

Company registration number 00624778 (England and Wales)

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

COMPANY INFORMATION

Director	Mr A W F Prebble
Secretary	Ms D Small
Company number	00624778
Registered office	Row Ash Botley Road Shedfield Southampton Hampshire England SO32 2HL
Auditor	HJS Accountants Limited Tagus House 9 Ocean Way Southampton Hampshire United Kingdom SO14 3TJ

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

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SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The director presents the strategic report for the year ended 31 March 2023.

Review of the business

We are pleased to report that Silverlake Garage (Motor Salvage) Limited has had another profitable year, despite the impact of the global pandemic. The key figures are as follows:-

- Turnover has increased by 19% on 2022.
- The gross profit percentage has decreased from 39.73% in 2022 to 34.82% in 2023.
- The gross profit has increased by 4.33%.
- The profit before tax has decreased by 12.54% and the profit after tax by 0.58%.

The outlook for the future is optimistic, following the results from a year when there was a pretty flat volume of vehicles. The company managed its resources well within this environment. Commercial clients demands have hit some margins on re sales of vehicles. Scrap prices during the year were stable. Several contracts were renewed.

The company continues to invest in improving processes and systems, whilst also maintaining its spend on advertising to ensure continuing levels of business in the future. Investments were made in storage and treatment of electric vehicle traction batteries, as their presence became more apparent. The growth of demand for "Green Parts" from the body shop sector has been an increasing opportunity for the company.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to competition from both national and to a lesser extent local independent retailers, employee retention and product availability, and the price of scrap metal. The company also has to consider the potential issues to the local and wider environment when conducting their business. There are stringent processes in place which mitigate the risk of non compliance in this area and the Director does not consider this a significant risk to the company.

Future Plans

Discussions and plans are being drawn up regarding the long-term future of the company, with plans for an expanded site and new facilities, these are in the early stages at this time.

On behalf of the board

Mr A W F Prebble
Director

19 December 2023

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The director presents his annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company continued to be the of sale of used cars and light motor vehicles, plus as an ATF (Automotive Treatment Facility) processing End of Life Vehicles, for scrap and reusable parts.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £1,420,000. The director does not recommend payment of a final dividend.

Director

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

Mr A W F Prebble

Auditor

The auditors, HJS Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

Mr A W F Prebble

Director

19 December 2023

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

Opinion

We have audited the financial statements of Silverlake Garage (Motor Salvage) Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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

In auditing the financial statements, we have concluded that the director's 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 director 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 director is 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.

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

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

Matters on which we are required to report by exception

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 director's 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, 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the relevant health and safety authorities, environmental agency authorities, salvage agency authorities and high value cash dealer regulations within the UK. We also considered the laws and regulations which have a direct impact on the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements.

Audit procedures performed by the audit engagement team included:

- Discussions with senior management, including consideration of known or suspected instances of non compliance with laws and regulations or instances of fraud;
- Identifying and testing journal entries based on risk criteria;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Testing transactions entered into outside of the normal course of the company's business;
- Reviewing any potential litigation or claims against the entity which indicate any potential non compliance issues.

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

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

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.

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.

Angela Trainor
Senior Statutory Auditor
For and on behalf of HJS Accountants Limited

20 December 2023

Chartered Accountants
Statutory Auditor

Tagus House
9 Ocean Way
Southampton
Hampshire
United Kingdom
SO14 3TJ

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	39,403,399	33,103,858
Cost of sales		(25,681,653)	(19,951,783)
Gross profit		13,721,746	13,152,075
Administrative expenses		(9,925,386)	(8,925,316)
Other operating income		30,257	82,002
Operating profit	4	3,826,617	4,308,761
Interest receivable and similar income	7	447	84
Interest payable and similar expenses	8	(106,035)	(53,045)
Fair value gains and losses on investment properties	13	314,555	358,267
Profit before taxation		4,035,584	4,614,067
Tax on profit	9	(557,915)	(1,115,816)
Profit for the financial year		3,477,669	3,498,251

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		109,797		40,534
Tangible assets	12		8,464,811		7,541,511
Investment property	13		3,899,096		2,909,093
			<u>12,473,704</u>		<u>10,491,138</u>
Current assets					
Stocks	14	3,167,081		2,642,307	
Debtors	15	2,198,283		1,255,940	
Cash at bank and in hand		910,207		2,073,222	
		<u>6,275,571</u>		<u>5,971,469</u>	
Creditors: amounts falling due within one year	16	<u>(4,126,034)</u>		<u>(4,291,327)</u>	
Net current assets			<u>2,149,537</u>		<u>1,680,142</u>
Total assets less current liabilities			<u>14,623,241</u>		<u>12,171,280</u>
Creditors: amounts falling due after more than one year	17		(2,047,988)		(1,751,577)
Provisions for liabilities					
Deferred tax liability	20	1,377,807		1,279,926	
		<u>(1,377,807)</u>		<u>(1,279,926)</u>	
Net assets			<u>11,197,446</u>		<u>9,139,777</u>
Capital and reserves					
Called up share capital	22		2,000		2,000
Other reserves			1,734,307		1,589,452
Profit and loss reserves			9,461,139		7,548,325
Total equity			<u>11,197,446</u>		<u>9,139,777</u>

The financial statements were approved and signed by the director and authorised for issue on 19 December 2023

Mr A W F Prebble
Director

Company registration number 00624778 (England and Wales)

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

		Share capital	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 April 2021		2,000	1,320,752	5,973,774	7,296,526
Year ended 31 March 2022:					
Profit and total comprehensive income		-	-	3,498,251	3,498,251
Dividends	10	-	-	(1,655,000)	(1,655,000)
Fair value gains on revaluation of investment properties		-	268,700	(268,700)	-
Balance at 31 March 2022		2,000	1,589,452	7,548,325	9,139,777
Year ended 31 March 2023:					
Profit and total comprehensive income		-	-	3,477,669	3,477,669
Dividends	10	-	-	(1,420,000)	(1,420,000)
Fair value gains on revaluation of investment properties		-	144,855	(144,855)	-
Balance at 31 March 2023		2,000	1,734,307	9,461,139	11,197,446

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	27	2,889,199	4,485,175
Interest paid		(106,035)	(53,045)
Income taxes paid		(529,209)	(545,335)
Net cash inflow from operating activities		2,253,955	3,886,795
Investing activities			
Purchase of intangible assets		(99,245)	(50,668)
Purchase of tangible fixed assets		(2,026,060)	(2,325,271)
Proceeds from disposal of tangible fixed assets		260,724	115,501
Purchase of investment property		(675,449)	(144,797)
Repayment of loans		96,358	(4,211)
Interest received		447	84
Net cash used in investing activities		(2,443,225)	(2,409,362)
Financing activities			
Repayment of bank loans		226,389	(41,667)
Payment of finance leases obligations		219,866	281,791
Dividends paid		(1,420,000)	(1,655,000)
Net cash used in financing activities		(973,745)	(1,414,876)
Net (decrease)/increase in cash and cash equivalents		(1,163,015)	62,557
Cash and cash equivalents at beginning of year		2,073,222	2,010,665
Cash and cash equivalents at end of year		910,207	2,073,222

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Silverlake Garage (Motor Salvage) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Row Ash, Botley Road, Shedfield, Southampton, Hampshire, England, SO32 2HL.

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 on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sale of used vehicles, vehicle parts and scrap metal. Turnover is shown net of VAT and sales discounts.

The company also receives rental income from investment properties.

Where vehicles and parts have not been sold at the period end, this is shown as stock.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	20% Straight Line
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1.5 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.

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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:

Land and buildings Freehold	2% Straight line
Land and buildings Leasehold	1% Straight line
Plant and machinery	25% Reducing balance
Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

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 credited or charged to profit or loss.

1.6 Investment property

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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets. A provision is made for any impairment loss and taken to the profit and loss account.

1.8 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.

1.9 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.

1.10 Financial instruments

The company only enters into Basic financial instrument transactions.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 and cash and bank balances, 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.

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the company 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 company.

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.13 Taxation

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

Current tax

The current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in the tax assessments.

Unrelieved tax losses and other 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.

The company's liability for current and deferred tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.14 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.

1.15 Retirement benefits

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

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.16 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 balance sheet 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 leases 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.

1.17 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.

1.18 Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

For parts stock valuation, the company has a record of the number of vehicles currently held, then they take the average weight of a car and multiply these figures together to get an total weight of all parts stock held. The total weight of the cars is then valued using the scrap value that they would receive.

For salvage stock valuation, the cars are held at cost.

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023	2022
	£	£
Turnover analysed by class of business		
Used salvage	19,362,276	16,137,151
Parts	15,994,883	14,188,664
Auction	2,444,685	1,551,664
Other	145,568	187,291
Storage and recovery	1,455,987	1,039,088
	<u>39,403,399</u>	<u>33,103,858</u>

	2023	2022
	£	£
Turnover analysed by geographical market		
United Kingdom	38,327,739	31,882,093
EC	852,425	1,221,765
Rest of the World	223,235	-
	<u>39,403,399</u>	<u>33,103,858</u>

	2023	2022
	£	£
Other revenue		
Interest income	447	84
Grants received	-	33,005
	<u>-</u>	<u>33,005</u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	1,709	19,000
Government grants	-	(33,005)
Fees payable to the company's auditor for the audit of the company's financial statements	22,000	20,200
Depreciation of owned tangible fixed assets	983,214	970,074
Profit on disposal of tangible fixed assets	(141,178)	(62,362)
Amortisation of intangible assets	29,982	10,134
Operating lease charges	49,102	50,966
	<u>-</u>	<u>-</u>

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Employees

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

	2023 Number	2022 Number
Administration	6	9
Parts	54	48
Salvage	17	17
Yard	15	18
Depollution	16	8
Transport	28	26
Outside	1	1
Export	1	1
Director	1	1
Total	139	129

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	4,284,964	3,826,739
Social security costs	431,659	373,083
Pension costs	82,854	71,922
	4,799,477	4,271,744

6 Director's remuneration

	2023 £	2022 £
Remuneration for qualifying services	52,000	52,000
Company pension contributions to defined contribution schemes	1,321	1,321
	53,321	53,321

7 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	447	84

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

		(Continued)	
7	Interest receivable and similar income		
		2023	2022
		£	£
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	447	84
		<u>447</u>	<u>84</u>
8	Interest payable and similar expenses		
		2023	2022
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	52,707	19,136
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	37,538	32,627
	Other interest	15,790	1,282
		<u>106,035</u>	<u>53,045</u>
9	Taxation		
		2023	2022
		£	£
	Current tax		
	UK corporation tax on profits for the current period	460,034	523,421
	Adjustments in respect of prior periods	-	7
	Total current tax	<u>460,034</u>	<u>523,428</u>
	Deferred tax		
	Origination and reversal of timing differences	97,881	375,270
	Changes in tax rates	-	217,118
	Total deferred tax	<u>97,881</u>	<u>592,388</u>
	Total tax charge	<u>557,915</u>	<u>1,115,816</u>

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Taxation

(Continued)

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:

	2023 £	2022 £
Profit before taxation	4,035,584	4,614,067
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	766,761	876,673
Tax effect of expenses that are not deductible in determining taxable profit	3,559	2,005
Adjustments in respect of prior years	-	7
Effect of change in corporation tax rate	-	307,182
Permanent capital allowances in excess of depreciation	(213,226)	(86,627)
Depreciation on assets not qualifying for tax allowances	1,007	16,576
Other permanent differences	(186)	-
Taxation charge for the year	557,915	1,115,816

10 Dividends

	2023 £	2022 £
Interim paid	1,420,000	1,655,000

11 Intangible fixed assets

	Software £
Cost	
At 1 April 2022	50,668
Additions	99,245
At 31 March 2023	149,913
Amortisation and impairment	
At 1 April 2022	10,134
Amortisation charged for the year	29,982
At 31 March 2023	40,116
Carrying amount	
At 31 March 2023	109,797
At 31 March 2022	40,534

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles ¹ £	Total £
Cost						
At 1 April 2022	5,122,223	17,988	5,421,852	74,046	2,632,640	13,268,749
Additions	690,485	-	1,055,575	-	280,000	2,026,060
Disposals	-	(17,988)	(216,340)	-	(116,831)	(351,159)
At 31 March 2023	5,812,708	-	6,261,087	74,046	2,795,809	14,943,650
Depreciation and impairment						
At 1 April 2022	969,565	17,988	3,031,121	45,376	1,663,188	5,727,238
Depreciation charged in the year	109,559	-	608,064	4,300	261,291	983,214
Eliminated in respect of disposals	-	(17,988)	(167,234)	-	(46,391)	(231,613)
At 31 March 2023	1,079,124	-	3,471,951	49,676	1,878,088	6,478,839
Carrying amount						
At 31 March 2023	4,733,584	-	2,789,136	24,370	917,721	8,464,811
At 31 March 2022	4,152,658	-	2,390,731	28,670	969,452	7,541,511

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

	2023 £	2022 £
Plant and machinery	934,893	647,875
Motor vehicles ¹	427,446	669,063
Freehold and investment properties	148,734	151,564
	1,511,073	1,468,501

13 Investment property

	2023 £
Fair value	
At 1 April 2022	2,909,092
Additions through external acquisition	675,449
Net gains or losses through fair value adjustments	314,555
At 31 March 2023	3,899,096

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Investment property

(Continued)

Investment property is comprised of two cottages, two bungalows, one house, a field and woodland. The fair value of the field and woodland has been arrived at by obtaining the market value per acre on Google. The values have been adjusted using the House Price Retail Index to arrive at the value at end of the period.

14 Stocks

	2023 £	2022 £
Raw materials and consumables	3,167,081	2,642,307

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	1,609,151	766,869
Other debtors	227,766	371,807
Prepayments and accrued income	361,366	117,264
	2,198,283	1,255,940

16 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	18	301,569	250,000
Obligations under finance leases	19	589,090	490,815
Trade creditors		710,166	995,076
Corporation tax		454,244	523,420
Other taxation and social security		585,217	883,398
Other creditors		216,665	156,247
Accruals and deferred income		1,269,083	992,371
		4,126,034	4,291,327

17 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	18	1,133,153	958,333
Obligations under finance leases	19	914,835	793,244
		2,047,988	1,751,577

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Creditors: amounts falling due after more than one year (Continued)

18 Loans and overdrafts

	2023 £	2022 £
Bank loans	1,434,722	1,208,333
Payable within one year	301,569	250,000
Payable after one year	1,133,153	958,333

The bank loans are secured by a fixed charge on the company's freehold property and investment properties, together with a fixed and floating charge over the company's assets.

The bank loan is repayable in instalments after the first year and the final repayment is due January 2027.

The rate of interest on the loans is 1.86% over the base rate.

19 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Within one year	632,773	546,818
In two to five years	996,080	811,846
	1,628,853	1,358,664
Less: future finance charges	(124,928)	(74,605)
	1,503,925	1,284,059

Finance lease payments represent rentals payable by the company 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 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	799,704	783,622
Retirement benefit obligations	-	(902)
Investment property	578,103	497,206
	<u>1,377,807</u>	<u>1,279,926</u>
		2023
Movements in the year:		£
Liability at 1 April 2022		1,279,926
Charge to profit or loss		97,881
		<u>1,377,807</u>
Liability at 31 March 2023		<u>1,377,807</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

21 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	82,854	71,922
	<u>82,854</u>	<u>71,922</u>

The company 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.

22 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	160	160	160	160
Ordinary A of £1 each	1,740	1,740	1,740	1,740
Ordinary B of £1 each	100	100	100	100
	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Share capital

(Continued)

The company has three classes of Ordinary shares which carry no right to fixed income. The share classes are Ordinary, Ordinary A and Ordinary B.

The company has in issue 160 Ordinary shares of £1 each, classified as equity. These shares carry voting rights.

The company has in issue 1,740 Ordinary A shares of £1 each, classified as equity. These shares carry voting rights.

The company has in issue 100 Ordinary B shares of £1 each, classified as equity. These shares carry voting rights.

23 Financial commitments, guarantees and contingent liabilities

In both the current and prior year, there is a contingent liability regarding an import guarantee for £171,000, provided on behalf of the company by Lloyds TSB in the event that the company cannot service its obligations to a named supplier, NSA (Ventures) Limited.

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	53,321	53,321

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 Related party transactions

(Continued)

Other information

NSA (Ventures) Limited - Mr A W F Prebble is a director

During the period purchases were made from the related party totalling £12,524,783 (2022: £8,022,032). At the period end the company owed the related party £85,572 (2022: £29,963).

O. Stride & Sons Limited - Mrs J Stride (Minority shareholder in Silverlake Garage (Motor Salvage) Limited) is a shareholder

During the period purchases were made from the related party totalling £nil (2022: £11,766). At the period end the company owed the related party £nil (2022: £48).

During the period sales were made to the related party totalling £nil (2022: £3,383). At the period end the company was owed £nil (2022: £4,060) by the related party.

Strides Arc Ltd - Mrs J Stride (Minority shareholder in Silverlake Garage (Motor Salvage) Limited) is a shareholder

During the period purchases were made from the related party totalling £12,513 (2022: £nil). At the period end the company owed the related party £586 (2022: £nil).

25 Ultimate controlling party

The controlling party and ultimate controlling party is Mr A W F Prebble.

26 Directors' transactions

Dividends totalling £1,206,400 (2022 - £1,422,600) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Mr A W F Prebble -	-	96,358	1,196,333	(1,305,488)	(12,797)
		<u>96,358</u>	<u>1,196,333</u>	<u>(1,305,488)</u>	<u>(12,797)</u>

The loan is repayable on demand, with no interest being payable by the director.

SILVERLAKE GARAGE (MOTOR SALVAGE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

27 Cash generated from operations

	2023 £	2022 £
Profit for the year after tax	3,477,669	3,498,251
Adjustments for:		
Taxation charged	557,915	1,115,816
Finance costs	106,035	53,045
Investment income	(447)	(84)
Gain on disposal of tangible fixed assets	(141,178)	(62,362)
Fair value gain on investment properties	(314,555)	(358,267)
Amortisation and impairment of intangible assets	29,982	10,134
Depreciation and impairment of tangible fixed assets	983,214	970,074
Movements in working capital:		
Increase in stocks	(524,774)	(1,273,600)
Increase in debtors	(1,038,701)	(408,078)
(Decrease)/increase in creditors	(245,961)	940,246
Cash generated from operations	2,889,199	4,485,175

28 Analysis of changes in net debt

	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	2,073,222	(1,163,015)	910,207
Borrowings excluding overdrafts	(1,208,333)	(226,389)	(1,434,722)
Obligations under finance leases	(1,284,059)	(219,866)	(1,503,925)
	(419,170)	(1,609,270)	(2,028,440)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.