

EXECUTIVE MOTOR GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

Registered Number : 01110637

AMENDING

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EXECUTIVE MOTOR GROUP LIMITED

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YEAR ENDED 31 DECEMBER 2015

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DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2015

The directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 December 2015.

RESULTS AND DIVIDENDS

The results for the period are shown in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend (2014 : £nil).

STRATEGIC REPORT

The Company has applied the exemption in section 414b of the Companies Act 2006 not to provide a separate strategic report.

REVIEW OF ACTIVITIES

The Company did not trade during the year.

The Company is a subsidiary of Pendragon PLC who have a dedicated treasury management team to ensure the business is financed in the most effective manner possible. Details of how Pendragon PLC are managing this risk can be seen in the group financial statements.

DIRECTORS

The directors during the period were as follows:

T G Finn
M S Casha
T P Holden
H C Sykes


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.

DISCLOSURE OF INFORMATION TO AUDITORS

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.

On behalf of the Board


H C Sykes
Director

Loxley House
Little Oak Drive
Annesley
Nottinghamshire
NG15 0DR
21 September 2016

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

The directors are responsible for preparing 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.

We have audited the financial statements of Executive Motor Group Limited for the year ended 31 December 2015 set out on pages 4 to 9. 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 2015 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report



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

21 September 2016

PROFIT AND LOSS ACCOUNT**YEAR ENDED 31 DECEMBER 2015**

Note		2015 £000	2014 £000
	RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION	-	-
3	Taxation on result on ordinary activities	83	-
	PROFIT / RESULT FOR THE FINANCIAL YEAR	83	-

There are no material differences between the profit / result as shown in the profit and loss account above and its historical cost equivalent.

All amounts relate to continuing operations.

Movements in reserves are shown in the Statement of Changes in Equity on page 6.

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.

The notes on pages 7 to 9 form part of these financial statements

BALANCE SHEET**AT 31 DECEMBER 2015**

Note		2015 £000	2014 £000
	CURRENT ASSETS		
4	Debtors	1,765	1,807
5	CREDITORS: amounts falling due within one year	-	(125)
	NET ASSETS	1,765	1,682
	CAPITAL AND RESERVES		
	Profit and loss account	1,270	1,187
6	Called up share capital	495	495
	EQUITY SHAREHOLDERS' FUNDS	1,765	1,682

Approved by the Board of Directors on 21 September 2016 and signed on its behalf by :



T P Holden
Director

Registered Company Number : 01110637

The notes on pages 7 to 9 form part of these financial statements

STATEMENT OF CHANGES IN EQUITYYEAR ENDED 31 DECEMBER 2015

	Called up share capital £000	Retained earnings £000	Total £000
Balance at 1 January 2014	495	1,187	1,682
Total comprehensive income for 2014			
Result for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 December 2014	495	1,187	1,682
Balance at 1 January 2015	495	1,187	1,682
Total comprehensive income for 2015			
Profit for the year	-	83	83
Total comprehensive income for the year	-	83	83
Balance at 31 December 2015	495	1,270	1,765

The notes on pages 7 to 9 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES

(a) Basis of preparation

Executive Motor Group Limited is a company incorporated and domiciled in the UK.

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 and effective immediately 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.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 has not affected the reported financial position, financial performance and cash flows of the Company and therefore no reconciliations as a result of the transition are provided.

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, tangible fixed assets and intangible assets;
- 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 and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

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 3 - tax liability and recognition of deferred tax assets. The actual tax on the Company's profits is determined according to complex laws and regulations. Where the effect of these laws and regulations is unclear, estimates are used in determining the liability for the tax to be paid on profits which are recognised in the financial statements. The Company considers the estimates, assumptions and judgements to be reasonable but this can involve complex issues which may take a number of years to resolve. The final determination of tax liabilities could be different from the estimates reflected in the financial statements. Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

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

The Company's parent company, has confirmed that it will continue to provide financial support to the Company if needed. The directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. However, as with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue.

Going concern - The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the Pendragon group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed the responses of the directors of the Company's parent Pendragon PLC to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Pendragon group to continue as a going concern or its ability to continue with the current banking arrangements. On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Executive Motor Group Limited, the Company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

(b) 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 right to offset current tax assets against current tax liabilities.

(c) 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 period no amounts were received from or paid to related parties. At the year end no amounts were due to or receivable from related parties.

2 EMPLOYEES

The company had no employees during the period other than the directors (2014 : nil).

No director of the company received or waived any remuneration for services to the company during the period.

3 TAXATION

	2015 £000	2014 £000
UK corporation tax at the UK average statutory rate of 20.25% (2014 : 21.5%)		
Current tax on income for the year	-	-
Adjustments in respect of prior periods	(83)	-
Total tax credit	(83)	-

Factors affecting the tax (credit) for the period:

The tax assessed is lower than (2014 : equal to) the standard rate of corporation tax in the UK of 20.25% (2014 : 21.5%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	-	-
Taxation on profit at the UK average statutory rate of 20.25% (2014 : 21.5%)	-	-
Effects of:		
Adjustments to tax charge in respect of previous years	(83)	-
Total tax credit	(83)	-

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were 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.

The Company has no deferred tax balances (2014 : £nil).

4 DEBTORS

	2015 £000	2014 £000
Amounts owed to group undertakings	1,765	1,807

5 CREDITORS : amounts falling due within one year

	2015 £000	2014 £000
UK Corporation tax	-	125

NOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 DECEMBER 2015

6 CALLED UP SHARE CAPITAL

	2015 £000	2014 £000
Allotted, called up and fully paid : 495,000 (2014 : 495,000) ordinary shares of £1 each	495	495

7 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.

Pendragon PLC has granted security over some of the Company's assets, not subject to any other arrangements, mainly comprising property, debtors and certain vehicle stocks. Pendragon PLC has also granted security over assets in some of its other subsidiaries and if security over the total of all those assets had been granted at 31 December 2015, the Group balance sheet value of those assets would have been £438m (2014 : £354m).

8 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH COMPANY IS A MEMBER

The Company's ultimate parent company and ultimate controlling party is Pendragon PLC which is incorporated in England and Wales. The largest and smallest group in which the results of the Company are consolidated is that headed by Pendragon PLC. Financial statements of Pendragon PLC for the year ended 31 December 2015 are available from the Company Secretary, Pendragon PLC, Loxley House, Little Oak Drive, Annesley, Nottinghamshire, NG15 0DR.