

REGISTERED NUMBER: 06534716 (England and Wales)

MARSH HOLDINGS LIMITED
GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



Mark Holt & Co Limited
Chartered Accountants
Statutory Auditors
7 Sandy Court
Ashleigh Way
Langage Business Park
Plymouth
Devon
PL7 5JX

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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MARSH HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS:	R Marsh M Wall
SECRETARY:	M Wall
REGISTERED OFFICE:	Unit 5, Merriott House Hennock Road Marsh Barton Exeter Devon EX2 8NJ
REGISTERED NUMBER:	06534716 (England and Wales)
SENIOR STATUTORY AUDITOR:	Simon Law
AUDITORS:	Mark Holt & Co Limited Chartered Accountants Statutory Auditors 7 Sandy Court Ashleigh Way Langage Business Park Plymouth Devon PL7 5JX
BANKERS:	National Westminster Bank Plc 14 Old Town Street Plymouth Devon PL1 1DG

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their strategic report of the company and the group for the year ended 31 December 2017.

REVIEW OF BUSINESS

The Group now represents 3 different manufacturer partners and operates from 5 locations and consists of the following:-

Motor Cars

Kia Exeter and Taunton

Motorcycles

Harley-Davidson Plymouth and Southampton

Triumph Plymouth

Group

Overall, the Group has made strong profits and retained its tight control over overheads.

In a prior year, the Directors were able to secure the freehold of a former Jaguar Business operated by Pendragon PLC in order to relocate its Plymouth Harley-Davidson and Triumph Plymouth Businesses. These both currently operate from leasehold premises now owned by Snows Group following the highly successful divestment of its former Toyota and Lexus businesses. As party of the transaction the Company sold its freehold properties to Snows Group and took a short term lease back on part of the Plymouth property. The lease was outside of the Landlord and Tenant Act.

The Group continues to operate with significant cash resources and is generating profits which are largely converted to additional cash at the point of transaction given the extremely small amounts of credit given to trade customers.

The Directors are very pleased to report that the business has continued to grow in line with their expectations and that they have a very strong and stable team in day to day control. The business has delivering strong profits and is in a fantastic position to continue this excellent trend in the years to come.

The Directors are confident of the future and the Groups' ability to meet its sales and after sales targets over the remainder of the year as well as the years ahead.

The Motor Trade experienced quite a decline in the year as consumer confidence weakened since the Brexit vote and also highly assisted by the consistent bad press about petrol and diesel engines and the announcement from the Government regarding the phasing out of all newly registered petrol and diesel powered vehicles in 2040. Whilst this legislation is over 22 years away and represents at least 5 car changes for the average motorist the uncertainty that the announcements have created in the minds of the consumer have not been seen since the turn of the century when the Rip Off Britain campaign was in full swing. Despite all of this bad press and economic uncertainty the Group achieved a significant improvement in overall profitability.

The market in 2018 is proving to be just as challenging however profits in 2018 are tracking very much in line with expectations. The Directors look forward to reporting on the current performance in due course.

Across all divisions, the Directors are very pleased to report that the business has continued to grow in line with their expectations and that they have a very strong and stable team in day to day control. The business has delivering excellent profits and is in a fantastic position to continue this excellent trend in the years to come.

Marsh Garages Limited

The Company trades as a used vehicle outlet for non-franchised part exchanges generated by its sister Company Marsh Garages (Kia) Limited. The Company sells all makes and models providing that the vehicle meets the minimum standards required by the Directors. These minimum standards reflect the same exacting standards required in all of the other related Group Companies.

Whilst turnover is down slightly year on year margins have improved by over 40% despite the increasing knowledge that the public has on values of part exchanges. With far more in depth knowledge becoming increasingly more available the general public are way more savvy than ever before. The Directors implemented new and innovative ways at the start of the year to combat this threat and are very pleased with the progress made.

Kia

The Company operates the Kia franchise for Exeter in Devon and Taunton in Somerset. The areas of responsibility for the franchise are contiguous and therefore give the Company great scope for achieving economies of scale.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Kia Brand remains the fastest growing and one of the most sought after franchises in the Motor Trade a position it has held for a number of years. The Brand offers exceptional levels of vehicle style, comfort, safety and driving experience all coupled with unparalleled value for money. Kia currently build motor cars for the majority of the segments of the market and where gaps exist in the range there are plans for new models to be added that will complete the line-up. Kia is also very much at the forefront of modern technology and has some exciting plans for fuel cell powertrains and additional hybrid powered models to be added to this rapidly growing segment of the market in the not so distant future.

The Directors were very pleased to report that they were successful in securing the Electric Vehicle franchise for Kia towards the end of the 2014. This new powertrain for the Kia Brand was launched in January 2015 with a purely electric version of the very popular Kia Soul. The Company has been very successful with this new technology and powertrain and can report that sales are in line with expectations and growth plans envisaged at the outset.

Despite all of the bad press and economic uncertainty in the motor industry the Kia Brand saw its 10th successive year of growth in UK registrations and is now ranked firmly in the Top 10 Motor Manufacturers nationally and furthermore globally. In the UK over 88,500 registrations were recorded in 2017.

In terms of the Company, the year to 31 December 2017 far exceeded the Directors most ambitious expectations and saw turnover grow by over £2.4m (13.3%) to £20.7m. Gross Profit was up despite the lack of availability of some key models which were in run out for replacements during 2017. Overheads increased slightly as the Company leased an adjacent unit to its Exeter business in order to cope with the increased vehicle throughput.

Harley-Davidson

The Directors are very pleased to report that the Company has two motorcycle businesses each retailing Harley-Davidson motorcycles and Branded apparel. The largest market for Harley-Davidson motorcycles is naturally the USA with Europe being the second largest. The European market for Harley-Davidson motorcycles is dominated by the UK where it always enjoys a top 5 position nationally.

The first business commenced trading in 2009 and operates from the Marsh Holdings Group motor retail park in Plymouth. Plymouth Harley-Davidson is responsible for most of the South West of England and all of Cornwall. This business has a very strong and loyal customer database which regularly uses the business as a destination point for ride outs utilising fully the facilities we have on offer. Customer satisfaction scores are published following manufacturer commissioned surveys and the business scores are amongst the highest in the country.

The second business is in Southampton and incorporates many wealthy conurbations such as Portsmouth, The New Forest, Poole and Sandy Banks. This business covers the UK's largest Harley-Davidson territory by some considerable margin giving the Company great scope for future growth in turnover and profitability.

Despite all of the bad press and economic uncertainty in the motor industry the Harley-Davidson Brand has improved its share of the over 600cc market whilst many other Brands have experienced significant declines and the total market being slightly reduced from the volumes achieved in 2016.

Our market shares in both business have continued to grow very much in line with our expectations as have the after sales businesses. The Directors have continued to invest significant amounts of senior management time in the businesses as there remains excessive areas of untapped opportunity. The marketing strategy has been modified to assist in the capture of these opportunities and has already had much positive feedback.

Aggregate Turnover declined by £0.5m in the year with Gross Profits remaining stable, both being less than anticipated in the business plans for the year due. These declines were forecast due to a rationalisation of the model line up seeing the Dyna range being amalgamated into the Softail range resulting in fewer overall models being made available. Overheads also declined year on year to help achieve a Net Profit increase.

Triumph

The Company operates the Triumph motorcycle franchise for Plymouth, Torbay, Saltash, Liskeard and the surrounding areas in Devon and Cornwall respectively.

Triumph is the bestselling and fastest growing motorcycle brand in the UK and a number of other foreign markets. In the UK Triumph has held the No.1 position for many consecutive years and looks to be in great shape to deliver this outstanding achievement in the coming years as new models continue to be developed and brought to market.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The year to 31 December 2017 was the sixth full year of trading for the Company. The Riders Association of Triumph (RAT) has been firmly established and has helped ensure that the business has a very strong and loyal customer database. The RAT regularly uses the business as a destination point for ride outs utilising fully the facilities we have on offer. Customer satisfaction scores are published following manufacturer commissioned surveys and the business scores are continually improving towards our objective of being in the top 10.

Despite all of the bad press and economic uncertainty in the motor industry the Triumph Brand has improved its share of the over 600cc market whilst many other Brands have experienced significant declines and the total market being slightly reduced from the volumes achieved in 2016.

Aggregate Turnover declined by £0.4m in the year with Gross Profits declining by £0.1m both being less than anticipated in the business plans for the year due. These declines were forecast due to a rationalisation of the model line up seeing several models stopping production in readiness for completely new models being released, with engines meeting the latest EU Regulations, over the next two years. Overheads also declined year on year to help achieve a Net Profit increase.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors pride themselves on taking a balanced approach to risk, accepting that new initiatives must be undertaken to grow and improve the business whilst mitigating any down side wherever possible. Prudence and risk management are a strong feature of the internal control environment.

As mentioned above, the key risk to the Group is the challenging marketplace, however this risk is mitigated by the ongoing efforts of all the team members, as is evidenced by the performance in the current year, as well as the involvement with key Franchises in the industry.

ON BEHALF OF THE BOARD:



.....
M Wall - Director

Date: 7/6/18

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company. The subsidiary, Marsh Garages (Kia) Limited, is engaged in the sale and servicing of new and used motor vehicles. The subsidiary, Marsh Garages Limited, is engaged in the sale of used vehicles only. The subsidiaries, Marsh Motorcycles Limited and South West Motorcycles Limited are engaged in the sale and servicing of new and used motorcycles.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2017 will be £178,729.

FUTURE DEVELOPMENTS

The directors intend to focus on operational issues, profit generation and positive cashflows.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

R Marsh
M Wall

FINANCIAL INSTRUMENTS

The company's financial instruments comprise bank balances, trade creditors, trade debtors, loans to the company and stocking loans. The company's approach to managing the risks associated with these instruments are:

Currency and Price risk - these do not pose a real risk to the business, due to the nature of the above financial instruments, which are all in Sterling.

Interest rate risk - interest rates are regularly monitored and re-negotiated whenever possible. Funds are allocated in a way that results in the lowest possible interest burden on the company.

Credit risk - credit is only granted to customers who have been reviewed for credit worthiness. Amounts of credit are kept to a minimum and consistent credit control processes ensure minimal exposure to credit risk.

Liquidity risk - working capital is reviewed and managed pro-actively, on a daily basis. Planning and forecasting ensures that liquidity is always sufficient to meet future requirements of the business.

DISCLOSURE IN THE STRATEGIC REPORT

Certain disclosures surrounding review of business, future developments and risks and uncertainties have been disclosed in the Strategic Report, rather than the Directors Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Mark Holt & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
M Wall - Director

Date: 7/6/18

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MARSH HOLDINGS LIMITED**

Opinion

We have audited the financial statements of Marsh Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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).

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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MARSH HOLDINGS LIMITED**

Matters on which we are required to report by exception

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

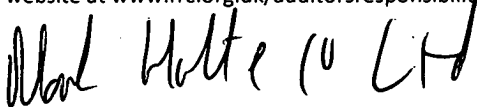
As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Auditors 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.

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 Report of the Auditors.



Simon Law (Senior Statutory Auditor)
for and on behalf of Mark Holt & Co Limited
Chartered Accountants
Statutory Auditors
7 Sandy Court
Ashleigh Way
Langage Business Park
Plymouth
Devon
PL7 5JX

Date: 11/6/18

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
TURNOVER		31,118,084	29,538,069
Cost of sales		<u>29,348,123</u>	<u>27,954,970</u>
GROSS PROFIT		1,769,961	1,583,099
Administrative expenses		<u>1,579,699</u>	<u>1,431,749</u>
OPERATING PROFIT	5	190,262	151,350
Interest receivable and similar income		<u>970</u>	<u>103</u>
		191,232	151,453
Interest payable and similar expenses	6	<u>122,042</u>	<u>112,792</u>
PROFIT BEFORE TAXATION		69,190	38,661
Tax on profit	7	<u>25,200</u>	<u>(9,626)</u>
PROFIT FOR THE FINANCIAL YEAR		43,990	48,287
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>43,990</u>	<u>48,287</u>
Profit attributable to: Owners of the parent		<u>43,990</u>	<u>48,287</u>
Total comprehensive income attributable to: Owners of the parent		<u>43,990</u>	<u>48,287</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	10	1,978,986	2,069,860
Investments	11	<u>-</u>	<u>-</u>
		1,978,986	2,069,860
CURRENT ASSETS			
Stocks	12	4,593,365	3,785,003
Debtors	13	431,544	317,771
Cash at bank and in hand		<u>477,667</u>	<u>578,319</u>
		5,502,576	4,681,093
CREDITORS			
Amounts falling due within one year	14	<u>5,464,335</u>	<u>4,512,326</u>
NET CURRENT ASSETS		<u>38,241</u>	<u>168,767</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,017,227	2,238,627
CREDITORS			
Amounts falling due after more than one year	15	(821,704)	(908,365)
PROVISIONS FOR LIABILITIES	19	<u>(24,000)</u>	<u>(24,000)</u>
NET ASSETS		<u>1,171,523</u>	<u>1,306,262</u>
CAPITAL AND RESERVES			
Called up share capital	20	710,461	710,461
Retained earnings	21	<u>461,062</u>	<u>595,801</u>
SHAREHOLDERS' FUNDS		<u>1,171,523</u>	<u>1,306,262</u>

The financial statements were approved by the Board of Directors on 7/6/18 and were signed on its behalf by:



.....
M Wall - Director

COMPANY BALANCE SHEET
31 DECEMBER 2017

		2017	2016
	Notes	£	£
FIXED ASSETS			
Tangible assets	10	1,656,654	1,708,359
Investments	11	<u>440,000</u>	<u>440,000</u>
		2,096,654	2,148,359
CURRENT ASSETS			
Debtors	13	366,557	349,367
Cash at bank		<u>166,914</u>	<u>363,556</u>
		533,471	712,923
CREDITORS			
Amounts falling due within one year	14	<u>986,825</u>	<u>959,583</u>
NET CURRENT LIABILITIES		<u>(453,354)</u>	<u>(246,660)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,643,300	1,901,699
CREDITORS			
Amounts falling due after more than one year	15	<u>821,704</u>	<u>904,419</u>
NET ASSETS		<u><u>821,596</u></u>	<u><u>997,280</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	710,461	710,461
Retained earnings		<u>111,135</u>	<u>286,819</u>
SHAREHOLDERS' FUNDS		<u><u>821,596</u></u>	<u><u>997,280</u></u>
Company's profit for the financial year		<u><u>3,045</u></u>	<u><u>25,437</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 716118 and were signed on its behalf by:



M Wall - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	750,000	601,718	1,351,718
Changes in equity			
Cancellation of shares	(39,539)	-	(39,539)
Dividends	-	(54,204)	(54,204)
Total comprehensive income	<u>-</u>	<u>48,287</u>	<u>48,287</u>
Balance at 31 December 2016	<u>710,461</u>	<u>595,801</u>	<u>1,306,262</u>
Changes in equity			
Dividends	-	(178,729)	(178,729)
Total comprehensive income	<u>-</u>	<u>43,990</u>	<u>43,990</u>
Balance at 31 December 2017	<u><u>710,461</u></u>	<u><u>461,062</u></u>	<u><u>1,171,523</u></u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	750,000	315,586	1,065,586
Changes in equity			
Cancellation of shares	(39,539)	-	(39,539)
Dividends	-	(54,204)	(54,204)
Total comprehensive income	<u>-</u>	<u>25,437</u>	<u>25,437</u>
Balance at 31 December 2016	<u>710,461</u>	<u>286,819</u>	<u>997,280</u>
Changes in equity			
Dividends	-	(178,729)	(178,729)
Total comprehensive income	<u>-</u>	<u>3,045</u>	<u>3,045</u>
Balance at 31 December 2017	<u><u>710,461</u></u>	<u><u>111,135</u></u>	<u><u>821,596</u></u>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	367,452	932,575
Interest paid		(122,042)	(112,792)
Tax paid		<u>-</u>	<u>12,136</u>
Net cash from operating activities		<u>245,410</u>	<u>831,919</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(180,451)	(558,416)
Sale of tangible fixed assets		56,883	22,200
Interest received		<u>970</u>	<u>103</u>
Net cash from investing activities		<u>(122,598)</u>	<u>(536,113)</u>
 Cash flows from financing activities			
New loans in year		-	117,896
Bank loan repayments in year		(61,389)	(48,114)
Hire purchase capital repayments in year		(31,487)	(30,202)
Amount introduced by directors		117,652	-
Amount withdrawn by directors		(69,512)	(30,772)
Equity dividends paid		<u>(178,729)</u>	<u>(54,204)</u>
Net cash from financing activities		<u>(223,465)</u>	<u>(45,396)</u>
 (Decrease)/increase in cash and cash equivalents		<u>(100,653)</u>	<u>250,410</u>
Cash and cash equivalents at beginning of year	2	<u>578,319</u>	<u>327,909</u>
 Cash and cash equivalents at end of year	2	<u><u>477,667</u></u>	<u><u>578,319</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	69,190	38,661
Depreciation charges	215,030	168,484
Profit on disposal of fixed assets	(590)	(8,315)
Finance costs	122,042	112,792
Finance income	(970)	(103)
	404,702	311,519
(Increase)/decrease in stocks	(808,362)	375,732
(Increase)/decrease in trade and other debtors	(113,774)	2,069
Increase in trade and other creditors	884,886	243,255
Cash generated from operations	<u>367,452</u>	<u>932,575</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>477,667</u>	<u>578,319</u>

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u>578,319</u>	<u>327,909</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. **STATUTORY INFORMATION**

Marsh Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **STATEMENT OF COMPLIANCE**

These financial statements have been 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.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The group financial statements consolidate the financial statements of Marsh Holdings Limited and all its subsidiary undertakings drawn up to 31 December each year.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries, joint ventures and associates are not consolidated if their influence on Marsh Holdings Limited's asset, financial and earning position is considered to be immaterial, either individually or in total.

Assets and liabilities acquired from subsidiaries are shown in the consolidated accounts at their fair value on the date of acquisition.

Goodwill is calculated in connection with the consolidation of the group and is amortised over its anticipated useful economic life. Goodwill arising is recognised as an asset and initially measured at cost, being the excess of the purchase consideration payable for the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities acquired. As at the date of these accounts, the Goodwill on consolidation has been fully amortised.

Turnover

Turnover represents the sale, servicing and parts for new and used vehicles, and is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes.

The Company recognises revenue when the following conditions are satisfied:

- i. the Company has transferred to the buyer the significant risks and rewards of ownership of the goods or services;
- ii. the Company retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods or services sold;
- iii. the amount of revenue can be measured reliably;
- iv. it is probable that the economic benefits associated with the transaction can be measured reliably.

Turnover is deferred where amounts have been invoiced, but these relate to sales or services to be provided in future periods. Turnover is accrued where amounts have yet to be invoiced, but where the sale or service has been provided in the period to date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2%, 10% or 20% on cost
Short leasehold	- Over the term of the lease
Improvements to property	- Straight line over 1 - 5 years
Plant and machinery	- Straight line over 3 - 10 years
Fixtures and fittings	- Straight line over 1 - 5 years
Motor vehicles	- Straight line over 3 - 5 years
Computer equipment	- Straight line over 3 - 5 years

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Accrued income is recognised for manufacturer rebates due at the year end but not received until after the year end. Manufacturer rebates received in the year are recognised as a credit against purchases.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

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

The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

3. ACCOUNTING POLICIES - continued

Leases

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is a finance lease or an operating lease based on the substances of the arrangement.

Finance leases

Leases of assets that transfer substantially all the risks and rewards of ownership to the Company are classified as finance leases.

Assets held under finance leases are recognized initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss.

Assets held under finance leases are included in tangible fixed assets and depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Investments in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group balances, income and expenditure are eliminated in full on consolidation.

In the individual financial statements of Marsh Holdings Limited, investments in subsidiary undertakings are shown at the lower of cost and net realisable value, less provision, where applicable, for any permanent diminution in value. The directors annually review the investment for impairment.

Impairment of assets

At each reporting date financial assets as well as other fixed assets, such as goodwill and property are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. There is considered to be an impairment, where there is objective evidence that, as a result of events occurring after the date of initial recognition, the estimated future cash flows have been affected.

For assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The carrying amount of the asset is reduced by the impairment loss directly for all assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When reviewing goodwill, investments and property for impairment, the management review the performance of the group, as well as the asset base and future expected cash flows. From this they determine whether there is any indication of impairment. If an indication is identified, an impairment will be computed as the difference between the asset's carrying amount and the value of the expected future cash flows and profitability. Any impairment on these assets is charged to the profit and loss account in the year it is identified. The assets are then reviewed annually. Any reversal of an impairment in a subsequent year is credited through the profit and loss account, up to the asset's initial carrying value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

3. ACCOUNTING POLICIES - continued

Interest bearing borrowings

Interest-bearing borrowings, such as bank loans, are recognised initially at fair value less attributable transaction costs.

Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

4. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	1,864,342	1,718,576
Social security costs	123,122	79,137
Other pension costs	<u>70,325</u>	<u>69,137</u>
	<u>2,057,789</u>	<u>1,866,850</u>

The average number of employees during the year was as follows:

	2017	2016
Distribution and productive	55	54
Administrative	5	12
Management	<u>15</u>	<u>4</u>
	<u>75</u>	<u>70</u>

	2017 £	2016 £
Directors' remuneration	77,500	77,500
Directors' pension contributions to money purchase schemes	<u>25,500</u>	<u>25,500</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2017	2016
Money purchase schemes	<u>2</u>	<u>2</u>

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2017 £	2016 £
Depreciation - owned assets	183,637	137,915
Depreciation - assets on hire purchase contracts	31,395	30,569
Profit on disposal of fixed assets	(590)	(8,315)
Auditors' remuneration	12,417	12,418
Other non-audit services	6,358	10,373
Operating lease charges	<u>424,235</u>	<u>458,535</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Vehicle financing charges	40,041	41,498
Credit card charges	53,136	40,748
Loan interest	28,865	30,546
	<u>122,042</u>	<u>112,792</u>

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	25,200	-
Under/over provision	-	(11)
Total current tax	25,200	(11)
Deferred tax	-	(9,615)
Tax on profit	<u>25,200</u>	<u>(9,626)</u>

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£	£
Profit before tax	<u>69,190</u>	<u>38,661</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.500% (2016 - 20%)	13,492	7,732
Effects of:		
Expenses not deductible for tax purposes	235	779
Capital allowances in excess of depreciation	-	(53,596)
Depreciation in excess of capital allowances	17,190	-
Utilisation of tax losses	(5,602)	(434)
Adjustments to tax charge in respect of previous periods	(115)	-
Losses carried forward	-	45,519
Adjustments to tax charge in respect of current period	-	(11)
Deferred tax provision	-	(9,615)
Total tax charge/(credit)	<u>25,200</u>	<u>(9,626)</u>

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

9. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Interim	<u>178,729</u>	<u>54,204</u>

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Improvements to property £	Plant and machinery £
COST				
At 1 January 2017	1,580,419	105,515	36,372	341,053
Additions	<u>1,654</u>	<u>27,145</u>	<u>18,385</u>	<u>9,846</u>
At 31 December 2017	<u>1,582,073</u>	<u>132,660</u>	<u>54,757</u>	<u>350,899</u>
DEPRECIATION				
At 1 January 2017	49,391	29,842	33,226	177,859
Charge for year	30,011	19,578	4,096	33,560
Eliminated on disposal	-	-	-	-
At 31 December 2017	<u>79,402</u>	<u>49,420</u>	<u>37,322</u>	<u>211,419</u>
NET BOOK VALUE				
At 31 December 2017	<u>1,502,671</u>	<u>83,240</u>	<u>17,435</u>	<u>139,480</u>
At 31 December 2016	<u>1,531,028</u>	<u>75,673</u>	<u>3,146</u>	<u>163,194</u>
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2017	260,157	249,798	145,422	2,718,736
Additions	51,476	65,224	6,721	180,451
Disposals	-	(104,587)	-	(104,587)
At 31 December 2017	<u>311,633</u>	<u>210,435</u>	<u>152,143</u>	<u>2,794,600</u>
DEPRECIATION				
At 1 January 2017	139,418	109,021	110,119	648,876
Charge for year	43,702	60,551	23,534	215,032
Eliminated on disposal	-	(48,294)	-	(48,294)
At 31 December 2017	<u>183,120</u>	<u>121,278</u>	<u>133,653</u>	<u>815,614</u>
NET BOOK VALUE				
At 31 December 2017	<u>128,513</u>	<u>89,157</u>	<u>18,490</u>	<u>1,978,986</u>
At 31 December 2016	<u>120,739</u>	<u>140,777</u>	<u>35,303</u>	<u>2,069,860</u>

Fixed assets, included in the above, which are held under hire purchase contracts have a net book value as at 31 December 2017 to the value of £37,635.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

10. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2017	1,580,419	35,058	20,361
Additions	<u>1,654</u>	<u>-</u>	<u>28,247</u>
At 31 December 2017	<u>1,582,073</u>	<u>35,058</u>	<u>48,608</u>
DEPRECIATION			
At 1 January 2017	49,391	2,410	9,458
Charge for year	30,011	3,646	6,935
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2017	<u>79,402</u>	<u>6,056</u>	<u>16,393</u>
NET BOOK VALUE			
At 31 December 2017	<u>1,502,671</u>	<u>29,002</u>	<u>32,215</u>
At 31 December 2016	<u>1,531,028</u>	<u>32,648</u>	<u>10,903</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2017	159,012	78,318	1,873,168
Additions	65,224	6,176	101,301
Disposals	<u>(87,354)</u>	<u>-</u>	<u>(87,354)</u>
At 31 December 2017	<u>136,882</u>	<u>84,494</u>	<u>1,887,115</u>
DEPRECIATION			
At 1 January 2017	48,856	54,694	164,809
Charge for year	39,137	16,984	96,713
Eliminated on disposal	<u>(31,061)</u>	<u>-</u>	<u>(31,061)</u>
At 31 December 2017	<u>56,932</u>	<u>71,678</u>	<u>230,461</u>
NET BOOK VALUE			
At 31 December 2017	<u>79,950</u>	<u>12,816</u>	<u>1,656,654</u>
At 31 December 2016	<u>110,156</u>	<u>23,624</u>	<u>1,708,359</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

10. TANGIBLE FIXED ASSETS - continued

Company

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 January 2017	
and 31 December 2017	<u>74,000</u>
DEPRECIATION	
At 1 January 2017	16,444
Charge for year	<u>24,668</u>
At 31 December 2017	<u>41,112</u>
NET BOOK VALUE	
At 31 December 2017	<u>32,888</u>
At 31 December 2016	<u>57,556</u>

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2017	
and 31 December 2017	<u>440,000</u>
NET BOOK VALUE	
At 31 December 2017	<u>440,000</u>
At 31 December 2016	<u>440,000</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Marsh Garages Limited

Registered office: Unit 5, Merriott House, Hennock Road, Marsh Barton, Exeter, Devon, EX2 8NJ

Nature of business: Used car dealership

	% holding	2017 £	2016 £
Class of shares:			
Ordinary shares	100.00		
Aggregate capital and reserves		11,288	5,457
Profit for the year		<u>5,831</u>	<u>4,279</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

11. FIXED ASSET INVESTMENTS - continued

Marsh Garages (Kia) Limited

Registered office: Unit 5, Merriott House, Hennock Road, Marsh Barton, Exeter, Devon, EX2 8NJ

Nature of business: Kia dealership

	% holding	2017 £	2016 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		412,525	398,950
Profit for the year		<u>13,575</u>	<u>6,700</u>

Marsh Motorcycles Limited

Registered office: Unit 5, Merriott House, Hennock Road, Marsh Barton, Exeter, Devon, EX2 8NJ

Nature of business: Harley Davidson dealership

	% holding	2017 £	2016 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		310,800	300,455
Profit for the year		<u>10,345</u>	<u>6,007</u>

South West Motorcycles Limited

Registered office: Unit 5, Merriott House, Hennock Road, Marsh Barton, Exeter, Devon, EX2 8NJ

Nature of business: Triumph dealership

	% holding	2017 £	2016 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		81,832	70,641
Profit for the year		<u>11,191</u>	<u>5,864</u>

12. STOCKS

	Group	
	2017 £	2016 £
Parts	397,872	405,662
Work-in-progress	6,809	1,042
Vehicles	<u>4,188,684</u>	<u>3,378,299</u>
	<u>4,593,365</u>	<u>3,785,003</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	76,067	48,072	-	-
Manufacturer and other bonuses credited not received	127,165	98,124	-	-
Amounts owed by group undertakings	-	-	255,841	227,033
Other debtors	1,681	2,603	-	1,077
VAT	-	-	27,739	42,782
Prepayments and accrued income	226,631	168,972	82,977	78,475
	<u>431,544</u>	<u>317,771</u>	<u>366,557</u>	<u>349,367</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 16)	57,842	58,372	57,842	58,372
Hire purchase contracts (see note 17)	25,798	31,487	21,852	21,852
Payments on account	179,983	176,434	-	-
Trade creditors	3,360,281	2,923,665	69,249	63,153
Amounts owed to group undertakings	-	-	316,457	357,133
Tax	25,200	-	6,200	-
Social security and other taxes	45,924	40,517	45,924	40,517
VAT	8,658	18,877	-	-
Other creditors	325,433	186,694	-	-
Vehicle funding	824,489	537,667	-	-
Directors' current accounts	456,105	407,965	456,105	407,965
Accruals and deferred income	154,622	130,648	13,196	10,591
	<u>5,464,335</u>	<u>4,512,326</u>	<u>986,825</u>	<u>959,583</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans (see note 16)	819,976	880,839	819,976	880,839
Hire purchase contracts (see note 17)	1,728	27,526	1,728	23,580
	<u>821,704</u>	<u>908,365</u>	<u>821,704</u>	<u>904,419</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>57,842</u>	<u>58,372</u>	<u>57,842</u>	<u>58,372</u>
Amounts falling due between one and two years:				
Bank loans	<u>63,355</u>	<u>60,863</u>	<u>63,355</u>	<u>60,863</u>
Amounts falling due between two and five years:				
Bank loans	<u>205,018</u>	<u>197,542</u>	<u>205,018</u>	<u>197,542</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>551,603</u>	<u>622,434</u>	<u>551,603</u>	<u>622,434</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	<u>25,798</u>	<u>31,487</u>
Between one and five years	<u>1,728</u>	<u>27,526</u>
	<u>27,526</u>	<u>59,013</u>

Company

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	<u>21,852</u>	<u>21,852</u>
Between one and five years	<u>1,728</u>	<u>23,580</u>
	<u>23,580</u>	<u>45,432</u>

Group

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	<u>257,700</u>	<u>190,450</u>
Between one and five years	<u>943,533</u>	<u>761,800</u>
In more than five years	<u>368,125</u>	<u>549,949</u>
	<u>1,569,358</u>	<u>1,502,199</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

17. LEASING AGREEMENTS - continued**Company**

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	95,000	18,750
Between one and five years	366,250	75,000
In more than five years	<u>100,000</u>	<u>192,188</u>
	<u>561,250</u>	<u>285,938</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans	877,818	939,211	877,818	939,211
Hire purchase contracts	<u>27,526</u>	<u>59,013</u>	<u>23,580</u>	<u>45,432</u>
	<u>905,344</u>	<u>998,224</u>	<u>901,398</u>	<u>984,643</u>

The bank loan is secured on the freehold property at Eagle Road which is held within Marsh Holdings Limited.

The group has two loans with NatWest bank.

The former is repayable over the period until October 2029 with an interest rate of 2.8% above base rate.

The latter is repayable over the period until November 2029 with an interest rate of 2.8% above base rate.

Amounts owing on hire purchase contracts are secured on the individual assets to which they relate.

19. PROVISIONS FOR LIABILITIES

	Group	
	2017	2016
	£	£
Deferred tax	<u>24,000</u>	<u>24,000</u>
Group		
		Deferred tax
		£
Balance at 1 January 2017		24,000
Accelerated capital allowances		<u> </u>
Balance at 31 December 2017		<u>24,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
710,461	Ordinary	£1	<u>710,461</u>	<u>710,461</u>

The Ordinary shares of the company have attached to them voting rights, dividend rights and capital distribution (including on winding up) rights. They do not confer any right of redemption.

21. RESERVES

Group

	Retained earnings £
At 1 January 2017	595,801
Profit for the year	43,990
Dividends	<u>(178,729)</u>
At 31 December 2017	<u>461,062</u>