 102 1.8 - 12.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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

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

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

DINNAGES GARAGES LIMITED

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

2. Accounting policies (continued)**2.6 Tangible fixed assets**

Tangible fixed assets under the cost model, other than investment properties, 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.

The Company 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 Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of income and retained earnings during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	- Straight line over the period of the lease
Plant & machinery	- 7.5% - 33% per annum straight line

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 Statement of Income and Retained Earnings.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the period of the lease.

2.8 Investment property

Investment property is carried at fair value assessed annually by the directors 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 Statement of Income and Retained Earnings.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

DINNAGES GARAGES LIMITED

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

2. Accounting policies (continued)**2.10 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each Statement of Financial Position date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less cost to complete and sell. The impairment loss is recognised immediately in the Statement of Income and Retained Earnings.

Consignment stocks have been included within stocks in the Statement of Financial Position on the grounds that the Company considerably bears the risks and rewards of ownership attached to these vehicles. As such, the consignment stocks are considered to be under the control of the Company.

2.11 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.

2.12 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.

2.13 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured at cost less impairment.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

DINNAGES GARAGES LIMITED

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

2. Accounting policies (continued)**2.13 Financial instruments (continued)**

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

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

2.14 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.

2.15 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 Statement of Income and Retained Earnings in the same period as the related expenditure.

2.16 Finance costs

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

2.17 Pensions**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of Income and Retained Earnings 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 Company in independently administered funds.

DINNAGES GARAGES LIMITED

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

2. Accounting policies (continued)**2.18 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.19 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

DINNAGES GARAGES LIMITED

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

2. Accounting policies (continued)

2.22 Current and deferred taxation (continued)

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.

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:

Useful economic life of fixed assets - note 13
Investment property fair values - note 15
Treatment of consignment stock - note 16
Valuation of used vehicles - note 16

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Vehicle sales	34,086	32,462
Provision of services	5,964	6,270
	<u>40,050</u>	<u>38,732</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £000	2021 £000
Net rents receivable	141	154
Coronavirus Job Retention Scheme	-	122
	<u>141</u>	<u>276</u>

DINNAGES GARAGES LIMITED

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

6. Operating profit

The operating profit is stated after charging:

	2022	2021
	£000	£000
Depreciation of tangible fixed assets	121	131
Other operating lease rentals	550	493
	<u>550</u>	<u>493</u>

7. Auditor's remuneration

	2022	2021
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	33	28
	<u>33</u>	<u>28</u>

Fees payable to the Company's auditor and its associates in respect of:

Other services relating to taxation and compliance	21	10
All other services	3	3
	<u>24</u>	<u>13</u>

8. Employees

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

	2022	2021
	£000	£000
Wages and salaries	3,152	3,122
Social security costs	333	311
Cost of defined contribution scheme	61	63
	<u>3,546</u>	<u>3,496</u>

DINNAGES GARAGES LIMITED

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

8. Employees (continued)

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

	2022	2021
	No.	No.
Workshop staff	55	72
Selling staff	32	27
Administrative staff	23	11
	110	110

9. Directors' remuneration

	2022	2021
	£000	£000
Directors' emoluments	16	75

During the year retirement benefits were accruing to 3 directors (2021: 3) in respect of defined contribution pension schemes.

The directors are remunerated by Dinnages Holdings Limited, the immediate parent company.

10. Interest receivable

	2022	2021
	£000	£000
Other interest receivable	54	-

11. Interest payable and similar expenses

	2022	2021
	£000	£000
Interest payable on related party loans	146	103

DINNAGES GARAGES LIMITED

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

12. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	230	212
Adjustments in respect of previous periods	(13)	-
Total current tax	217	212
Deferred tax		
Adjustments in respect of prior periods	4	(3)
Effect of tax rate change on opening balance	-	66
Total deferred tax	4	63
Taxation on profit on ordinary activities	221	275

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 £000	2021 £000
Profit on ordinary activities before tax	1,120	971
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	213	184
Effects of:		
Fixed asset differences	15	20
Adjustments to tax charge in respect of previous periods	(13)	-
Adjustments to tax charge in respect of previous periods - deferred tax	7	-
Remeasurement of deferred tax for changes in tax rates	(1)	66
Other differences leading to an increase (decrease) in the tax charge	-	5
Total tax charge for the year	221	275

Factors that may affect future tax charges

In June 2021, the government enacted an increase in corporation tax from 19% to 25% with effect from 1 April 2023.

DINNAGES GARAGES LIMITED

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

13. Tangible fixed assets

	Short Term Leasehold Property £000	Fixtures & Fittings £000	Total £000
Cost			
At 1 January 2022	1,806	1,448	3,254
Additions	-	20	20
At 31 December 2022	<u>1,806</u>	<u>1,468</u>	<u>3,274</u>
Depreciation			
At 1 January 2022	616	1,186	1,802
Charge for the year on owned assets	50	71	121
At 31 December 2022	<u>666</u>	<u>1,257</u>	<u>1,923</u>
Net book value			
At 31 December 2022	<u>1,140</u>	<u>211</u>	<u>1,351</u>
At 31 December 2021	<u>1,190</u>	<u>262</u>	<u>1,452</u>

The net book value of land and buildings may be further analysed as follows:

	2022 £000	2021 £000
Short leasehold	<u>1,140</u>	<u>1,190</u>

DINNAGES GARAGES LIMITED

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

14. Fixed asset investments

	Investments in subsidiary companies £000	Unlisted investments £000	Total £000
Cost			
At 1 January 2022	13	10	23
At 31 December 2022	13	10	23
Net book value			
At 31 December 2022	13	10	23
At 31 December 2021	13	10	23

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
B W & B (Park Garages) Limited	176 London Road, Burgess Hill, West Sussex, RH15 8LS	Dormant company	Ordinary shares	99.9%

DINNAGES GARAGES LIMITED

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

15. Investment property

	Freehold investment property £000
Valuation	
At 1 January 2022	650
At 31 December 2022	650

At 31 December 2022 the directors have revalued the Company's investment property. The valuation at 31 December 2022 was made by the directors on an open market value using an existing use basis.

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

	2022 £000	2021 £000
Historic cost	127	127

16. Stocks

	2022 £000	2021 £000
Parts for resale	397	394
Vehicles for resale	8,239	5,332
	8,636	5,726

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The carrying value of stocks are stated net of impairment losses totalling £Nil (2021: £Nil).

Impairment losses totalling £45,343 (2021: £48,000) were recognised in the Statement of Income and Retained Earnings.

DINNAGES GARAGES LIMITED

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

17. Debtors

	2022	2021
	£000	£000
Trade debtors	454	287
Amounts owed by group undertakings	903	896
Prepayments and accrued income	185	131
	1,542	1,314

The amount owed by group undertakings is repayable on demand and does not bear interest.

An impairment loss of £Nil (2021: £Nil) was recognised against trade debtors.

18. Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank and in hand	4,957	5,201

19. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Related party loans	3,642	3,589
Trade creditors	5,575	3,255
Amounts owed to group undertakings	403	808
Corporation tax	64	219
Other taxation and social security	820	828
Other creditors	171	142
Accruals and deferred income	460	405
	11,135	9,246

Disclosure of the terms and conditions attached to the non-equity shares is made in note 22.

DINNAGES GARAGES LIMITED

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

19. Creditors: Amounts falling due within one year (continued)

The amount owed to group undertakings is repayable on demand and does not bear interest.

The directors' and related party loans have no formal repayment terms and interest is charged at 3% above bank base rate.

Other related party loans comprise loans from family members of the Broyd family. The total interest charged on the directors' and related party loans for the year was £145,532 (2021: £102,526). The maximum value of the loans during the year was £3.6m and the minimum value of the loans during the year was £3.1m.

The Company has entered into a guarantee in respect of bank overdrafts and other facilities available. The security given represents a fixed and floating charge over certain assets. At the balance sheet date, these facilities were not being utilised (2021: £Nil).

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

	2022 £000	2021 £000
Share capital treated as debt	<u>9</u>	<u>9</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 22.

21. Deferred taxation

	2022 £000	2021 £000
At beginning of year	(272)	(209)
Charged to the profit or loss	(4)	(63)
At end of year	<u>(276)</u>	<u>(272)</u>

The provision for deferred taxation is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	<u>(276)</u>	<u>(272)</u>

DINNAGES GARAGES LIMITED

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

22. Share capital

	2022	2021
	£000	£000
Shares classified as equity		
Allotted, called up and fully paid		
10,880 (2021: 10,880) Ordinary shares of £1 each	11	11
	<hr/>	<hr/>
Shares classified as debt		
Allotted, called up and fully paid		
9,000 (2021: 9,000) Preference shares of £1 each (see note 20)	9	9
	<hr/>	<hr/>

The preference shares are non-equity shares which carry a dividend at the rate of 6p net per share, per annum. Holders of preference shares have one vote for every share held on a resolution for the winding up of the Company or on a resolution affecting the rights attached to the shares. Preference shareholders have the right on a winding up to receive, in priority to any other class of shares, the sum of £1 per share together with any arrears of dividends.

23. Reserves**Capital redemption reserve**

Relates to the repurchase of shares by the Company in prior periods.

Profit & loss account

Includes all current and prior period retained profits and losses.

24. Pension commitments

The Company operates a defined contributions pension scheme. 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 Company to the fund and amounted to £60,827 (2021: £63,000). Contributions totalling £11,771 (2021: £24,848) were payable to the fund at the reporting date and are included in creditors.

25. Commitments under operating leases

The Company had no commitments under non-cancellable operating leases at the reporting date.

DINNAGES GARAGES LIMITED

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

26. Related party transactions

The following transactions occurred during the year between Dinnages Garages Limited and Carnforth, a separate business run by Mrs J Broyd.

	2022 £000	2021 £000
Service sales to Carnforth	12	7
Vehicle purchases from Carnforth	67	24
	<u>79</u>	<u>31</u>

During the year the Company made payments amounting to £160,000 (2021: £140,000) to The Pavilion Trust in respect of rent. M E and J Broyd are Trustees of this Trust and D J, J C W and A E Broyd are beneficiaries.

During the year the Company made payments amounting to £Nil (2021: £32,500) to The Broyd Family Trust in respect of rent. M E and J Broyd are Trustees of this Trust and D J, J C W and A E Broyd are beneficiaries.

During the year the Company also made payments amounting to £15,000 (2021: £15,000) to the Dinnages Executive Pension Scheme in respect of rent. D J Broyd, A E Broyd and J C W Broyd are members of the pension scheme.

During 2022 3 directors bought 3 cars, the value of £50,600 (2021: £86,490), from the Company.

Dinnages Garages Limited provided a loan to Elm Court (Seaford) Limited, a subsidiary of Dinnages Holdings Limited. £7,000 (2021: £30,400) was advanced during the year, the amount outstanding at year end, including interest receivable, was £903,282 (2021: £896,282).

	2022 £	2021 £
Amounts owed from group undertakings at balance sheet date	<u>903,282</u>	<u>896,282</u>

As a wholly owned subsidiary the Company is exempt from the requirements of FRS 102 Para 33.4 to disclose related party transactions with other members of the Group headed by Dinnages Holdings Limited on the grounds that those accounts are publicly available from Companies House.

27. Controlling party

The ultimate and immediate parent undertaking is Dinnages Holdings Limited, a company incorporated in England and Wales which holds 100% of the issued share capital of the Company.

Dinnages Holdings Limited is also a parent company of the smallest and largest group for which group accounts are prepared. Copies of the group financial statements of Dinnages Holdings Limited are available from 22 Wivelsfield Road, Haywards Heath, West Sussex, RH16 4EQ.

In the opinion of the directors there is no overall controlling party.