BRAMALL QUICKS LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

Registered Number : 00158215

BRAMALL QUICKS LIMITED

CONTENTS

YEAR ENDED 31 DECEMBER 2016

PAGE

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2016

The Company is a wholly owned subsidiary of Pendragon PLC

The Company's principal activity is that of an investment holding company, it's income being derived from dividend income paid by its subsidiary undertakings.

The Company are reporting a profit of £3,500,000 for the year, of which all is in respect of dividends received. In 2015 the Company reported a profit of £1,400,000.

One of the main risks facing the business as a holding company of a motor vehicle retailer is a potential decline in new car registrations in the United Kingdom. This risk is partly mitigated by the sale of used cars and aftersales services. Other risks to the business include fluctuations in general economic conditions, such as interest rate increases, environmental concerns and legislation and the loss of key personnel within its subsidiary companies. With regard to the UK's decision to leave the EU, we believe that the main risk factors are consumer confidence and the potential impact of Sterling/Euro exchange rates on vehicle prices. To date we have not experienced any noticeable change in our customers' behaviour within our subsidiary undertakings. The Risk Control Group of Pendragon PLC has met to consider these risks and uncertainties, including the impact of Brexit, and will continue to monitor how these risks evolve. These risks are significant to the group and are also detailed in the group financial statements.

The directors are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

By order of the Board

T P Holden
Director

26 September 2017

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

The directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 December 2016.

RESULTS AND DIVIDENDS

The Company has not traded during the year.

A dividend of £3,500,000 was paid during the year (2015 : £1,400,000). The directors have not proposed a final dividend.

DIRECTORS

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

T G Finn
T P Holden
M S Casha
H C Sykes (resigned 1 January 2017)
Pendragon Management Services Limited

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

RE-APPOINTMENT OF AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board

R J Maloney
Secretary

Loxley House
2 Oakwood Court
Little Oak Drive
Annesley
Nottinghamshire
NG15 0DR
26 September 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAMALL QUICKS LIMITED

We have audited the financial statements of Bramall Quicks Limited for the year ended 31 December 2016 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:
- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

John Leech (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

28
~~26~~ September 2017

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2016

Note		2016 £000	2015 £000
3	Income from shares in group undertakings	3,500	1,400
	OPERATING PROFIT	3,500	1,400
4	Taxation on profit on ordinary activities	-	-
	PROFIT FOR THE FINANCIAL YEAR	3,500	1,400

Movements in reserves are shown in the Statement of Changes in Equity on page 7.
The notes on pages 8 to 11 form part of these financial statements.
There are no amounts to be recognised in a Statement of Other Comprehensive Income and as such no separate statement has been presented. The profit for the financial year represents total comprehensive income for the period.

BALANCE SHEET

AT 31 DECEMBER 2016

Note		2016 £000	2015 £000
	FIXED ASSETS		
6	Investments	**34,826**	34,826
	CURRENT ASSETS		
7	Debtors	**7,332**	7,758
8	**CREDITORS**: amounts falling due within one year	**(1,547)**	(1,973)
	NET CURRENT ASSETS	**5,785**	5,785
	TOTAL ASSETS LESS CURRENT LIABILITIES	**40,611**	40,611
9	**CREDITORS** : amounts falling due in more than one year	**(491)**	(491)
	NET ASSETS	**40,120**	40,120
	CAPITAL AND RESERVES		
10	*Called up share capital*	**4,016**	4,016
	Share premium account	**27,313**	27,313
	Capital redemption reserve	**100**	100
	Profit and loss account	**8,691**	8,691
	SHAREHOLDERS' FUNDS	**40,120**	40,120

Approved by the Board of Directors on 26 September 2017 and signed on its behalf by :

T P Holden
Director

Registered Company Number : 00158215

The notes on pages 8 to 11 form part of these financial statements.

YEAR ENDED 31 DECEMBER 2016

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total £000
Balance at 1 January 2015	4,016	27,313	100	8,691	**40,120**
Total comprehensive income for 2015					
Profit for the year	-	-	-	1,400	**1,400**
Total comprehensive income for the year	-	-	-	1,400	**1,400**
Transactions with owners, recorded directly in equity					
Dividends paid (see note 5)	-	-	-	(1,400)	**(1,400)**
Total contributions by and distributions to owners	-	-	-	(1,400)	**(1,400)**
Balance at 31 December 2015	4,016	27,313	100	8,691	**40,120**
Balance at 1 January 2016	4,016	27,313	100	8,691	**40,120**
Total comprehensive income for 2016					
Profit for the year	-	-	-	3,500	**3,500**
Total comprehensive income for the year	-	-	-	3,500	**3,500**
Transactions with owners, recorded directly in equity					
Dividends paid (see note 5)	-	-	-	(3,500)	**(3,500)**
Total contributions by and distributions to owners	-	-	-	(3,500)	**(3,500)**
Balance at 31 December 2016	4,016	27,313	100	8,691	**40,120**

The notes on pages 8 to 11 form part of these financial statements.

1 ACCOUNTING POLICIES

(a) Basis of preparation.

Bramall Quicks Limited is a company incorporated, domiciled and registered in Engaland in the UK. The Company's registered number is 00158215 and the registered address is Loxley House, Little Oak Drive, Annesley, Nottinghamshire, NG15 0DR.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemption has been taken in these financial statements:

•Business combinations – Business combinations that took place prior to 1 January 2014 have not been restated.
•At 1 January 2014, fair value has been used as deemed cost for properties previously measured at fair value.

The Company's ultimate parent undertaking, Pendragon PLC, includes the Company in its consolidated financial statements. The consolidated financial statements of Pendragon PLC are prepared in accordance with International Financial Reporting Standards *and are available to the public and may be obtained from the Company Secretary, Pendragon PLC, Loxley House, Little Oak Drive,* Annesley, Nottinghamshire, NG15 0DR.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:
• a Cash Flow Statement and related notes;
• Comparative period reconciliations for share capital;
• Disclosures in respect of transactions with wholly owned subsidiaries ;
• Disclosures in respect of capital management;
• The effects of new but not yet effective IFRSs;
• An additional balance sheet for the beginning of the earliest comparative period following the adoption of FRS 101;
• Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Pendragon PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:
• Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Accounting estimates and judgements - The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:
- note 4 - tax liability
- note 6 - key assumptions used in discounted cash flows for impairment testing

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 1.

Going concern - The directors are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

The Company is exempt by virtue of s400 subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

(b) Investments. Investments held as fixed assets are stated at cost less any impairment losses.

(c) Taxation. Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not recognised: initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred income tax assets and liabilities are offset when there is a legally enforceable rights to offset current tax assets against current tax liabilities.

(d) Related parties. The Company has a related party relationship with Reg Vardy (VMC) Limited, which is a joint venture undertaking between Pendragon PLC and General Motors UK Limited. During the year no amounts were received from or paid to related parties. At the year end no amounts were due to or receivable from related parties (2015 : £nil).

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31 DECEMBER 2016

1 ACCOUNTING POLICIES continued

(e) Auditor's remuneration. Auditors' remuneration has been borne by another group Company, CD Bramall Limited. Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Pendragon PLC.

(f) Classification of financial instruments issued by the Company. Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company;
and
b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the Reconciliation of Movements in Shareholders' Funds.

(g) Dividends on shares presented within shareholders funds. Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 EMPLOYEES

The Company had no employees during the year (2015 : none)

No director of the Company received or waived any remuneration for services to the Company during the year (2015 : £nil).

All of the directors who served during the year are all directors of the parent company. These directors received no remuneration for their services to the Company as the service they provide to Bramall Quicks Limited are incidental to the management roles they fulfil for the Pendragon Group.

3 INCOME FROM SUBSIDIARY UNDERTAKINGS

	2016 £000	2015 £000
Dividends receivable	3,500	1,400

4 TAXATION

	2016 £000	2015 £000
Tax on profit on ordinary activities	-	-

Factors affecting the tax charge for the year:
The tax assessed is lower (2015 : lower) than the standard rate of corporation tax in the UK of 20.00% (2015 : 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	3,500	1,400
Tax on profit at the UK average statutory rate of 20.00% (2015 : 20.25%)	700	284
Effects of:		
Investment income on which no tax liability arises	(700)	(284)
Tax on profit on ordinary activities	-	-

The reduction in the UK corporation tax rate to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future tax charge accordingly

The Company has no deferred tax balances (2015 : £nil).

5 DIVIDENDS PAID

	2016 £000	2015 £000
Ordinary shares		
Dividend paid - 8.715 pence (2015 : 3.486 pence) per share	3,500	1,400

6 INVESTMENTS

	Shares in subsidiary undertakings £000
Cost	
At 31 December 2015 and 31 December 2016	43,012
Provisions	
At 31 December 2015 and 31 December 2016	8,186
Net book value	
At 31 December 2015 and 31 December 2016	34,826

Shares in subsidiary undertakings are stated at cost. Bramall Quicks Limited owns directly 100% of the issued ordinary share capital of the following subsidiaries which are incorporated in the United Kingdom and have a registered office at Loxley House, Little Oak Drive, Annesley, Nottinghamshire, NG15 0DR.

Bramall Quicks Dealerships Limited	Motor distribution and related activities
Executive Motor Group Limited	Dormant
Andre Baldet Limited	Dormant
Clarkes Garage (Narborough) Limited	Dormant
Dunham & Haines Limited	Dormant
Godfrey Davis Motor group Limited	Dormant
Miles (Chesham) Limited	Dormant
Plumtree Motor Company Limited	Dormant
Quicks Finance Limited	Dormant
Vertcell Limited	Dormant

7 DEBTORS

	2016 £000	2015 £000
Amounts owed by group undertakings	7,332	7,758

All amounts are due within one year.

8 CREDITORS : amounts falling due within one year

	2016 £000	2015 £000
UK corporation tax	143	569
Other taxation and social security	22	22
Accruals and deferred income	1,382	1,382
	1,547	1,973

9 CREDITORS : amounts falling due in more than one year

	2016 £000	2015 £000
Shares classified as liabilities (see note 11)	491	491

10 *CALLED UP SHARE CAPITAL*

	2016 £000	2015 £000
Allotted, called up and fully paid :		
7,000 (2015 : 7,000) 3.85% Cumulative preference shares of £1 each	**7**	7
483,636 (2015 : 483,636) 10% Cumulative preference shares of £1 each	**484**	484
40,160,342 (2015 : 40,160,342) Ordinary shares of 10p each	**4,016**	4,016
	4,507	4,507
Shares classified as liabilities (see note 9)	**491**	491
Shares classified in shareholders' funds	**4,016**	4,016
	4,507	4,507

The 3.85% Cumulative preference shares confer the right to a fixed cumulative preference dividend at the rate of 3.85% per annum and in a winding up rank both as regards capital and dividend in priority to the other shares. They confer no right to vote at any general meeting unless the preference dividend shall remain unpaid for six months after the date fixed for payment thereof.

The 10% Cumulative preference shares confer the right to a fixed cumulative preference dividend at the rate of 10% per annum and in a winding up rank in priority to the other shares. They confer no right to vote at any general meeting other than on a resolution for winding up the Company, reducing its share capital or varying any of the special rights attaching to these shares.

In view of the rights attaching to the cumulative preference shares they are deemed to be liabilities.

The parent company has waived its entitlement to preference dividends for the year.

11 CONTINGENT LIABILITIES

The Company is party to multi-lateral cross guarantees in respect of the indebtedness of Pendragon PLC and its UK subsidiaries in favour of certain lenders to the Group.