

Martin Services Limited

Annual Report and Financial Statements
for the Year Ended 31 August 2022

Martin Services Limited

Contents

Directors' Report	<u>1</u>
Statement of Directors' Responsibilities	<u>2</u>
Independent Auditor's Report	<u>3 to 6</u>
Profit and Loss Account and Statement of Retained Earnings	<u>7</u>
Balance Sheet	<u>8</u>
Notes to the Financial Statements	<u>9 to 14</u>

Martin Services Limited

Directors' Report for the Year Ended 31 August 2022

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

Directors of the company

The directors who held office during the year were as follows:

M O Calvert

C J Hall

A K Martin

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved and authorised by the Board on 30 May 2023 and signed on its behalf by:

.....

A K Martin

Director

Martin Services Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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.

Martin Services Limited

Independent Auditor's Report to the Members of Martin Services Limited

Opinion

We have audited the financial statements of Martin Services Limited (the 'company') for the year ended 31 August 2022, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, 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 August 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 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 original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Martin Services Limited

Independent Auditor's Report to the Members of Martin Services Limited

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities [set out on page 2], 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.

Auditor 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.

Martin Services Limited

Independent Auditor's Report to the Members of Martin Services Limited

In planning and designing our audit tests, we identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management, about their own identification and assessment of the risks of irregularities. We are also required to perform specific procedures to respond to the risk of management override.

Following this assessment we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in evaluating the validity of purchases, expenses and cash balances.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, through discussions with directors and other management, and from our commercial knowledge and experience of the sector in which the company operates, to enable us to identify the key laws and regulations applicable to the company. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We then performed audit procedures after consideration of the above risks which included the following:

- assessing the validity of purchases and expenses by documenting and assessing the internal controls performing tests of detail on purchases and expenses;
- documenting and assessing the internal controls over cash balances and performing tests of detail on the balances and reconciliations;
- enquiring of management concerning actual and potential litigation and claims;
- reviewing correspondence with HMRC, and the company's legal advisors;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

All engagement team members were informed of the relevant laws and regulations and potential fraud risks at the planning stage and reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify such items.

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

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

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

Martin Services Limited

Independent Auditor's Report to the Members of Martin Services Limited

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.

.....
Christopher Padgett FCA (Senior Statutory Auditor)
For and on behalf of Watson Buckle Limited,
Statutory Auditors & Chartered Accountants
Bradford

30 May 2023

Martin Services Limited

Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 August 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	176,591	158,783
Administrative expenses		(204,750)	(188,301)
Other operating income	<u>4</u>	-	880
Operating loss		<u>(28,159)</u>	<u>(28,638)</u>
Other interest receivable and similar income	<u>5</u>	110,220	60,538
Interest payable and similar charges	<u>6</u>	<u>(49)</u>	<u>(13)</u>
		<u>110,171</u>	<u>60,525</u>
Profit before tax		82,012	31,887
Taxation	<u>10</u>	<u>(15,507)</u>	<u>(6,059)</u>
Profit for the financial year		66,505	25,828
Retained earnings brought forward		<u>(148,220)</u>	<u>(174,048)</u>
Retained earnings carried forward		<u><u>(81,715)</u></u>	<u><u>(148,220)</u></u>

Martin Services Limited
(Registration number: 02292443)
Balance Sheet as at 31 August 2022

	Note	2022	2021
		£	£
Current assets			
Debtors	<u>11</u>	5,503,391	5,629,622
Cash at bank and in hand		<u>169,699</u>	<u>416,361</u>
		5,673,090	6,045,983
Creditors: Amounts falling due within one year	<u>13</u>	<u>(5,154,705)</u>	<u>(5,594,103)</u>
Net assets		<u><u>518,385</u></u>	<u><u>451,880</u></u>
Capital and reserves			
Called up share capital		600,100	600,100
Profit and loss account	<u>16</u>	<u>(81,715)</u>	<u>(148,220)</u>
Total equity		<u><u>518,385</u></u>	<u><u>451,880</u></u>

Approved and authorised by the Board on 30 May 2023 and signed on its behalf by:

.....
C J Hall
Director

Martin Services Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Thorpe Underwood Hall

PO Box 100

Great Ouseburn

York

YO26 9SZ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company's functional and presentation currency is pound sterling.

Summary of disclosure exemptions

The company has taken advantage of the exemption under Financial Reporting Standard 102 Section 33.1A from disclosing transactions and balances with fellow group undertakings that are wholly owned.

The company has taken advantage of the exemption to disclose certain aspects of financial instruments, transactions with key management personnel and the exemption to prepare Statement of Cash Flows in accordance with Financial Reporting Standard 102 Section 1.12.

The company has taken advantage of the exemption under Companies Act 2006 Section 415 from disclosing Financial Instruments.

Name of parent of group

These financial statements are consolidated in the financial statements of Care & Recreation Holdings Limited.

The financial statements of Care & Recreation Holdings Limited may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Going concern

The financial statements have been prepared on a going concern basis which assumes that ongoing financial support will be provided by the other companies within the group and accordingly do not take account of adjustments, if any, which may be necessary if the company is unable to continue as a going concern. The company has received written confirmation from group companies that there will not be a call for repayment in whole or in part of the outstanding balances if it would be prejudicial to the company continuing as a going concern.

Martin Services Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of services to the ultimate parent undertaking in the ordinary course of the company's activities. Turnover is shown net of value added tax.

The Company recognises revenue when (a) the company retains no continuing involvement or control over the services provided; (b) the amount of revenue can be measured reliably; and (c) it is probable that future economic benefits will flow to the entity.

Tax

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

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Martin Services Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, are initially recognised at transaction price, 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 for a similar asset. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 and any subsequent reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest for a similar debt instrument.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3 Turnover

The analysis of the company's Turnover for the year from continuing operations is as follows:

	2022	2021
	£	£
Rendering of services	176,591	158,783

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2022	2021
	£	£
Government grants	-	880

5 Other interest receivable and similar income

	2022	2021
	£	£
Other finance income	110,220	60,538

Martin Services Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

6 Interest payable and similar expenses

	2022	2021
	£	£
Interest expense on other finance liabilities	49	13

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£	£
Wages and salaries	95,662	95,730
Social security costs	10,850	10,106
Pension costs, defined contribution scheme	8,205	8,032
	<u>114,717</u>	<u>113,868</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Administration and support	1	1
Other departments	2	2
	<u>3</u>	<u>3</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	68,288	66,894
Contributions paid to defined contribution schemes	7,512	7,358
	<u>75,800</u>	<u>74,252</u>

9 Auditors' remuneration

	2022	2021
	£	£
Audit of the financial statements	6,500	6,500

The company has taken the exemption from disclosing remuneration receivable by auditors for other services as this information is disclosed within the group accounts.

Martin Services Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

10 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	2021 £
Current taxation		
UK corporation tax	15,507	6,059

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	82,012	31,887
Corporation tax at standard rate	15,582	6,059
Decrease from effect of different UK tax rates on some earnings	(75)	-
Total tax charge	15,507	6,059

11 Debtors

	Note	2022 £	2021 £
Current			
Amounts owed by related parties		5,503,391	5,629,622

12 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	169,699	416,361

13 Creditors

	Note	2022 £	2021 £
Due within one year			
Amounts due to related parties		5,128,635	5,577,557
Accruals		10,487	10,488
Corporation tax liability	10	15,583	6,058
		5,154,705	5,594,103

Martin Services Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

14 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £8,205 (2021 - £8,032).

15 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	600,100	600,100	600,100	600,100

16 Reserves

Share capital

Represents the nominal value of issued shares.

Profit and loss account - distributable

Includes all current and prior periods distributable profits and losses unless otherwise stated.

17 Parent and ultimate parent undertaking

The company's immediate parent is Care & Recreation Holdings Limited, incorporated in England & Wales. The registered address of Care & Recreational Holdings Limited is Thorpe Underwood Hall, PO Box 100, Great Ouseburn, York, YO26 9SZ.

The ultimate parent is Foxlow Limited, incorporated in the British Virgin Islands.

The most senior parent entity producing publicly available financial statements is Care & Recreation Holdings Limited. These financial statements are available upon request from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

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.