

EVANS HALSHAW VEHICLE MANAGEMENT SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

Registered Number : 01552702

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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, its income being derived from dividend income paid by its subsidiary undertakings. During the year the Company's only subsidiary undertaking was voluntarily struck off the Register of Companies which has meant that the Company will no longer receive such income.

The Company are reporting a profit of £4,631,000 for the year, which is in respect of dividends received of £4,658,000 from, and the write back of its capital investment in, Car Fleet Control Limited which has been dissolved. In 2015 the Company did not trade.

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.

No dividend was paid during the year (2015 : £nil). The directors do not recommend the payment of a final dividend (2015 : £nil).

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

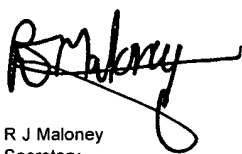
DISCLOSURE OF INFORMATION TO AUDITOR

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.

We have audited the financial statements of Evans Halshaw Vehicle Management Limited for the year ended 31 December 2016 set out on pages 5 to 10. 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](http://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 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

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26 September 2017

**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2016**

Note		2016 £000	2015 £000
3	Income from shares in group undertakings	4,658	-
5	Loss on disposal of investments	(27)	-
	<b>PROFIT / RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>4,631</b>	<b>-</b>
4	Taxation on profit / result on ordinary activities	-	-
	<b>PROFIT / RESULT FOR THE FINANCIAL YEAR</b>	<b>4,631</b>	<b>-</b>

There are no material differences between the profits as shown in the profit and loss account above and their historical cost equivalents.

Movements in reserves are shown in the Statement of Changes in Equity on page 7.

The notes on pages 8 to 10 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
	<b>FIXED ASSETS</b>		
5	Investments	-	891
	<b>CURRENT ASSETS</b>		
6	Debtors	5,487	-
7	<b>CREDITORS:</b> amounts falling due within one year	-	(35)
	<b>NET CURRENT ASSETS / (LIABILITIES)</b>	5,487	(35)
	<b>NET ASSETS</b>	5,487	856
	<b>CAPITAL AND RESERVES</b>		
8	Called up share capital	50	50
	Profit and loss account	5,437	806
	<b>SHAREHOLDERS' FUNDS</b>	5,487	856

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



T P Holden  
Director

Registered Number : 01552702

The notes on pages 8 to 10 form part of these financial statements.

**YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £000	Profit and loss account £000	Total £000
Balance at 1 January 2015	50	806	856
Total comprehensive income for 2015			
Result for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 December 2015	50	806	856
Balance at 1 January 2016	50	806	856
Total comprehensive income for 2016			
Profit for the year	-	4,631	4,631
Total comprehensive income for the year	-	4,631	4,631
Balance at 31 December 2016	50	5,437	5,487

The notes on pages 8 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2016****1 ACCOUNTING POLICIES****(a) Basis of preparation.**

Evans Halshaw Vehicle Management Services Limited is a company incorporated, domiciled and registered in England in the UK. The Company's registered number is 01552702 and the registered address is Loxley House, Little Oak Drive, Annesley, Nottinghamshire, NG15 0DR.

The Company is exempt by virtue of s400 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.

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.

In the previous financial period the Company was classified as dormant and elected to continue to prepare its financial statements in accordance with accounting standards prescribed under the previous UK GAAP prior to the introduction of FRS100. As the Company has now made a transaction it has now adopted the policies prescribed by IFRS 101. In these financial statements, the Company has adopted FRS 101 for the first time.

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.

*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 and in preparing an opening FRS 101 balance sheet at 1 January 2015 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 5 - 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.

NOTES TO THE FINANCIAL STATEMENTS continuedYEAR ENDED 31 DECEMBER 2016

## 1 ACCOUNTING POLICIES continued

(c) Taxation (continued). 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.

(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).

(e) Auditor's remuneration. Auditors' remuneration has been borne by another group Company, Pendragon Management Services 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.

## 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 Evans Halshaw Vehicle Management Services Limited are incidental to the management roles they fulfil for the Pendragon Group.

3	INCOME FROM SUBSIDIARY UNDERTAKINGS	2016 £000	2015 £000
	Dividends receivable	4,658	-

4	TAXATION	2016 £000	2015 £000
	Tax on profit / result on ordinary activities	-	-

Factors affecting the tax charge for the year:

The tax assessed is lower than (2015 : equal to) 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 / result on ordinary activities before tax	4,631	-
Tax on profit / result at the UK average statutory rate of 20.00% (2015 : 20.25%)	926	-
Effects of:		
Expenses not deductible for tax purposes	6	-
Investment income on which no tax liability arises	(932)	-
Tax on profit / result 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 balance at 31 December 2016 (2015 : £nil).

## NOTES TO THE FINANCIAL STATEMENTS continued

## YEAR ENDED 31 DECEMBER 2016

## 5 INVESTMENTS

	Shares in subsidiary undertakings	Loans to subsidiary undertakings	Total £000
<b>Cost</b>			
At 31 December 2015	27	864	891
Disposal	(27)	(864)	(891)
At 31 December 2016	-	-	-

Shares in subsidiary undertakings are stated at cost. Evans Halshaw Vehicle Management Limited owned directly 100% of the issued ordinary share capital of Car Fleet Control Limited which was struck off on 3 January 2017. The net assets and capital of Car Fleet Control Limited were returned to Evans Halshaw Vehicle Management Limited by way of a dividend received during the year.

## 6 DEBTORS

	2016 £000	2015 £000
Amounts owed by group undertakings	5,487	-

All amounts are due within one year.

## 7 CREDITORS : amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to group undertakings	-	35

## 8 CALLED UP SHARE CAPITAL

	2016 £000	2015 £000
<b>Allotted, called up and fully paid :</b>		
50,000 (2015 : 50,000) Ordinary shares of £1 each	50	50

## 9 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.