

Registered Number 02470318

Jardine Motors Group UK Limited

Annual report and consolidated financial
statements for the year ended 31 December 2017

FRIDAY



A02 *A7FF1XHS* #419
28/09/2018
COMPANIES HOUSE

Jardine Motors Group UK Limited

Annual report and consolidated financial statements for the year ended 31 December 2017

Contents

Directors and advisors	1
Strategic report	2
Directors' report	4
Independent auditors' report to the members of Jardine Motors Group UK Limited	9
Consolidated statement of comprehensive income	12
Consolidated statement of other comprehensive income	13
Consolidated balance sheet	14
Company balance sheet	15
Consolidated statement of changes in equity	16
Company statement of changes in equity	17
Consolidated cash flow statement	18
Notes to the financial statements	19

Jardine Motors Group UK Limited

Directors and advisors for the year ended 31 December 2017

Directors

D N Williamson

M D Bishop

Lord Sassoon, Kt

P Hawkins

A Keswick

(non-executive)

(non-executive)

(non-executive)

Company secretary

M Finch

Registered office

770 The Crescent

Colchester Business Park

Colchester

Essex

CO4 9YQ

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Abacus House

Castle Park

Cambridge

CB3 0AN

Solicitors

Eversheds LLP

Kett House

Station Road

Cambridge

CB1 2JY

Bankers

HSBC Bank plc

Midland House

26 North Station Road

Colchester

CO1 1SY

Lloyds Bank plc

25 Gresham Street

London

EC2V 7HN

Jardine Motors Group UK Limited

Strategic report for the year ended 31 December 2017

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

Principal activities

The group's principal activity is the retail distribution of motor vehicles and related activities in the motor trade. The company is a holding company for subsidiaries operating in the motor trade.

Review of the business

The group's mission is to be the best motor retail group in the UK by delivering an unparalleled level of customer service. It aims to achieve this by retaining existing and adding new customers, improving its operational effectiveness and growing sales volumes profitably whilst investing in the development and retention of its employees.

The UK new car market declined by 5.7% during 2017, total passenger car registrations amounted to 2.54 million units. Despite the fall the market remains at historically high levels and follows five years of consecutive growth. The brands represented by the group increased registrations, on a like for like basis, by just under 5%.

The group received a net VAT refund of £7.3m in the year including £4.9m interest. Group operating profit (excluding the VAT receipt) of £14.7m is a reduction on prior year (2016: £20.2m) as the group has continued to invest in facilities and people to ensure the highest levels of customer service.

The group's developments

The group continued its investment programme in its Jaguar and Land Rover dealerships and its transition to the brands new Dual Arch concept.

The group also acquired two new dealerships in Bury St Edmunds and Bolton to expand its representation in the BMW/Mini and Audi brands and further opened a new Audi dealership in Oldham.

The group has continued its operating strategy with the objective of improving the group's focus on operational effectiveness in sales and aftersales, customer service and retention, community engagement and staff engagement. The group continued to invest in and develop the various initiatives under this strategy during the year.

During the year the group disposed of its Southern Toyota and Lexus division and its solus Volvo dealership and also closed its under-performing solus Mazda dealership.

Key Performance Indicators (KPIs) and principal risks and uncertainties

The group measures performance of each dealership throughout the year against certain pre-determined KPIs including return on sales and investment, as well as operating metrics based on sales volumes and profit margins.

100% basis (including acquisitions and disposals)

Turnover has increased by 6.9% from prior year due to increases in used units sold and service hours. Margins in new car sales increased but in used car sales and service they tightened during the year. Continued investment in people and establishment costs has resulted in lower overall profit before tax and exceptional items.

Jardine Motors Group UK Limited

Strategic report for the year ended 31 December 2017 (continued)

Key Performance Indicators (KPIs) and principal risks and uncertainties (continued)

The group maintains a robust risk management framework as outlined in the Directors' report to ensure that we identify the most significant risks the group faces and that appropriate management focus is given to actions to respond to identified or emerging risks. A compliance programme is in place as is a fraud detection and whistleblowing programme.

The key risks facing the business are: failure to deliver our strategic goals of growth in market share, improvement in margin and control of working capital. There is a day to day focus on these goals through our operating and risk management frameworks.

Other risks include failure to maintain our brand and reputation for customer service and our relationships with our brand partners; and disruption to the global supply chain which may impact our brand partners. We are focussed on maintaining and improving our relationships and reputation with both our customers and our brand partners.

The group's position

We believe our strengths lie in our balanced portfolio of existing franchise partners in the growing premium sectors supported by our investment in freehold property, strong balance sheet, committed funding lines and shareholder support.

Future developments

The group's operational focus is to continue to grow with its selected franchise partners both organically and through acquisition where real value opportunities arise. A key part of this growth plan is through customer and employee retention and continued investment in delivering a modern customer retail experience.

By order of the Board



M Finch

Company secretary

28th June 2018

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2017

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

Principal activities

The principal activities of the business are discussed in the strategic report on page 2.

Review of the business and future developments

The review of the business and future developments are discussed in the strategic report on pages 2 and 3.

Post balance sheet events

On 23 January 2018, the group opened a new Porsche dealership in South London. The addition of Porsche Centre South London increases the group's Porsche representation to four locations.

On 2 January 2018, the group sold the trade and net assets of two Bentley dealerships in Colchester and Sevenoaks for a net consideration of £0.8m (net assets £0.8m).

Principal risks and uncertainties

The principal risks and uncertainties facing the group are discussed in the strategic report on pages 2 and 3.

Financial risk management

a) Funding and liquidity risk

The group's policy is to ensure that the funding requirements forecast by the group can be met within available committed bank facilities. As part of the group's strategy to invest in new dealerships and facilities, the committed facility with HSBC Bank Plc of £55m is being increased to £75m in July 2018 and extended to July 2021. The group also has short term uncommitted borrowing facilities with HSBC Bank Plc totalling £55m which are renewed annually. The group also has a £20m facility with Lloyds Bank Plc together with an uncommitted facility at the year-end of £25m. Post year-end the Lloyds Bank Plc uncommitted facility was closed as the group extended its HSBC facility. The group also has a committed facility with a Jardine Matheson subsidiary of £40m which has been extended to 2021.

The group holds motor manufacturer funding facilities with each of its franchise partners. These incur stocking charges tied to Finance House Base Rate (FHBR) and are secured against vehicles held mostly on consignment, which can be returned to the manufacturer. The sizes of the facilities are reviewed by the group and manufacturers annually in line with operating needs.

The group continues to operate comfortably within its available bank facilities limits and its forecasts for the forthcoming year show this position continuing.

b) Interest rate risk

The group's interest rate practice is to manage the risk of interest rate fluctuations on the cash flows payable on the group's debt. Interest rates remain low and the group continues to monitor this on a daily basis. With the maintained low interest rates the group does not currently consider a hedging exercise to be appropriate in the current market conditions.

c) Credit risk

An external credit risk company is used to check the credit ratings of counterparties and limit the group's exposure to credit risk. Credit ratings are updated both throughout the year and also upon credit alerts received from the credit risk company.

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2017 (continued)

Corporate governance

As a member of the Jardine Matheson group of companies, corporate governance of the Jardine Motors Group UK Limited group of companies relies on a combination of shareholder, board and management supervision together with strict financial, internal audit and risk management procedures.

During the year, the company had a Board consisting of five directors; two executive and three non-executive. The Board meets regularly throughout the year to review the overall performance of the group, to agree strategy and discuss all issues that have either arisen or are facing the group. The company has a Risk Management and Compliance Committee ("RMCC") to which the internal auditors report twice yearly on the effectiveness of the group's internal controls. Any reports from external auditors are also reviewed by the RMCC.

The group's internal audit function performs both operational and financial audits, together with follow up visits within three months of the issued report. All internal audit reports are issued to the RMCC, the board of executive directors and the respective management teams. The internal audit team also works closely with both the shareholders' audit department for quality control and the group's external auditors to ensure the robustness of the group's controls. Dealerships are also subject to annual health and safety audits and regular operational audits from manufacturers.

The group has invested in an expanded FCA team. This team specifically audits each dealership for FCA compliance with regular follow up audits.

Below the Board, the group has a management committee that regularly meets. This committee consists of both the group's executive and its subsidiary operational directors covering each discipline of the business and is chaired by the group's CEO. The committee reviews all aspects of the group's activities and provides clear guidance and direction for the effective management of all parts of the business. The executive directors also produce a corporate risk register that is updated and presented to the RMCC and board on a regular basis.

Further committees are established as needed to oversee individual areas within the group's control structure. A key established committee is the risk management forum that is tasked with monitoring day to day operating risks and making recommendations to the management committee.

The group operates a delegation of authority matrix for its management teams below directorship level and this is monitored through monthly performance reviews at every dealership, where the local management teams meet with operational directors to review performance.

Results and dividends

The results of the group for the year are set out in the Consolidated statement of comprehensive income on page 12.

The directors have not declared nor paid a dividend during the year (2016: none).

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2017 (continued)

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

D N Williamson
M D Bishop
Lord Sassoon, Kt *
P Hawkins
A Keswick

The directors of any parent companies are marked with an asterisk, these comprise Jardine Motors Group Holdings Limited and Jardine Matheson Holdings Limited.

Qualifying third party indemnity provisions

No qualifying third party indemnity provision was in force during the financial year ended 31 December 2017 or at the date of this report.

Employees and equal opportunities

The group is committed to an active equal opportunities policy from recruitment and selection, through training and development, appraisal and promotion to retirement.

It is the group's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion opportunities of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the group as a whole. Communication with all employees continues through internal newsletters, briefing groups, electronic communications and the group's internal printed periodical 'Torque'.

Political donations

During the year, the group made no political contributions (2016: £nil).

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2017 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Jardine Motors Group UK Limited

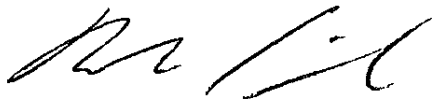
Directors' report for the year ended 31 December 2017 (continued)

Independent auditors

The group has passed an elective resolution under section 487 of the Companies Act 2006 to dispense with the formal requirement to reappoint auditors annually.

In the absence of notice proposing that the appointment be terminated, PricewaterhouseCoopers LLP will remain in office for the next financial year.

By order of the Board

A handwritten signature in black ink, appearing to be 'M Finch', written in a cursive style.

M Finch

Company secretary

28th June 2018

Jardine Motors Group UK Limited

Independent auditors' report to the members of Jardine Motors Group UK Limited

Report on the financial statements

Opinion

In our opinion, Jardine Motors Group UK Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2017 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and consolidated financial statements (the "Annual Report"), which comprise: the Consolidated statement of comprehensive income for the year ended 31 December 2017, the Consolidated statement of other comprehensive income for the year ended 31 December 2017, the Consolidated and Company balance sheets as at 31 December 2017, the Consolidated and Company statements of changes in equity for the year ended 31 December 2017 and the Consolidated cash flow statement for the year ended 31 December 2017; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- 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 and company'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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Jardine Motors Group UK Limited

Independent auditors' report to the members of Jardine Motors Group UK Limited (continued)

Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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

Jardine Motors Group UK Limited

Independent auditors' report to the members of Jardine Motors Group UK Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Andy Grimbly (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
June 2018

Jardine Motors Group UK Limited

Consolidated statement of comprehensive income for the year ended 31 December 2017

	Note	Continuing operations 2017 £'000	Discontinued operations 2017 £'000	Total 2017 £'000	Continuing operations 2016 £'000	Discontinued operations 2016 £'000	Total 2016 £'000
Group Turnover	5	2,015,898	46,896	2,062,794	1,909,587	20,720	1,930,307
Cost of sales		(1,858,998)	(43,560)	(1,902,558)	(1,757,162)	(19,309)	(1,776,471)
Gross profit		156,900	3,336	160,236	152,425	1,411	153,836
Selling and distribution costs		(87,841)	(2,700)	(90,541)	(80,331)	(979)	(81,310)
Administrative expenses		(53,411)	(1,559)	(54,970)	(51,916)	(409)	(52,325)
Other operating income	6	2,418	-	2,418	-	-	-
Group operating profit/(loss)	5	18,066	(923)	17,143	20,178	23	20,201
Exceptional items	7	394	-	394	7,871	-	7,871
Profit/(loss) before interest and taxation		18,460	(923)	17,537	28,049	23	28,072
Interest receivable and similar income	11	4,901	-	4,901	7	-	7
Interest payable and similar expenses	11	(4,019)	(97)	(4,116)	(3,824)	(54)	(3,878)
Finance expense	11	(229)	-	(229)	(749)	-	(749)
Profit/(loss) before taxation		19,113	(1,020)	18,093	23,483	(31)	23,452
Tax on profit/ (loss)	12	(4,403)	197	(4,206)	(4,511)	6	(4,505)
Profit/(loss) for the financial year		14,710	(823)	13,887	18,972	(25)	18,947

Jardine Motors Group UK Limited

Consolidated statement of other comprehensive income for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Profit for the financial year		13,887	18,947
Re-measurement of net defined benefit obligation	23	15,238	(19,730)
Total tax on components of other comprehensive income/(expense)	12(b)	(2,590)	3,177
Total comprehensive income for the financial year		26,535	2,394

Jardine Motors Group UK Limited

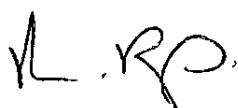
Consolidated balance sheet as at 31 December 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Intangible assets	13	26,817	24,136
Tangible assets	14	142,887	104,120
		169,704	128,256
Current assets			
Stocks	16	288,286	242,771
Debtors	17	93,074	91,793
Cash at bank and in hand		1,431	834
		382,791	335,398
Creditors - amounts falling due within one year	18	(290,887)	(281,560)
Net current assets		91,904	53,838
Total assets less current liabilities		261,608	182,094
Creditors – amounts falling due after more than one year	19	(111,000)	(40,000)
Provisions for liabilities	21	(1,408)	(2,866)
Pension liability	23	(21,051)	(37,614)
Net assets		128,149	101,614
Capital and reserves			
Called up share capital	24	97,500	97,500
Retained earnings		30,649	4,114
Total equity		128,149	101,614

The group's result for the financial year amounted to a profit of £13,887,000 (2016: profit of £18,947,000).

The notes on pages 19 to 48 are an integral part of these financial statements.

The financial statements on pages 12 to 48 were approved by the board of directors on 28th June 2018 and were signed on its behalf by:



M D Bishop
Director

Jardine Motors Group UK Limited
Registered Number 02470318

Jardine Motors Group UK Limited

Company balance sheet as at 31 December 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Investments	15	51,511	51,511
		51,511	51,511
Current assets			
Debtors	17	180,835	90,661
Cash at bank and in hand		-	42,340
		180,835	133,001
Creditors - amounts falling due within one year	18	(27,618)	(48,034)
Net current assets		153,217	84,967
Total assets less current liabilities		204,728	136,478
Creditors - amounts falling due after more than one year	19	(71,000)	-
Pension liability	23	(24,405)	(24,405)
Net assets		109,323	112,073
Capital and reserves			
Called up share capital	24	97,500	97,500
Retained earnings		11,823	14,573
Total equity		109,323	112,073

The company's result for the financial year amounted to a loss of £160,000 (2016: profit of £13,548,000).

The notes on pages 19 to 48 are an integral part of these financial statements.

The financial statements on pages 12 to 48 were approved by the board of directors on 28th June 2018 and were signed on its behalf by:



M D Bishop
Director

Jardine Motors Group UK Limited
Registered Number 02470318

Jardine Motors Group UK Limited

Consolidated statement of changes in equity for the year ended 31 December 2017

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2016	97,500	1,720	99,220
Total comprehensive income for the year			
Profit for the financial year	-	18,947	18,947
Other comprehensive expense for the year	-	(16,553)	(16,553)
Total comprehensive income for the year	-	2,394	2,394
Balance at 31 December 2016	97,500	4,114	101,614
	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2017	97,500	4,114	101,614
Total comprehensive income for the year			
Profit for the financial year	-	13,887	13,887
Other comprehensive income for the year	-	12,648	12,648
Total comprehensive income for the year	-	26,535	26,535
Balance at 31 December 2017	97,500	30,649	128,149

Jardine Motors Group UK Limited

Company statement of changes in equity for the year ended 31 December 2017

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2016	97,500	17,553	115,053
Total comprehensive expense for the year			
Profit for the financial year	-	13,548	13,548
Other comprehensive expense for the year	-	(16,528)	(16,528)
Total comprehensive expense for the year	-	(2,980)	(2,980)
Balance at 31 December 2016	97,500	14,573	112,073

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2017	97,500	14,573	112,073
Total comprehensive expense for the year			
Loss for the financial year	-	(160)	(160)
Other comprehensive expense for the year	-	(2,590)	(2,590)
Total comprehensive expense for the year	-	(2,750)	(2,750)
Balance at 31 December 2017	97,500	11,823	109,323

Jardine Motors Group UK Limited

Consolidated cash flow statement for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Net cash from operating activities	26	2,115	13,623
Taxation paid		(3,948)	(2,712)
Net cash flow (used in)/generated from operating activities		(1,833)	10,911
Cash flow from investing activities			
Acquisitions (net of cash acquired)	28	(11,052)	(34,560)
Disposals (net of cost of disposals)	29	13,122	11,038
Purchase of tangible assets	14	(49,377)	(30,125)
Proceeds from disposals of tangible assets		2,952	17,408
Interest received	11	4,901	7
Net cash used in investing activities		(39,454)	(36,232)
Cash flow from financing activities			
Interest paid	11	(4,116)	(3,878)
Net cash used in financing activities		(4,116)	(3,878)
Net decrease in cash and cash equivalents		(45,403)	(29,199)
Cash and cash equivalents at the beginning of the year		(47,166)	(17,967)
Cash and cash equivalents at the end of the year		(92,569)	(47,166)
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,431	834
Bank loans	20	(94,000)	(48,000)
Cash and cash equivalents		(92,569)	(47,166)

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12 (b) not to present the company statement of cash flows.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

1 General information

The principal activity of Jardine Motors Group UK Limited (the 'Company') and its subsidiaries (together 'the Group') is the retail distribution of motor vehicles and related activities in the motor trade.

The company is a private company limited by shares and is incorporated in England, United Kingdom. The address of its registered office is 770 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9YQ.

2 Statement of compliance

The group and individual financial statements of Jardine Motors Group UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

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

Basis of preparation

These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the group and company accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The company has taken advantage of the exemption in section 405 of the Companies Act from presenting its individual profit and loss account.

Going concern

The group meets its day-to-day working capital requirements through its bank facilities. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate withing the level of its current facilities.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

3 Summary of significant accounting policies (continued)

Basis of consolidation

The group financial statements include the company and all its subsidiaries. Each subsidiary has adopted the group's accounting policies. All material intercompany transactions, balances and unrealised profits and losses on transactions between group companies have been eliminated.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less provision for impairment in the financial statements of the company. Provision against the underlying value of the group investments in subsidiaries is made where, in the opinion of the directors, there is impairment to the value of the underlying business.

Goodwill

Goodwill arising on acquisition, being the difference between the fair value of net assets acquired and the consideration paid, is recognised in the balance sheet as an intangible fixed asset and amortised through comprehensive income over the directors' estimate of its useful life, being ten years.

On acquisition, goodwill is allocated to cash generating units that are expected to benefit from the combination.

On a subsequent disposal or termination of a previously acquired business, the profit or loss on disposal or termination is calculated after charging the amount of any related goodwill not written off through the profit and loss account, including any previously taken direct to reserves.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on tangible fixed assets in equal annual instalments over their expected useful economic lives as follows:

Freehold and long leasehold buildings	-	2% per annum
Short leasehold land and buildings	-	over term of lease
Plant and machinery	-	10% - 33% per annum
Computer equipment	-	20% - 33% per annum
Furniture, equipment and motor vehicles	-	10% - 33% per annum

No depreciation is provided on freehold and long leasehold land as it is deemed to have an indefinite life. The profit or loss on disposal of tangible fixed assets is recognised by reference to their carrying amount.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

3 Summary of significant accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows; and
- from disclosing the company key management personnel compensation, as required by FRS 102, paragraph 33.7.

Impairment

Goodwill is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. The group performs impairment reviews using the forecast net future cash flows of the businesses affected, discounted to net present value using the group's cost of capital. Any impairment provision is offset directly against the underlying assets of the business deemed to have suffered the impairment.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is actual purchase price, excluding value added tax. Stock includes interest-bearing consignment stock, the corresponding liabilities of which are included in creditors. Consignment stock that is non-interest bearing is not considered an asset of the group and is excluded. Net realisable value is based on estimated selling price less further costs to be incurred to completion and disposal. Provision is made where necessary for obsolete, slow moving and defective stocks.

Taxation

Current tax is the amount of corporation tax payable provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Trade and other debtors

Trade debtors are recognised and measured at their original invoiced amount less provision for any uncollectable amounts. An estimate for doubtful debts is made when the collection of the full amount is no longer probable. Bad debts are written off to comprehensive income when they are identified.

Provisions

The group provides in full for liabilities when it has a legal or constructive obligation arising from a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

3 Summary of significant accounting policies (continued)

Turnover

Turnover comprises the value of sales of motor vehicles and parts, income from financing agreements and income from servicing, repairing and hiring of vehicles. Value added tax and discounts are excluded.

Turnover from the sale of goods is recognised upon transfer to a third party of economic benefits arising from the use of an asset or service. In practice this means that turnover is recognised when vehicles are invoiced and physically dispatched or when the service has been undertaken.

Leased assets

Operating lease rentals are charged to comprehensive income on a straight-line basis over the term of the lease.

Where assets are financed by leasing arrangements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to comprehensive income over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to comprehensive income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Sale and leaseback

Any gain or loss on sale and operating leaseback transactions is recognised immediately in comprehensive income where the transaction occurs at fair value. Any gain or loss on sale and finance leaseback transactions is deferred and amortised over the term of the lease.

Exceptional items

The group classifies certain one-off charges or credits that have a material impact on the group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the group.

Employee benefits

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and contribution pension plans.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

3 Summary of significant accounting policies (continued)

Employee benefits (continued)

(i) Pensions

The group operates one principal hybrid scheme, which is in part defined benefit and in part defined contribution, and one principal defined contribution pension scheme. Trustees administer all of these schemes and their funds are independent of the group's assets. The hybrid scheme is a legacy closed scheme to which the group no longer accepts new entrants.

The defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

The liability recognised in the balance sheet in respect of the hybrid scheme is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments.

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit obligation'.

The cost of the defined benefit plan, recognised in comprehensive income as employee costs, except where included in the cost of an asset, comprises:

- the increase in pension benefit liability arising from employee service during the period; and
- the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. The cost is recognised in comprehensive income as a finance charge within 'Interest and other net finance expenses'.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

3 Summary of significant accounting policies (continued)

Employee benefits (continued)

(ii) Long term incentive plans

The group operates cash-settled long term incentive plans at an operating business level for certain members of management. The plans are based on both individual business and the group's performance over a three year period measured against budget. A liability for the plan is raised on the estimated amount payable in terms of the incentive scheme plans.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in comprehensive income.

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 comprehensive income.

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

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

3 Summary of significant accounting policies (continued)

Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Related party transactions

The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

4 Critical accounting judgements and estimation uncertainty

The preparation of consolidated financial statements under FRS 102 requires the group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates, judgements and assumptions to the carrying amount of assets and liabilities within the next financial year are discussed below.

a) Impairment of goodwill and other fixed assets

As required, the group applies procedures to ensure that its assets are carried at no more than their recoverable amount. The procedures require estimates and assumptions to be made.

The group is required to test whether goodwill has suffered any impairment if a trigger event occurs. As part of this testing, the recoverable amounts of cash generating units (CGUs) have been determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows expected to arise from the continuing operation of the CGU and the choice of suitable discount rates in order to calculate the present value of the forecast cash flows. Actual outcomes could vary significantly from these estimates.

The group's property portfolio is reviewed for impairment at each year-end by reference to third party desk top valuations or formal valuations every three years.

b) Stock

As stocks are carried at the lower of cost and net realisable value this requires the estimation of the eventual sales price of goods to customers in the future. A high degree of judgement is applied when estimating the impact on the carrying value of stock of factors such as obsolete, slow moving and defective stocks. The quantity, age and condition of stocks are regularly measured and assessed as part of a range of reviews and stock counts undertaken throughout the year and across the group.

c) Tax estimates

The calculation of the group's total tax charge for the year necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined at the reporting date. To the extent that the final outcome differs from the tax that has been provided, adjustments will be made to corporation tax and deferred tax provisions. Furthermore, the recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits, based on the latest available profit forecasts, will be available in the future against which the reversal of timing differences can be deducted.

d) Post-employment benefits

The present value of the defined benefit pension liabilities recognised on the balance sheet is dependent on a number of assumptions including interest rates of high quality corporate bonds, inflation and mortality rates. The net interest expense or income is dependent on the interest rates of high quality corporate bonds. The assumptions are based on the conditions at the time and changes in these assumptions can lead to significant movements in the estimated obligations.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

5 Turnover and operating profit

All turnover, operating profit and net assets of the group's subsidiary undertakings are derived from retail and commercial motor trade activities transacted from dealerships within the United Kingdom.

Operating profit is stated after charging/(crediting):	2017 £'000	2016 £'000
Depreciation of tangible fixed assets (note 14)	7,636	5,684
Profit on disposal of fixed assets	(186)	(30)
Net provision (released) / provided for lease exit costs (note 21)	(777)	1,364
Amortisation of goodwill (note 13)	4,746	4,003
Impairment of trade debtors (note 17)	556	243
Operating lease charges - land and buildings	12,580	13,336
Operating lease charges - plant and machinery	715	288
Services provided by the company's auditors		
- the audit of parent company and consolidated financial statements	28	24
- the audit of company's subsidiaries pursuant to legislation	313	267
- other services pursuant to legislation	85	53

Total fees paid to PricewaterhouseCoopers LLP for non-audit services were £85,000 (2016: £53,000); consisting of £nil (2016: £9,000) for services related to taxation compliance; £63,000 (2016: £13,000) for services related to taxation advisory; £22,000 (2016: £27,000) for services related to the pension scheme and £nil (2016: £4,000) related to other services.

6 Other operating income

	2017 £'000	2016 £'000
VAT refund	2,418	-

During the year the group made a recovery of historic overpaid VAT on sales of second-hand vehicles relating to the period 1973 to 1992. The net amounts received are recognised within other operating income for 2017. Interest in respect of such receipts is shown in note 11.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

7 Exceptional items

	2017 £'000	2016 £'000
Profit on sale of freehold property	-	900
Profit on disposals of dealerships (note 29)	1,844	8,654
Impairment of freehold and long leasehold property	-	(1,683)
Stock write down (note 16)	(1,450)	-
	394	7,871

At the year-end the group provided £1,450,000 against stock in advance of disposal of two Bentley dealerships in Colchester and Sevenoaks (note 32).

8 Company profit and loss account

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 and consequently a profit and loss account for Jardine Motors Group UK Limited is not presented. The company's result for the financial year amounted to a loss of £160,000 (2016: profit of £13,548,000).

9 Employees

The group average monthly number of employees, including the executive directors employed by the group, within each category of persons was:

	2017 Number	2016 Number
Sales	1,116	877
Aftersales	1,866	1,490
Administration	696	576
	3,678	2,943

The costs incurred in respect of these employees were:

	2017 £'000	2016 £'000
Wages and salaries	117,492	104,858
Social security costs	13,541	11,706
Other pensions costs (note 23)	1,484	1,274
	132,517	117,838

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

9 Employees (continued)

The Company has no employees other than the executive directors whose emoluments are disclosed in note 10.

10 Directors

	Total directors		Highest paid director	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Aggregate emoluments	1,205	1,319	662	605
Post-employment benefits	59	58	10	10
	1,264	1,377	672	615

There are no retirement benefits accruing to the executive directors under defined benefit schemes (2016: none).

Key management compensation

The directors consider the only key management are the directors disclosed above:

11 Interest and other net finance expenses

	2017 £'000	2016 £'000
Interest receivable and similar income		
Interest associated with VAT refund (note 6)	4,901	7
Interest payable and similar expenses		
Bank loans and overdrafts	522	210
Interest paid to fellow group companies	605	707
Stocking loan interest	2,989	2,961
	4,116	3,878

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

11 Interest and other net finance expenses (continued)

	2017 £'000	2016 £'000
Finance expenses		
Pension charge (note 23)	23	659
Unwinding of discount in provisions (note 21)	206	90
	229	749

Unwinding of discount in provisions is in respect of the deferred consideration relating to the acquisition of Continental Cars (Stansted) Limited in 1998 and lease exit costs provision (note 21).

12 Tax on profit

(a) Tax expense included in comprehensive income	2017 £'000	2016 £'000
Current tax:		
UK corporation tax at 19.25% (2016: 20%)	5,189	3,849
Adjustment in respect of prior years	(1,493)	(621)
Total current tax	3,696	3,228
Deferred tax:		
Change in rate	-	(65)
Pension deficit	475	367
Accelerated capital allowances	385	(140)
Intangible fixed assets	(66)	1,461
Other short term temporary differences	(541)	7
Adjustments in respect of prior years	257	(353)
Total deferred tax (note 22)	510	1,277
Tax on profit	4,206	4,505
(b) Tax expense included in other comprehensive income	2017 £'000	2016 £'000
Deferred tax:		
(Loss)/gain relating to pension liability (note 22)	(2,590)	3,177
Total tax included in other comprehensive income	(2,590)	3,177

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

12 Tax on profit (continued)

(c) Reconciliation of tax charge

The tax assessed for the year is higher (2016: lower) than the standard rate of corporation taxation in the UK of 19.25% (2016: 20%). The differences are explained below:

	2017 £'000	2016 £'000
Profit before taxation	18,093	23,452
Profit on ordinary activities before taxation multiplied by standard corporation tax rate in the UK at 19.25% (2016: 20%)	3,483	4,690
Effects of:		
Non-taxable disposal gains	(167)	(1,832)
Net chargeable gains on disposals in year	650	2,134
Expenses not deductible for tax purposes	1,304	1,454
Deductible temporary differences arising on beneficial tax elections	-	(424)
Net temporary differences: effect of change in tax rates	172	(543)
Adjustments in respect of prior years	(1,236)	(974)
Total tax charge for the year	4,206	4,505

(d) Tax rate changes

The standard rate of corporation tax in the United Kingdom changed from 21% to 20% with effect from 1 April 2015. Further changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 on 15 September 2016. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using the substantively enacted tax rates and reflected in these financial statements.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

13 Intangible assets

Group	Goodwill £'000
Cost	
At 1 January 2017	47,130
Additions (note 28)	8,717
Disposals (note 29)	(2,646)
At 31 December 2017	53,201
Accumulated amortisation	
At 1 January 2017	22,994
Charge for the year	4,746
Disposals (note 29)	(1,356)
At 31 December 2017	26,384
Net book amount	
At 31 December 2017	26,817
At 31 December 2016	24,136

Company

The company has no intangible assets (2016: £nil).

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

14 Tangible assets

Group	Land and buildings		Plant and machinery £'000	Computer equipment £'000	Furniture, equipment and motor vehicles £'000	Total £'000
	Freehold and long leasehold £'000	Short leasehold £'000				
Cost						
At 1 January 2017	86,502	21,888	13,281	7,762	16,234	145,667
Additions	25,826	4,529	11,357	1,751	5,914	49,377
Acquisitions (note 28)	3,055	875	65	12	171	4,178
Disposals	(5,252)	(3,491)	(1,413)	(997)	(2,252)	(13,405)
Reclassification	-	82	-	-	(82)	-
At 31 December 2017	110,131	23,883	23,290	8,528	19,985	185,817
Accumulated depreciation						
At 1 January 2017	9,627	10,196	8,069	5,635	8,020	41,547
Charge for the year	841	2,063	1,530	1,062	2,140	7,636
Disposals	(336)	(2,528)	(1,069)	(795)	(1,525)	(6,253)
Reclassification	-	8	-	-	(8)	-
At 31 December 2017	10,132	9,739	8,530	5,902	8,627	42,930
Net book amount						
At 31 December 2017	99,999	14,144	14,760	2,626	11,358	142,887
At 31 December 2016	76,875	11,692	5,212	2,127	8,214	104,120

Company

The company has no tangible assets (2016: £nil).

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

15 Investments

Company	£'000
Cost	
At 1 January and 31 December 2017	51,511
Provision	
At 1 January and 31 December 2017	-
Net book amount	
At 31 December 2017	51,511
At 31 December 2016	51,511

The following subsidiary undertakings of the company as at 31 December 2017 had registered address of 770 The Crescent, Colchester Business Park, Essex, CO4 9YQ:

Subsidiary Undertaking	Class of Share	Principal Activity
Abridge Loughton TPS Limited	Ordinary	Wholesale trade parts centre
Appleyard Commercial Vehicles Limited	Ordinary	Dormant
Appleyard Group Limited	Ordinary	Holding company for non-trading subs
Appleyard Investments Limited	Ordinary	Dormant
Appleyard Midlands Limited	Ordinary	Dormant
Appleyard Pensions (Nominees) Limited	Ordinary	Dormant
Appleyard Properties Limited	Ordinary	Dormant
Appleyard Specialist Cars Limited	Ordinary	Dormant
Appleyard Volume Cars Limited	Ordinary	Dormant
Beechwood Birmingham Limited	Ordinary	Dormant
Carrs (Holdings) Limited	Ordinary	Property owning company
Chiltern Forecourts Limited	Ordinary	Dormant
City Motors (Oxford) Limited	Ordinary	Dormant
Clover Leaf Cars (Ascot) Limited	Ordinary	Dormant
Clover Leaf Cars (Farnham) Limited	Ordinary	Dormant
Clover Leaf Cars (Henley) Limited	Ordinary	Dormant
Clover Leaf Cars (Holdings) Limited	Ordinary	Dormant
Clover Leaf Cars Limited	Ordinary	Dormant
Continental Cars (Stansted) Limited	Ordinary	Dormant
Fast Fix Super Service Centre Limited	Ordinary	Dormant
Home Counties Finance Corporation Limited	Ordinary	Dormant
Irsal Limited	Ordinary	Dormant
Jardine Motors Management Services Limited	Ordinary	Dormant
Jardine Motors Pension Trustees Limited	Ordinary	Trustee co. for the Group pension scheme
Jardine Motors Services Limited	Ordinary	Dormant
L S Design Limited	Ordinary	Dormant
Lancaster Bow Limited	Ordinary	Dormant
Lancaster Cars Limited	Ordinary	Retail distribution of motor vehicles and the supply of related goods and services
Lancaster Europa Limited	Ordinary	Dormant
Lancaster Garages (Colchester) Limited	Ordinary	Dormant

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

15 Investments (continued)

Subsidiary Undertaking	Class of Share	Principal Activity
Lancaster Garages (European) Limited	Ordinary	Dormant
Lancaster Garages (Norwich) Limited	Ordinary	Dormant
Lancaster Garages (Scandinavian) Limited	Ordinary	Dormant
Lancaster Hertford Limited	Ordinary	Dormant
Lancaster Jaguar Sevenoaks Limited	Ordinary	Dormant
Lancaster Lakeside Limited	Ordinary	Dormant
Lancaster Luxury Cars Limited	Ordinary	Dormant
Lancaster Luxury Vehicles Limited	Ordinary	Retail distribution of motor vehicles and the supply of related goods and services
Lancaster Medway Limited	Ordinary	Dormant
Lancaster Motor Company Limited	Ordinary	Retail distribution of motor vehicles and the supply of related goods and services and owns property.
Lancaster Motors (Dormant) Limited	Ordinary	Dormant
Lancaster plc	Ordinary	Holding company for subsidiaries operating in the motor trade, provides management services to the group and owns property
Lancaster Sheffield Limited	Ordinary	Dormant
Lancaster Specialist Cars Limited	Ordinary	Retail distribution of motor vehicles and the supply of related goods and services
Lancaster Sports Cars Limited	Ordinary	Retail distribution of motor vehicles and the supply of related goods and services and owns property
Lancaster Truck and Van South West Limited	Ordinary	Dormant
Lancaster Vehicles Limited	Ordinary	Dormant
Lancaster Ventures Limited	Ordinary	Dormant
Lancaster Winchester Limited	Ordinary	Dormant
Lancaster Motors (Property) Limited	Ordinary	Property construction and development
Minories Garages Limited	Ordinary	Dormant
Motorways Limited	Ordinary	Dormant
Oxford Motors Limited	Ordinary	Dormant
Scotthall Cambridge Limited	Ordinary	Dormant
Scotthall Leeds Limited	Ordinary	Dormant
Scotthall Limited	Ordinary	Non trading
Shoreline Cars Limited	Ordinary	Dormant
Spencers Limited	Ordinary	Holding company
Wayside (auto cz) Limited	Ordinary	Dormant
Wayside Audi (Hitchin) Limited	Ordinary	Dormant
Wayside Audi Limited	Ordinary	Dormant
Wayside Aylesbury Limited	Ordinary	Dormant
Wayside Garages Limited	Ordinary	Dormant
Wayside Group Limited	Ordinary	Property owning and holding company.
Wayside Milton Keynes Limited	Ordinary	Dormant
Wayside North Bucks Limited	Ordinary	Dormant

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

15 Investments (continued)

Subsidiary Undertaking	Class of Share	Principal Activity
Wayside North Herts Limited	Ordinary	Dormant
Wayside St Albans Limited	Ordinary	Dormant
Wayside Towcester Limited	Ordinary	Dormant
Wayside Trade Parts Limited	Ordinary	Wholesale trade parts centre
Wayside Van Centres Limited	Ordinary	Dormant
Wayside Volkswagen Limited	Ordinary	Dormant
Wheelmaster Limited	Ordinary	Dormant
Wiggins Winchester Limited	Ordinary	Dormant

The following subsidiary undertakings of the company as at 31 December 2017 had registered address of 302 St. Vincent Street, Glasgow, Scotland, G2 5RZ:

Subsidiary Undertaking	Class of Share	Principal Activity
Appleyard Properties (Scotland) Limited	Ordinary	Dormant
Clanford Motors Limited	Ordinary	Dormant
Ian Skelly (Coachworks Limited)	Ordinary	Dormant
Ian Skelly (Glasgow) Limited	Ordinary	Dormant
Ian Skelly (Liverpool) Limited	Ordinary	Dormant
Ian Skelly (Wishaw) Limited	Ordinary	Dormant
Ian Skelly Group Limited	Ordinary	Dormant
JMG (Scotland) Limited	Ordinary	Solely owns shares in JMG LP and acts as the General Partner of the entity
Skelly's Limited	Ordinary	Dormant

The group also owns 100% of the share capital of JMG LP. JMG LP owns freehold properties and sub-lets to Lancaster Motor Company Limited and Lancaster Luxury Vehicles Limited, group subsidiary undertakings, at open market rentals. JMG LP is a Scottish Limited Partnership of which the Partners are all part of Jardine Motors Group UK Limited. The results and balance sheet of JMG LP are consolidated into these financial statements.

All other group subsidiary undertakings are wholly owned and are registered and operate in England and Wales.

Appleyard Group Limited, Lancaster plc, JMG (Scotland) Limited and Jardine Motors Pension Trustees Limited are held directly. The remainder of the subsidiary undertakings are held indirectly.

All subsidiary undertakings of the group, with the exception of Lancaster plc, have taken advantage of the exemption from an audit for the year ended 31 December 2017 available under s479A of the Companies Act 2006 as the company has given a statutory guarantee of all of the outstanding liabilities of the subsidiaries as at 31 December 2017.

All dormant subsidiary undertakings of the group have taken advantage of the exemption from preparing and filing financial statements for the year ended 31 December 2017 available under s394A and s448A of the Companies Act 2006.

In the opinion of the directors, the value of the investments is not less than their carrying value.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

16 Stocks

	Group 2017 £'000	Group 2016 £'000
Consignment vehicles	62,086	46,530
Motor vehicles	217,897	188,357
Parts and other stocks	8,303	7,884
	288,286	242,771

Certain subsidiary undertakings have consignment stock arrangements with suppliers in the ordinary course of business. Vehicles adopted out of consignment stock are generally invoiced at the price ruling at the date of adoption.

Stock held on consignment includes interest-bearing stock, some of which has a corresponding liability included in trade creditors.

Stocks are stated after provision for impairment of £1,450,000 (2016: £nil).

Company

The company has no stock (2016: £nil).

17 Debtors

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Trade debtors	48,637	42,817	-	-
Amounts owed by group undertakings	-	-	164,321	72,235
Corporation tax	-	-	14,670	13,433
Deferred tax assets (note 22)	924	4,105	1,726	4,792
Other taxation and social security	1,971	-	49	-
Other debtors	26,462	32,854	-	79
Prepayments and accrued income	15,080	12,017	69	122
	93,074	91,793	180,835	90,661

The amounts owed by group undertakings are unsecured, interest free, have no fixed repayment terms and are repayable on demand.

Trade debtors are stated after provisions for impairment of £556,000 (2016: £243,000).

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

18 Creditors - amounts falling due within one year

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Bank loans and overdrafts (note 20)	23,000	48,000	23,000	48,000
Trade creditors	197,097	171,584	4,601	25
Corporation tax	2,431	2,418	-	-
Other taxation and social security	4,940	13,032	-	-
Other creditors	47,865	35,355	-	-
Accruals and deferred income	15,554	11,171	17	9
	290,887	281,560	27,618	48,034

19 Creditors - amounts falling due after more than one year

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Bank loans (note 20)	71,000	-	71,000	-
Amount owed to fellow group companies	40,000	40,000	-	-
	111,000	40,000	71,000	-

The amount owed to fellow group companies is unsecured and is due for repayment in 2021.

Interest is charged on the amount owed to fellow group companies at 6 months LIBOR plus 1.00%.

20 Loans and other borrowings

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Unsecured bank loans and overdrafts	94,000	48,000	94,000	48,000
The borrowings are repayable as follows:	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Within one year or on demand	23,000	48,000	23,000	48,000
Between two and five years	71,000	-	71,000	-

Unsecured bank loans and overdrafts

The bank loans and overdrafts of the company and its subsidiary undertakings, Appleyard Group Limited, Lancaster plc and Lancaster plc's subsidiary undertakings are guaranteed by fellow subsidiaries and Appleyard Group Limited and Lancaster plc under the terms of an unlimited multi-lateral cross-guarantee agreement. The overdrafts are renewed annually.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

21 Provisions for liabilities

Group	At 1 January 2017 £'000	Net provision released during the year £'000	Utilised £'000	Unwinding of discount in provisions £'000	At 31 December 2017 £'000
Leasehold dilapidations	49	1	-	-	50
Onerous lease costs	2,602	(777)	(830)	201	1,196
Deferred consideration	35	-	(20)	5	20
Self-insurance fund	180	(1)	(37)	-	142
	2,866	(777)	(887)	206	1,408

Leasehold dilapidations

The leasehold dilapidations provision was established to provide for future dilapidation liabilities on certain leasehold properties.

Onerous lease costs

The onerous lease costs provision was established to provide for all future estimated costs which will be payable up to, and including, the date of termination of the leases and was discounted at the average cost of capital of the group.

Deferred consideration

The deferred consideration arose on an acquisition made during 1998. In accordance with FRS 7 'Fair Values in Acquisition Accounting', the discounted amount payable was provided for.

Self-insurance fund

The self-insurance fund provision was set up to provide for insurance claims in excess of the group's insurance policy cover.

Company

The company has no provisions (2016: £nil).

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

22 Deferred tax assets

	Group		Company	
Deferred tax assets comprises:	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Accelerated capital allowances	131	511	-	-
Intangible fixed assets	(1,670)	(1,736)	-	-
Other short term timing difference	737	538	-	-
Deferred tax liability	(802)	(687)	-	-
Deferred tax asset on pension liability	1,726	4,792	1,726	4,792
Net deferred tax assets (note 17)	924	4,105	1,726	4,792

	Group		Company	
Movements during the year are as follows:	2017 £'000	2016 £'000	2017 £'000	2016 £'000
At 1 January	4,105	2,205	4,792	1,823
Amount charged to profit and loss (note 12a)	(510)	(1,277)	(476)	(208)
Acquisitions	(81)	-	-	-
Amount taken to other comprehensive income relating to pension liability	(2,590)	3,177	(2,590)	3,177
Net deferred tax assets at 31 December	924	4,105	1,726	4,792

The directors consider there will be sufficient taxable profits in the future such as to realise the deferred tax assets.

In addition to the deferred tax above, the group has unutilised ACT tax credits of £2,453,000 (2016: £2,453,000) and unutilised historic tax losses of £4,591,000 (2016: £4,591,000) giving rise to unrecognised deferred tax assets of £3,233,000 (2016: £3,233,000). The company has unutilised historic tax losses of £4,468,000 (2016: £4,468,000) giving rise to unrecognised deferred tax assets of £760,000 (2016: £760,000). In both cases, the unutilised tax losses and ACT have no expiry date and are available indefinitely against qualifying income or tax charges. The directors consider there to be insufficient certainty over the ability of the group/company to offset the available losses or tax credits for the foreseeable future in order to recognise a deferred tax asset at the balance sheet date.

No deferred tax is recognised in relation to the undistributed reserves of subsidiary entities on the basis that such distributions would be exempt from corporation tax and withholding taxes in accordance with UK tax law. In accordance with UK tax law Jardine Motors Group UK Limited is not required to deduct UK income tax on the payment of distributions to its shareholders. Distributions paid by the company may be subject to tax on the recipient.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

22 Deferred tax assets (continued)

Corporation tax deductions in relation to the 2014 asset-backed pensions funding arrangement (note 23) are deferred and released over a number of years in accordance with UK tax law. The group will receive gross deductions of £2.1m per year against taxable profits for corporation tax purposes between 2015 and 2017. In the current year the available deductions result in a reduction to the corporation tax charge of £0.4m (2016: £0.4m). A deferred tax asset of £nil (2016: £0.4m) is recognised in relation to the short term temporary difference arising on the adjustment.

23 Pension schemes

Group

The group operates a hybrid pension scheme and one principal defined contribution pension scheme.

The assets of the schemes are held separately from those of the group in independent trustee administered funds.

Details in respect of the principal pension schemes are set out below:

Jardine Motors Group UK Pension Scheme

The group participates in the Jardine Motors Group UK Pension Scheme ('the scheme') which was closed to future accrual on 1 December 2009. Jardine Motors Group UK Limited is legally responsible for the group pension plan and accordingly recognises the entire net defined benefit cost in its individual financial statements.

Asset-backed funding arrangement

In 2014 Jardine Motors Group UK Limited (the "Group") established a Scottish Limited Partnership ("JMG LP" or the "Partnership") with the scheme. Under this arrangement, properties with a fair value of £21.45 million were transferred to the Partnership from group companies Lancaster plc and Lancaster Motor Company Limited. Both transfers were effected via a 20 year sale and leaseback arrangement to the respective company.

The scheme's interest in the partnership entitles it to an annual distribution in the form of rental payments for 20 years. The annual contributions are set at £1.35 million per annum and increase by 13.14% every 5 years. In addition to these contributions, the group may have to pay additional cash sums to the scheme as part of the triennial valuation deficit recovery plan.

The partnership is controlled by the group and its results are consolidated by Jardine Motors Group UK Limited. The group's balance sheet and FRS102 comprehensive income are unchanged by the establishment of the partnership. The investment held by the scheme in the partnership does not qualify as a plan asset for the purposes of the group's consolidated financial statements and is therefore not included within the fair value of plan assets. The value of the properties transferred to the partnership remains included within the group's fixed assets on the balance sheet. In addition, the group retains full operational flexibility to extend, develop and substitute the properties within the partnership.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2017

23 Pension schemes (continued)

Present values of scheme liabilities, fair values of scheme assets and deficit in scheme

	2017 £'000	2016 £'000
Fair value of scheme assets	171,996	163,955
Present value of scheme liabilities	(193,047)	(201,569)
Deficit in scheme	(21,051)	(37,614)

Reconciliation of group scheme assets and liabilities

	Assets £'000	Liabilities £'000	Total £'000
At 1 January 2017	163,955	(201,569)	(37,614)
Interest income/(cost)	4,202	(5,171)	(969)
Actuarial gains	12,252	2,986	15,238
Benefits paid, death in service insurance premiums and expenses	(9,761)	10,707	946
Contributions by employer – deficit funding	1,348	-	1,348
At 31 December 2017	171,996	(193,047)	(21,051)

The actual return on the scheme assets over the year ended 31 December 2017 was £16,454,000 (2016: £20,000,000).

Total charge recognised in comprehensive income

	2017 £'000	2016 £'000
Net interest cost	969	659
Gains on settlements	(946)	-
Total charge recognised in comprehensive income (note 11)	23	659

Other comprehensive income

	2017 £'000	2016 £'000
Return on scheme assets	12,252	14,597
Experience gains arising on the scheme liabilities	4,573	-
Effects of changes to the demographic and financial assumptions underlying the present value of the scheme liabilities	(1,587)	(34,327)
Actuarial gains/(losses) recognised in other comprehensive income	15,238	(19,730)