

Company registration number 08049902 (England and Wales)

**HALO ACCIDENT REPAIR CENTRE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# HALO ACCIDENT REPAIR CENTRE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M Rolinski	
	H Abraham	(Appointed 1 July 2022)
	M Hanke	(Appointed 17 May 2022)
	J Parker	(Appointed 1 July 2022)
	D Granger	(Appointed 1 March 2023)

<b>Company number</b>	08049902
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<b>Registered office</b>	Fordingbridge Site Barnham Road Barnham Bognor Regis West Sussex PO22 0HD
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<b>Auditor</b>	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ
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# HALO ACCIDENT REPAIR CENTRE LIMITED

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# HALO ACCIDENT REPAIR CENTRE LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### Review of business and future developments

The directors are pleased to report continued profitability of the business.

The directors continue to review all activities and costs in the group. As a result of continued growth the company is forecasting increased levels of profitability for the forthcoming year.

#### Review of Financial Position

As a result of the profits for the year the company's net assets have increased by 43% to £9.42m (31 December 2021: £6.60m).

The overall cash position for the company has increased by £1.4m to £2.6m (31 December 2021: £1.2m).

#### Summary of key performance indications

	31 December 2022	31 December 2021	Method of calculation
Return on sales (%)	13.8	13.4	Operating Profit divided by turnover
Gross Margin (%)	43.3	42.6	Gross profit divided by turnover
Capital Expenditure (£'000)	1,067	442	Investment in capital items in the year
Average number of staff	202	150	Average number taken from payroll records.
Number of sites	17	12	

#### Principal Risks and Uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks such as the competitive market places, the insurance contracts and level of insurance claims made. These risks are reviewed by the Board and where appropriate, monitored and mitigated by suitable processes.

The Directors keep abreast of the current economic conditions and will continue to modify policies to reflect the market conditions.

We continue to have a good relationship with our insurance partners.

On behalf of the board

M Rolinski  
Director

26 June 2023

# HALO ACCIDENT REPAIR CENTRE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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

In the prior year, the company shortened its period to 9 months in order to align its period end with that of the ultimate parent company IRS Holdings GmbH.

#### Principal activities

The principal activity of the company continued to be that of the operation of bodyshop repairs centres across the UK.

#### Results and dividends

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

No ordinary dividends were paid (31 December 2021: £798,000). The directors do not recommend payment of a final dividend.

#### Directors

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

F Gerardy	(Resigned 17 May 2022)
B Hanson	(Resigned 30 June 2022)
R Hanson	(Resigned 30 June 2022)
M Rolinski	
H Abraham	(Appointed 1 July 2022)
S Day	(Appointed 1 June 2022 and resigned 1 March 2023)
M Hanke	(Appointed 17 May 2022)
J Parker	(Appointed 1 July 2022)
D Granger	(Appointed 1 March 2023)

#### Financial Risk Objectives and Policies

The company uses financial instruments comprising cash and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations. The company is not exposed to currency risk as all financial instruments are denominated in sterling. The company has limited exposure to credit risk as a result of the strict credit control process that is followed and adhered to.

#### Auditor

In accordance with the company's articles, a resolution proposing that Gerald Edelman LLP be reappointed as auditor of the company will be put at a General Meeting.

# **HALO ACCIDENT REPAIR CENTRE LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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

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

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

### **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.

### **Going concern**

Having reviewed the company's financial forecasts and expected future cash flows, 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 in preparing these financial statements.

Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2022.

On behalf of the board

M Rolinski

**Director**

26 June 2023

# HALO ACCIDENT REPAIR CENTRE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HALO ACCIDENT REPAIR CENTRE LIMITED

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#### Opinion

We have audited the financial statements of Halo Accident Repair Centre Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, 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 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

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 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 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.

## **HALO ACCIDENT REPAIR CENTRE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF HALO ACCIDENT REPAIR CENTRE LIMITED**

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##### **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 directors' report.

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

- adequate accounting records have not been kept, 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 directors**

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

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.



# **HALO ACCIDENT REPAIR CENTRE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF HALO ACCIDENT REPAIR CENTRE LIMITED**

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, employment law, data protection, anti-bribery and, Health and Safety.

#### **Audit response to risks identified**

##### ***Fraud due to management override***

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

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Audited the risk of management override of controls, including through testing journal entries for appropriateness.
- Investigated the rationale behind significant or unusual transactions.

##### ***Irregularities and non-compliance with laws and regulations***

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

- Agreeing financial statements disclosures to underlying supporting documentation.
- Enquiring of management as to actual and potential litigation claims.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance. Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors.

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.

## **HALO ACCIDENT REPAIR CENTRE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF HALO ACCIDENT REPAIR CENTRE LIMITED**

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##### **Use of our report**

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

**Hemen Doshi FCCA**  
**Senior Statutory Auditor**  
**For and on behalf of Gerald Edelman LLP**

26 June 2023

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

73 Cornhill  
London  
EC3V 3QQ

# HALO ACCIDENT REPAIR CENTRE LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		Year ended 31 December 2022 £	Period ended 31 December 2021 £
	Notes		
Turnover	3	24,050,469	12,763,124
Cost of sales		(13,625,159)	(7,328,876)
<b>Gross profit</b>		<b>10,425,310</b>	<b>5,434,248</b>
Administrative expenses		(7,113,990)	(3,734,529)
Other operating income		-	13,021
<b>Operating profit</b>	4	<b>3,311,320</b>	<b>1,712,740</b>
Interest receivable and similar income	8	274,771	48,743
Interest payable and similar expenses	9	(8,760)	(1,611)
<b>Profit before taxation</b>		<b>3,577,331</b>	<b>1,759,872</b>
Tax on profit	10	(754,506)	(406,643)
<b>Profit for the financial year</b>		<b>2,822,825</b>	<b>1,353,229</b>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

## HALO ACCIDENT REPAIR CENTRE LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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	Year ended 31 December 2022 £	Period ended 31 December 2021 £
Profit for the year	2,822,825	1,353,229
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,822,825</u>	<u>1,353,229</u>

# HALO ACCIDENT REPAIR CENTRE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2022

		31 December 2022		31 December 2021 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	12		2,177,818		2,533,803
Tangible assets	13		1,942,293		1,570,066
			<u>4,120,111</u>		<u>4,103,869</u>
<b>Current assets</b>					
Stocks	14	45,784		34,871	
Debtors	15	6,584,769		4,324,125	
Cash at bank and in hand		<u>2,567,000</u>		<u>1,151,675</u>	
		9,197,553		5,510,671	
<b>Creditors: amounts falling due within one year</b>	16	<u>(3,596,460)</u>		<u>(2,779,024)</u>	
<b>Net current assets</b>			<u>5,601,093</u>		<u>2,731,647</u>
<b>Total assets less current liabilities</b>			<u>9,721,204</u>		<u>6,835,516</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	18	<u>304,462</u>		<u>241,599</u>	
			<u>(304,462)</u>		<u>(241,599)</u>
<b>Net assets</b>			<u>9,416,742</u>		<u>6,593,917</u>
<b>Capital and reserves</b>					
Called up share capital	20		215		215
Share premium account			4,607,447		4,607,447
Capital redemption reserve			5		5
Profit and loss reserves			<u>4,809,075</u>		<u>1,986,250</u>
<b>Total equity</b>			<u>9,416,742</u>		<u>6,593,917</u>

The financial statements were approved by the board of directors and authorised for issue on 26 June 2023 and are signed on its behalf by:

M Rolinski  
Director

Company Registration No. 08049902

# HALO ACCIDENT REPAIR CENTRE LIMITED

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

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total as restated £
<b>As restated for the period ended 31 December 2021:</b>						
<b>Balance at 1 April 2021</b>		215	4,607,447	5	1,431,021	6,038,688
<b>Period ended 31 December 2021:</b>						
Profit and total comprehensive income for the period		-	-	-	1,353,229	1,353,229
Dividends	11	-	-	-	(798,000)	(798,000)
<b>Balance at 31 December 2021</b>		215	4,607,447	5	1,986,250	6,593,917
<b>Period ended 31 December 2022:</b>						
Profit and total comprehensive income for the period		-	-	-	2,822,825	2,822,825
<b>Balance at 31 December 2022</b>		215	4,607,447	5	4,809,075	9,416,742

# HALO ACCIDENT REPAIR CENTRE LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	as restated	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	24		2,724,841		(471,964)
Interest paid			(8,760)		(1,611)
Income taxes paid			(522,999)		(598,417)
<b>Net cash inflow/(outflow) from operating activities</b>			2,193,082		(1,071,992)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,067,438)		(441,774)	
Proceeds from disposal of tangible fixed assets		85,343		55,590	
Interest received		274,771		48,743	
<b>Net cash used in investing activities</b>			(707,324)		(337,441)
<b>Financing activities</b>					
Payment of finance leases obligations		(70,433)		-	
Dividends paid		-		(150,000)	
<b>Net cash used in financing activities</b>			(70,433)		(150,000)
<b>Net increase/(decrease) in cash and cash equivalents</b>			1,415,325		(1,559,433)
Cash and cash equivalents at beginning of year			1,151,675		2,711,108
<b>Cash and cash equivalents at end of year</b>			2,567,000		1,151,675

# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

Halo Accident Repair Centre Limited is a private company limited by shares incorporated in England and Wales. The registered office is Fordingbridge Site Barnham Road, Barnham, Bognor Regis, West Sussex, PO22 0HD.

#### **1.1 Accounting convention**

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold 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 directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Reporting period**

The reporting period is for the 12 months from 1 January 2022 to 31 December 2022. In the prior year, the reporting period was for 9 months from 1 April 2021 to 31 December 2021.

#### **1.4 Turnover**

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

Revenue is recognised on completion of the agreed work.

#### **1.5 Intangible fixed assets - goodwill**

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

#### **1.6 Intangible fixed assets other than goodwill**

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Patents and licences are amortised evenly over their estimated useful life of ten years.

#### **1.7 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.



# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 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:

Leasehold land and buildings	Straight line over the period of the lease
Plant and machinery	20% - 25% on cost
Fixtures and fittings	25% on cost
Motor vehicles	25% on cost

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.

#### 1.8 Impairment of fixed assets

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

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

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

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

#### 1.9 Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

#### 1.10 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.

# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.11 Financial instruments

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

Financial instruments are recognised in the 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. Financial assets classified as receivable within one year are not amortised.

##### **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.

# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **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. Financial liabilities classified as payable within one year are not amortised.

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

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

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

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

### 1.12 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.

### 1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **Current tax**

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

# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.14 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.

#### **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.

#### **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.

# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 2 Judgements and key sources of estimation uncertainty

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

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

The directors deem there were no key accounting estimates that require disclosure in the current year.

### 3 Turnover and other revenue

The turnover is attributable to the one principal activity and geographical market of the company.

	2022	2021
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	24,050,469	12,763,124
	<u>          </u>	<u>          </u>
	2022	2021
	£	£
<b>Other significant revenue</b>		
Interest income	274,771	48,743
Grants received	-	5,000
CJRS grants received	-	8,021
	<u>          </u>	<u>          </u>

### 4 Operating profit

	2022	2021
	£	£
Operating profit for the period is stated after charging/(crediting):		
Government grants	-	(13,021)
Depreciation of owned tangible fixed assets	606,228	358,937
Loss/(profit) on disposal of tangible fixed assets	3,640	(201,412)
Amortisation of intangible assets	355,986	266,989
Operating lease charges	798,228	419,543
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	23,000	16,000
	<u>          </u>	<u>          </u>
<b>For other services</b>		
All other non-audit services	2,500	2,500
	<u>          </u>	<u>          </u>

# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 6 Employees

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

	2022 Number	2021 Number
Productive	152	115
Directors	3	2
Administrative	47	33
Total	202	150

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	7,956,182	4,057,942
Social security costs	837,333	400,591
Pension costs	173,622	101,755
	8,967,137	4,560,288

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	248,357	65,833
Company pension contributions to defined contribution schemes	2,091	15,110
	250,448	80,943

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	57,500	-

### 8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	274,771	151
Other interest income	-	48,592
Total income	274,771	48,743

# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

(Continued)

### 8 Interest receivable and similar income

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	274,771	151
	<u>          </u>	<u>          </u>

### 9 Interest payable and similar expenses

	2022	2021
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	807	1,611
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	7,953	-
	<u>          </u>	<u>          </u>
	8,760	1,611
	<u>          </u>	<u>          </u>

### 10 Taxation

	2022	2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	687,994	344,086
Adjustments in respect of prior periods	3,649	(1,585)
	<u>          </u>	<u>          </u>
Total current tax	691,643	342,501
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	62,863	64,142
	<u>          </u>	<u>          </u>
Total tax charge	754,506	406,643
	<u>          </u>	<u>          </u>

# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 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:

	2022 £	2021 £
Profit before taxation	3,577,331	1,759,872
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (31 December 2021: 19.00%)	679,693	334,376
Tax effect of expenses that are not deductible in determining taxable profit	13,908	14,456
Gains not taxable	(32)	1,892
Other non-reversing timing differences	57,288	57,985
Other adjustments	3,649	(2,066)
Taxation charge for the period	754,506	406,643

### 11 Dividends

	2022 £	2021 as restated £
Interim paid	-	798,000

### 12 Intangible fixed assets

	Goodwill £	Patents & licences £	Total £
<b>Cost</b>			
At 1 January 2022 and 31 December 2022	3,559,855	18,025	3,577,880
<b>Amortisation and impairment</b>			
At 1 January 2022	1,026,052	18,025	1,044,077
Amortisation charged for the year	355,985	-	355,985
At 31 December 2022	1,382,037	18,025	1,400,062
<b>Carrying amount</b>			
At 31 December 2022	2,177,818	-	2,177,818
At 31 December 2021	2,533,803	-	2,533,803



# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 13 Tangible fixed assets

	Leasehold land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2022	526,322	2,211,709	537,242	590,626	3,865,899
Additions	-	744,209	303,827	19,402	1,067,438
Disposals	-	-	-	(206,082)	(206,082)
At 31 December 2022	526,322	2,955,918	841,069	403,946	4,727,255
<b>Depreciation and impairment</b>					
At 1 January 2022	46,840	1,603,487	317,866	327,640	2,295,833
Depreciation charged in the year	5,263	364,488	162,120	74,357	606,228
Eliminated in respect of disposals	-	-	-	(117,099)	(117,099)
At 31 December 2022	52,103	1,967,975	479,986	284,898	2,784,962
<b>Carrying amount</b>					
At 31 December 2022	474,219	987,943	361,083	119,048	1,942,293
At 31 December 2021	479,482	608,222	219,376	262,986	1,570,066

### 14 Stocks

	2022 £	2021 £
Work in progress	45,784	34,871

### 15 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	835,662	455,636
Amounts owed by group undertakings	5,380,237	3,718,592
Other debtors	38,147	14,989
Prepayments and accrued income	330,723	134,908
	6,584,769	4,324,125

# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

		2022	2021 as restated
	Notes	£	£
Obligations under finance leases	17	399,182	-
Trade creditors		1,255,954	831,960
Amounts owed to group undertakings		-	648,000
Corporation tax		403,840	235,196
Other taxation and social security		1,228,765	884,341
Accruals and deferred income		308,719	179,527
		<u>3,596,460</u>	<u>2,779,024</u>

### 17 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	99,796	-
In two to five years	299,386	-
	<u>399,182</u>	<u>-</u>

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. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 18 Deferred taxation

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

	Liabilities 2022	Liabilities 2021
	£	£
<b>Balances:</b>		
Accelerated capital allowances	<u>304,462</u>	<u>241,599</u>
<b>Movements in the year:</b>		2022
		£
Liability at 1 January 2022		241,599
Charge to profit or loss		<u>62,863</u>
Liability at 31 December 2022		<u>304,462</u>

# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 19 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	173,622	101,755

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.

### 20 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of 1p each	21,486	21,486	215	215

### 21 Operating lease commitments

#### Lessee

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

	2022	2021
	£	£
Within one year	1,287,401	738,014
Between two and five years	4,638,611	1,956,197
In over five years	16,054,698	16,246,595
	21,980,710	18,940,806

# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 22 Related party transactions

The company has taken advantage of the exemption in FRS 102 section 33.1A from the requirement to disclose transactions with group companies on the grounds that all transactions were undertaken with wholly owned companies within the group.

During the period, a property held by the company was transferred to Ruco Property Limited, a company owned by R and B Hanson, as consideration for the sale of their shares to Intelligent Repair Solutions GmbH at a value of £648,000.

Ruco Property Limited charged the company £19,824 for rent of the property and charged insurance costs of £1,570.

During the year total dividends of £nil (2021: £798,000) were paid to the directors and shareholders.

### 23 Ultimate controlling party

The immediate parent company is Intelligent Repair Solutions UK Limited, a company registered in UK.

The ultimate controlling party is IRS Holdings GmbH, a company registered in Germany.

These accounts are consolidated at the IRS Holdings GmbH group level.

### 24 Cash generated from/(absorbed by) operations

	31 December 2022 £	31 December 2021 £
Profit for the year after tax	2,822,825	1,353,229
<b>Adjustments for:</b>		
Taxation charged	754,506	406,643
Finance costs	8,760	1,611
Investment income	(274,771)	(48,743)
Loss/(gain) on disposal of tangible fixed assets	3,640	(201,412)
Amortisation and impairment of intangible assets	355,985	266,989
Depreciation and impairment of tangible fixed assets	606,228	358,937
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(10,913)	7,564
Increase in debtors	(2,260,644)	(3,737,914)
Increase in creditors	719,225	1,121,132
<b>Cash generated from/(absorbed by) operations</b>	<b>2,724,841</b>	<b>(471,964)</b>

# HALO ACCIDENT REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 25 Analysis of changes in net funds

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	1,151,675	1,415,325	2,567,000
Obligations under finance leases	-	(399,182)	(399,182)
	<u>1,151,675</u>	<u>1,016,143</u>	<u>2,167,818</u>

### 26 Prior period adjustment

#### Reconciliation of changes in equity

	Notes	1 April 2021	31 December 2021
		£	£
<b>Adjustments to prior year</b>			
Dividends	1	-	(648,000)
Equity as previously reported		6,038,688	7,241,917
Equity as adjusted		<u>6,038,688</u>	<u>6,593,917</u>

#### Analysis of the effect upon equity

Profit and loss reserves	-	(648,000)
	<u>-</u>	<u>(648,000)</u>

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

		31 December 2021
		£
Dividends	1	-
Total adjustments		-
Profit as previously reported		1,353,229
Profit as adjusted		<u>1,353,229</u>

#### Notes to reconciliation

##### 1-Dividends

The prior year adjustment relates to dividends declared in 2021 that were not adjusted for.

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.