

Registered Number 02470318

Jardine Motors Group UK Limited

Annual report and consolidated financial
statements for the year ended 31 December 2015

Parent accounts for
Lancaster Medway Ltd
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Jardine Motors Group UK Limited

Annual report and consolidated financial statements for the year ended 31 December 2015

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Jardine Motors Group UK Limited

Directors and advisors for the year ended 31 December 2015

Directors

D N Williamson (appointed 1 July 2015)

M D Bishop (appointed 1 April 2016)

Lord Sassoon, Kt (non-executive)

P Hawkins (non-executive)

Company secretary

M Finch

Registered office

770 The Crescent

Colchester Business Park

Colchester

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 2015

The directors present their strategic report of the group and the company for the year ended 31 December 2015

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 grew by 6% during 2015 with total passenger car registrations of 2.63 million units. This is the first year that the market has broken 2.6 million units and represented the fourth year of consecutive growth. The brands represented by the group increased registrations by 8% in the year whilst the group increased registrations by just under 11%.

Continued growth in the market, long term investment in facilities and people together with strategic acquisitions and disposals has enabled the group to post solid sales growth with turnover increase of 9.2% in the year. Profit before tax and exceptional items at £20.0m, is up 14.4% on last year. Exceptional profits have arisen in the year from freehold and business sales. Margin retention and measured cost growth controls have resulted in improvements throughout all sectors of the business.

The group's developments

A three year operating strategy was introduced at the beginning of 2014 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 has continued to invest in and develop the various initiatives under this strategy.

During the year the group continued the on-going delivery across all areas of business of its customer service programme, *The Jardine Difference*, and also its employee engaged fund-raising partnership with UK charity Whizz-Kidz.

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)

Sales revenue has increased by 9.2% from prior year due to increases in new and used units sold and service hours. The group has maintained margins and controlled its cost base resulting in an increase in profit before tax of 17.7% on last year inclusive of exceptional items.

Jardine Motors Group UK Limited

Strategic report for the year ended 31 December 2015 (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 risk facing the business is strategic 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.

Transition to FRS 102

This is the first year that the group and the company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Note 35 of the financial statements sets out the changes in accounting policies and the reconciliation of profit for the year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

By order of the Board



M Finch

Company secretary

28 June 2016

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2015

The directors present their annual report and the audited consolidated financial statements of the group and the company for the year ended 31 December 2015

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 4 January 2016, the group sold a Land Rover dealership in Welwyn Garden City for a net consideration of £10.8m including net assets of £0.8m.

On 1 April 2016, the group acquired a Land Rover dealership in Tonbridge for a net consideration of £9.3m including net assets of £2.2m

On 3 May 2016, the group sold a Jaguar dealership in Sidcup for a net consideration of £0.2m including net liabilities of £0.2m

On 20 May 2016, the group acquired a Jaguar dealership in Wolverhampton for a net consideration of £0.2m including net liabilities of £8,000.

On 8 June 2016, the group acquired a number of dealerships from Collier Motor Group Ltd including a Jaguar dealership in Tamworth, Land Rover, Honda and Mazda dealerships in Erdington, Birmingham and a Trade Parts retail centre for net consideration of £24.3m including net assets (including freehold property) of £22.1m.

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. At the year end the group held committed loan facilities with HSBC Bank plc and Lloyds Bank plc totalling £50m which were due to expire in 2016 and 2017. The group renewed its facility with HSBC Bank plc on 28 March 2016 reducing its total loan facilities to £45m. The group also has in place short term borrowing facilities with HSBC totalling £15m which are renewed annually. In addition to the above, the group has in place a committed term loan facility with a Jardine Matheson subsidiary of £40m expiring in 2017.

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 operates comfortably within its available bank facilities limits and its forecasts for the forthcoming year show this position continuing.

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2015 (continued)

Financial risk management (continued)

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. The practice is to hedge the interest rate exposure on 40-60% of its average funding requirements. In 2014, the group entered into a 5-year £30m interest rate cap which allows the group to benefit from the current low interest rate environment whilst providing an element of protection should interest rates materially rise during the period. This instrument caps the interest rate at a maximum of 2% per annum.

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.

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 an audit committee to which the external and internal auditors report twice yearly on the effectiveness of the group's internal controls and on all internal and external audit issues.

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 audit committee, 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.

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 audit committee 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.

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2015 (continued)

Results and dividends

The results of the group for the year are set out in the consolidated profit and loss account on page 11

During the year, the company paid interim dividends totalling to £12,000,000 (2014 £3,000,000), £3,000,000 on 12 February 2015, £6,000,000 on 18 August 2015 and £3,000,000 on 5 November 2015

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

Directors

The directors who held office during the year and to the date of this report, except where noted, are given below

M P Herbert (resigned 9 July 2015)

C A Beattie (resigned 1 April 2016)

D N Williamson (appointed 1 July 2015)

M D Bishop (appointed 1 April 2016)

Lord Leach of Fairford (deceased)*

Lord Sassoon, Kt *

P Hawkins

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 2015 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

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2015 (continued)

Employees and equal opportunities (continued)

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 divisional printed periodical 'Torque'.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the group and parent company financial statements (the "financial statements") in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the group's auditors are unaware. Each director has 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's auditors are aware of that information.

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2015 (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



M Finch
Company secretary
28 June 2016

Jardine Motors Group UK Limited

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

Report on the financial statements

Our opinion

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

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 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, and
- have been prepared in accordance with the requirements of the Companies Act 2006

What we have audited

The financial statements, included within the Annual report and consolidated financial statements (the "Annual Report"), comprise.

- the Consolidated and parent company balance sheets as at 31 December 2015;
- the Consolidated profit and loss account and the consolidated statement of comprehensive income for the year then ended;
- the Consolidated and parent company statements of changes in equity for the year then ended,
- the Consolidated cash flow statement for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Jardine Motors Group UK Limited

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 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) ("ISAs (UK & Ireland)") Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the parent 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

What an audit of financial statements involves

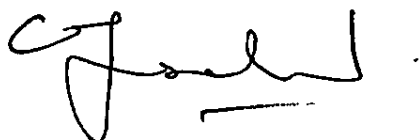
We conducted our audit in accordance with ISAs (UK & Ireland) An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of

- whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and consolidated financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report



Charles Joseland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
28 June 2016

Jardine Motors Group UK Limited

Consolidated profit and loss account for the year ended 31 December 2015

	Note	Continuing operations 2015 £'000	Discontin'd operations 2015 £'000	Total 2015 £'000	Continuing operations 2014 £'000	Discontin'd operations 2014 £'000	Total 2014 £'000
Group turnover	5	1,652,100	17,297	1,669,397	1,489,702	38,955	1,528,657
Cost of sales		(1,517,215)	(16,185)	(1,533,400)	(1,365,338)	(35,910)	(1,401,248)
Gross profit		134,885	1,112	135,997	124,364	3,045	127,409
Selling and distribution costs		(69,826)	(913)	(70,739)	(63,055)	(2,100)	(65,155)
Administrative expenses		(43,075)	(482)	(43,557)	(39,718)	(1,017)	(40,735)
Other operating income	6	743	-	743	-	-	-
Group operating profit/(loss)	5	22,727	(283)	22,444	21,591	(72)	21,519
Exceptional items	7	7,448	-	7,448	5,848	-	5,848
Profit/(loss) on ordinary activities before interest and taxation		30,175	(283)	29,892	27,439	(72)	27,367
Interest receivable and similar income	11	1,523	-	1,523	-	-	-
Interest payable and similar charges	11	(3,659)	(55)	(3,714)	(3,039)	(142)	(3,181)
Other net finance charges	11	(230)	-	(230)	(843)	-	(843)
Profit/(loss) on ordinary activities before taxation		27,809	(338)	27,471	23,557	(214)	23,343
Tax on profit/(loss) on ordinary activities	12	(4,629)	68	(4,561)	(4,379)	46	(4,333)
Profit/(loss) for the financial year		23,180	(270)	22,910	19,178	(168)	19,010

There is no difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents

Jardine Motors Group UK Limited

Consolidated statement of comprehensive income for the year ended 31 December 2015

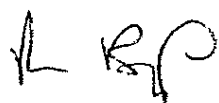
	Note	2015 £'000	2014 £'000
Profit for the financial year		22,910	19,010
Re-measurement of net defined benefit obligation	31	631	(5,594)
Total tax on components of other comprehensive income	12(b)	(481)	1,119
Total comprehensive income for the financial year		23,060	14,535

Jardine Motors Group UK Limited

Consolidated balance sheet as at 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Intangible assets	14	17,780	16,285
Tangible assets	15	80,083	88,170
		97,863	104,455
Current assets			
Stocks	17	214,329	159,640
Debtors	18	61,293	56,401
Cash at bank and in hand		37	37
		275,659	216,078
Creditors - amounts falling due within one year	19	(214,270)	(168,296)
Net current assets		61,389	47,782
Total assets less current liabilities		159,252	152,237
Creditors – amounts falling due after more than one year	20	(40,000)	(40,000)
Provisions for liabilities	22	(1,459)	(1,478)
Net assets excluding pension liability		117,793	110,759
Pension liability	31	(18,573)	(22,599)
Net assets including pension liability		99,220	88,160
Capital and reserves			
Called up share capital	24	97,500	97,500
Profit and loss account		1,720	(9,340)
Total equity		99,220	88,160

The financial statements on pages 11 to 49 were approved by the board of directors on 28 June 2016 and were signed on its behalf by



M D Bishop
Director

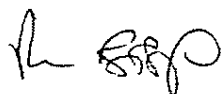
Jardine Motors Group UK Limited
Registered Number 02470318

Jardine Motors Group UK Limited

Company balance sheet as at 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Investments	16	51,511	51,511
		51,511	51,511
Current assets			
Debtors	18	71,280	57,980
Cash at bank and in hand		14,585	14,796
		85,865	72,776
Creditors - amounts falling due within one year	19	(17,034)	(24,802)
Net current assets		68,831	47,974
Total assets less current liabilities		120,342	99,485
Pension liability	31	(5,289)	(9,247)
Net assets		115,053	90,238
Capital and reserves			
Called up share capital	24	97,500	97,500
Profit and loss account		17,553	(7,262)
Total equity		115,053	90,238

The financial statements on pages 11 to 49 were approved by the board of directors on 28 June 2016 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 2015

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2014	97,500	(20,875)	76,625
Total comprehensive income for the year			
Profit for the financial year	-	19,010	19,010
Other comprehensive expense for the year	-	(4,475)	(4,475)
Total comprehensive income for the year	-	14,535	14,535
Dividends paid (note 13)	-	(3,000)	(3,000)
Total transactions with owners, recognised directly in equity	-	(3,000)	(3,000)
Balance at 31 December 2014	97,500	(9,340)	88,160
	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2015	97,500	(9,340)	88,160
Total comprehensive income for the year			
Profit for the financial year	-	22,910	22,910
Other comprehensive income for the year	-	150	150
Total comprehensive income for the year	-	23,060	23,060
Dividends paid (note 13)	-	(12,000)	(12,000)
Total transactions with owners, recognised directly in equity	-	(12,000)	(12,000)
Balance at 31 December 2015	97,500	1,720	99,220

Jardine Motors Group UK Limited

Company statement of changes in equity for the year ended 31 December 2015

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2014	97,500	(28,795)	68,705
Total comprehensive income for the year			
Profit for the financial year	-	28,966	28,966
Other comprehensive expense for the year	-	(4,433)	(4,433)
Total comprehensive income for the year	-	24,533	24,533
Dividends paid (note 13)	-	(3,000)	(3,000)
Total transactions with owners, recognised directly in equity	-	(3,000)	(3,000)
Balance at 31 December 2014	97,500	(7,262)	90,238

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2015	97,500	(7,262)	90,238
Total comprehensive income for the year			
Profit for the financial year	-	36,623	36,623
Other comprehensive income for the year	-	192	192
Total comprehensive income for the year	-	36,815	36,815
Dividends paid (note 13)	-	(12,000)	(12,000)
Total transactions with owners, recognised directly in equity	-	(12,000)	(12,000)
Balance at 31 December 2015	97,500	17,553	115,053

Jardine Motors Group UK Limited

Consolidated cash flow statement for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Net cash from operating activities	26	19,536	12,615
Taxation paid		(2,850)	(1,901)
Net cash generated from operating activities		16,686	10,714
Cash flow from investing activities			
Net payments in respect of acquisitions of businesses	28	(4,747)	-
Net receipt in respect of disposals of businesses	29	3,197	-
Payments to acquire tangible fixed assets	15	(9,170)	(32,605)
Receipts from sale of tangible fixed assets		17,644	19,599
Interest received	11	1,523	-
Net cash generated from/(used in) investing activities		8,447	(13,006)
Cash flow from financing activities			
Dividends paid	13	(12,000)	(3,000)
Interest paid	11	(3,714)	(3,181)
Net cash used in financing activities		(15,714)	(6,181)
Net increase/(decrease) in cash and cash equivalents		9,419	(8,473)
Cash and cash equivalents at the beginning of the year		(27,386)	(18,913)
Cash and cash equivalents at the end of the year		(17,967)	(27,386)
Cash and cash equivalents consists of:			
Cash at bank and in hand		37	37
Short term bank loans	19	(18,004)	(27,423)
Cash and cash equivalents		(17,967)	(27,386)

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2015

1 General information

The principal activity of Jardine Motors Group UK Limited (the 'Company') is a holding company for companies that operate in 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. The address of its registered office is 770 The Crescent, Colchester Business Park, Colchester, 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. Details of the transition to FRS 102 are disclosed in Note 35

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 judgement in applying the group and company 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 disclosed in Note 4

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 profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2014

Jardine Motors Group UK Limited

3 Summary of significant accounting policies (continued)

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 the profit and loss account over the directors' estimate of its useful life, being ten years.

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.

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.

Jardine Motors Group UK Limited

3 Summary of significant accounting policies (continued)

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 the profit and loss account 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.

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 the profit and loss account 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 profit or loss over the shorter of estimated useful economic life and the term of the lease.

Jardine Motors Group UK Limited

3 Summary of significant accounting policies (continued)

Leased assets (continued)

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss 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 the consolidated profit and loss account 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.

(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 last full valuation was as at 5 April 2014. 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.

Jardine Motors Group UK Limited

3 Summary of significant accounting policies (continued)

Employee benefits (continued)

(i) Pensions (continued)

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 profit or loss 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 profit or loss as a finance charge within 'Interest and other net finance income'.

(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 profit or loss.

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 profit or loss.

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.

Jardine Motors Group UK Limited

3 Summary of significant accounting policies (continued)

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.

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

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

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.

	2015 £'000	2014 £'000
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets (note 15)	5,342	4,994
(Profit)/loss on disposal of fixed assets	(8)	3
Net provision released for leasehold dilapidations (note 22)	-	(31)
Net provision created/(released) for lease exit costs (note 22)	31	(95)
Amortisation of goodwill (note 14)	3,085	2,921
Impairment of trade debtors	231	133
Services provided by the company's auditor		
- the audit of parent company and consolidated financial statements	26	27
- the audit of company's subsidiaries pursuant to legislation	290	295
- other services pursuant to legislation	64	83
Operating lease rentals - land and buildings	12,772	10,523
Operating lease rentals - plant and machinery	606	155

Total fees paid to PricewaterhouseCoopers LLP for non-audit services were £64,000 (2014 £83,000), consisting of £10,000 (2014 £11,000) for services related to taxation compliance, £13,000 (2014 £14,000) for services related to taxation advisory; £25,000 (2014 £58,000) for services related to the pension scheme and £16,000 (2014 £nil) related to other services

6 Other operating income

	2015 £'000	2014 £'000
VAT refund	743	-

During the year the group made a recovery of historic overpaid VAT on road fund licenses relating to the period 1973 to 1993. Interest in respect of this is shown in note 11

Jardine Motors Group UK Limited

7 Exceptional items

	2015 £'000	2014 £'000
Closure costs accrual release	14	77
Profit on sale of freehold properties	6,945	5,771
Profit on disposals of dealerships (note 29)	1,636	-
Impairment of freehold property (note 15)	(1,000)	-
Impairment of goodwill (note 14)	(147)	-
	7,448	5,848

During May 2015, the group sold a freehold property in East London realising a net profit on sale of £4,928,000.

During June 2015, the group entered a sale and leaseback transaction for a freehold property in East London realising a net profit on sale of £2,017,000.

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 profit of £36,623,000 (2014: £28,966,000)

9 Employees

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

	2015 Number	2014 Number
Sales	839	780
Aftersales	1,446	1,378
Administration	538	538
	2,823	2,696

The costs incurred in respect of these employees were:

	2015 £'000	2014 £'000
Wages and salaries	89,342	84,551
Social security costs	9,948	9,305
Other pensions costs (note 31)	1,351	1,954
	100,641	95,810

Jardine Motors Group UK Limited

10 Directors

	Total directors		Highest paid director	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Aggregate emoluments	1,554	1,351	600	786
Post-employment benefits	52	56	26	35
	1,606	1,407	626	821

There are no retirement benefits accruing to the executive directors under defined benefit schemes (2014: none)

Key management compensation

Key management includes the directors. The compensation paid or payable to key management for employee services is shown below

	2015 £'000	2014 £'000
Salaries and other short-term benefits	1,554	1,351
Post-employment benefits	52	56
	1,606	1,407

11 Interest and other net finance income

	2015 £'000	2014 £'000
Interest receivable and similar income		
Interest on VAT refund (note 6)	1,515	-
Other	8	-
	1,523	-

	2015 £'000	2014 £'000
Interest payable and similar charges		
Bank loans and overdrafts	304	421
Interest paid to fellow group companies	742	715
Stocking loan interest	2,668	2,043
Other	-	2
	3,714	3,181

Jardine Motors Group UK Limited

11 Interest and other net finance income (continued)

	2015 £'000	2014 £'000
Other net finance charges		
FRS 102 pension charge (note 31)	147	750
Unwinding of discount in provisions (note 22)	83	93
	230	843

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 22)

12 Tax on profit on ordinary activities

(a) Tax expense included in profit and loss	2015 £'000	2014 £'000
Current tax:		
UK corporation tax at 20.25% (2014: 21.5%)	4,223	2,772
Adjustment in respect of prior years	(380)	(502)
Total current tax	3,843	2,270
Deferred tax:		
Change in rate	(3)	-
Pension deficit	1,058	1,315
Accelerated capital allowances	8	435
Utilisation of tax losses	251	452
Intangible fixed assets	142	-
Other short term temporary differences	(62)	-
Adjustments in respect of prior years	(676)	(139)
Total deferred tax (note 23)	718	2,063
Tax on profit on ordinary activities	4,561	4,333
(b) Tax expense included in other comprehensive income	2015 £'000	2014 £'000
Deferred tax:		
Loss relating to pension liability	(481)	1,119
Total tax included in other comprehensive income	(481)	1,119

Jardine Motors Group UK Limited

12 Tax on profit on ordinary activities (continued)

(c) Reconciliation of tax charge

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

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	27,471	23,343
Profit on ordinary activities before taxation multiplied by standard corporation tax rate in the UK at 20.25% (2014: 21.5%)	5,563	5,019
Effects of		
Non-taxable disposal gains	(1,870)	(1,242)
Net chargeable gains on disposals in year	526	1,619
Expenses not deductible for tax purposes	1,538	1,012
Utilisation of tax losses through group tax relief	-	(1,619)
Net temporary differences: effect of change in tax rates	(140)	185
Adjustments in respect of prior years	(1,056)	(641)
Tax charge for the year	4,561	4,333

(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. Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% 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.

A further change to the UK corporation tax rate was subsequently announced in the Chancellor's budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015 as noted above. As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements. The overall effect of that change is not anticipated to be material.

13 Dividends

	2015 £'000	2014 £'000
Interim paid of £0.12 per £1 ordinary share (2014: £0.03)	12,000	3,000

Jardine Motors Group UK Limited

14 Intangible assets

Group	Goodwill £'000
Cost	
At 1 January 2015	33,503
Additions (note 28)	5,076
Disposals (note 29)	(1,808)
At 31 December 2015	36,771
Accumulated amortisation	
At 1 January 2015	17,218
Charge for the year	3,085
Disposals (note 29)	(1,459)
Impairment	147
At 31 December 2015	18,991
Net book amount	
At 31 December 2015	17,780
At 31 December 2014	16,285

Following a review of goodwill held in respect of the group's Volkswagen dealerships an impairment of £147,000 has been booked to reflect a deduction in anticipated future cash flows from the business concerned.

Company

The company has no intangible assets (2014 £nil)

Jardine Motors Group UK Limited

15 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 2015	75,308	18,551	10,459	6,719	12,314	123,351
Additions	3,929	1,441	1,439	617	1,744	9,170
Acquisition	-	-	57	-	-	57
Disposals	(11,510)	(256)	(498)	(640)	(1,018)	(13,922)
Reclassification	(699)	699	-	-	-	-
At 31 December 2015	67,028	20,435	11,457	6,696	13,040	118,656
Accumulated depreciation						
At 1 January 2015	8,250	7,899	6,909	5,202	6,921	35,181
Charge for the year	656	1,356	1,179	736	1,415	5,342
Disposals	(885)	(78)	(456)	(629)	(902)	(2,950)
Reclassification	(9)	9	-	-	-	-
Impairment	1,000	-	-	-	-	1,000
At 31 December 2015	9,012	9,186	7,632	5,309	7,434	38,573
Net book amount						
At 31 December 2015	58,016	11,249	3,825	1,387	5,606	80,083
At 31 December 2014	67,058	10,652	3,550	1,517	5,393	88,170

The group has booked an impairment provision against the net book value of a freehold property to reflect its market valuation as at 31 December 2015

Company

The company has no tangible assets (2014, £nil)

Jardine Motors Group UK Limited

16 Investments

Company	£'000
Cost	
At 1 January and 31 December 2015	51,511
Provision	
At 1 January and 31 December 2015	-
Net book amount	
At 31 December 2015	51,511
At 31 December 2014	51,511

The subsidiary undertakings of the company at 31 December 2015 were

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 subsidiaries
Appleyard Investments Limited	Ordinary	Dormant
Appleyard Midlands Limited	Ordinary	Dormant
Appleyard Pensions (Nominees) Limited	Ordinary	Dormant
Appleyard Properties (Scotland) 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
Chiltern Forecourts Limited	Ordinary	Dormant
City Motors (Oxford) Limited	Ordinary	Dormant
Clanford Motors 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
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
Irsal Limited	Ordinary	Dormant

Jardine Motors Group UK Limited

16 Investments (continued)

Subsidiary Undertaking	Class of share	Principal activity
Jardine Motors Management Services Limited	Ordinary	Dormant
Jardine Motors Pension Trustees Limited	Ordinary	Trustee company for the Jardine Motors Group UK Limited pension scheme
Jardine Motors Services Limited	Ordinary	Dormant
JMG (Scotland) Limited	Ordinary	Solely owns shares in JMG LP and acts as the General Partner of the entity
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
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
Legislator 1496 Limited	Ordinary	Dormant
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	Dormant
Shoreline Cars Limited	Ordinary	Dormant

Jardine Motors Group UK Limited

16 Investments (continued)

Subsidiary Undertaking	Class of share	Principal activity
Skelly's Limited	Ordinary	Dormant
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 for companies that are non-trading
Wayside Milton Keynes Limited	Ordinary	Dormant
Wayside North Bucks Limited	Ordinary	Dormant
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 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 period ended 31 December 2015 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 2015.

All dormant subsidiary undertakings of the group have taken advantage of the exemption from preparing and filing accounts for the period ended 31 December 2015 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

17 Stock

	Group 2015 £'000	Group 2014 £'000
Consignment vehicles	53,249	36,986
Motor vehicles	155,270	117,541
Parts and other stocks	5,810	5,113
	214,329	159,640

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.

Company

The company has no stock (2014: £nil).

18 Debtors

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Trade debtors	30,826	31,222	-	-
Amounts owed by group undertakings	-	-	53,884	38,793
Corporation tax	-	-	15,329	14,958
Deferred tax asset (note 23)	2,205	3,406	1,823	3,329
Other taxation and social security	1,208	1,735	39	1
Other debtors	16,614	13,318	-	-
Prepayments and accrued income	10,440	6,720	205	899
	61,293	56,401	71,280	57,980

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 £231,000 (2014: £133,000).

Jardine Motors Group UK Limited

19 Creditors - amounts falling due within one year

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Bank loans (note 21)	18,004	27,423	17,000	24,784
Trade creditors	149,012	103,747	-	-
Corporation tax	1,902	911	-	-
Other taxation and social security	3,496	3,241	-	-
Other creditors	33,753	26,547	9	-
Accruals and deferred income	8,103	6,427	25	18
	214,270	168,296	17,034	24,802

20 Creditors - amounts falling due after more than one year

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Amount owed to fellow group companies	40,000	40,000	-	-

The amount owed to fellow group companies is unsecured and is due for repayment in 2017

Interest is charged on the amount owed to fellow group companies at 6 months LIBOR plus 1 15%

21 Loans and other borrowings

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Unsecured bank loans	18,004	27,423	17,000	24,784

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
The borrowings are repayable as follows				
Within one year or on demand	18,004	27,423	17,000	24,784

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

22 Provisions for liabilities

Group	At 1 January 2015 £'000	Net provision created during the year £'000	Utilised £'000	Unwinding of discount in provisions £'000	At 31 December 2015 £'000
Leasehold dilapidations	49	-	-	-	49
Onerous lease costs	1,092	31	(47)	77	1,153
Deferred consideration	63	-	(20)	6	49
Self-insurance fund	274	-	(66)	-	208
	1,478	31	(133)	83	1,459

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 (2014 £nil)

Jardine Motors Group UK Limited

23 Deferred tax assets

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Deferred tax asset comprises:				
Accelerated capital allowances	242	(176)	-	-
Intangible fixed assets	(274)	-	-	-
Other short term timing difference	414	-	-	-
Tax losses	-	253	-	-
Deferred tax asset	382	77	-	-
Deferred tax asset on pension liability	1,823	3,329	1,823	3,329
Net deferred tax asset (note 18)	2,205	3,406	1,823	3,329

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Movements during the year are as follows:				
At 1 January	3,406	4,350	3,329	3,525
Amount charged to profit and loss (note 12a)	(718)	(2,063)	(1,025)	(1,315)
Amount taken to Other Comprehensive Income relating to pension liability	(481)	1,119	(481)	1,119
Losses utilised	(2)	-	-	-
Net deferred tax asset at 31 December	2,205	3,406	1,823	3,329

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 (2014 £2,990,000) and unutilised historic tax losses of £4,596,000 (2014 £4,467,000) giving rise to unrecognised deferred tax assets of £3,281,000 (2014: £3,884,000). The company has unutilised historic tax losses of £4,468,000 (2014: £4,467,000) giving rise to unrecognised deferred tax assets of £805,000 (2014: £894,000). 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

23 Deferred tax assets (continued)

Corporation tax deductions in relation to the 2014 asset-backed pensions funding arrangement (note 31) are deferred and released over a number of years in accordance with UK tax law. The group will receive gross deductions of £2.5m 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 £0.5m (2014 £1.6m). A deferred tax asset of £0.9m (2014 £1.2m) is recognised in relation to the short term temporary difference arising on the adjustment.

24 Called up share capital

Group and company	2015 £'000	2014 £'000
Allotted and fully paid:		
97,500,000 (2014: 97,500,000) ordinary shares of £1 each	97,500	97,500

25 Financial instruments

The group and company have the following financial instruments

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	30,826	31,222	-	-
Amounts owed by group undertakings	-	-	53,884	38,793
Prepayments – interest rate cap	195	898	195	898
Other debtors	16,614	13,318	-	-
	47,635	45,438	54,079	39,691
Financial liabilities measured at amortised cost:				
Bank loans	(18,004)	(27,423)	(17,000)	(24,784)
Trade creditors	(149,012)	(103,747)	-	-
Accruals	(8,103)	(6,427)	(25)	(18)
Other creditors	(33,753)	(26,547)	(9)	-
Amount owed to fellow group companies	(40,000)	(40,000)	-	-
	(248,872)	(204,144)	(17,034)	(24,802)

Jardine Motors Group UK Limited

26 Cash flow from operating activities

	2015 £'000	2014 £'000
Profit for the financial year	22,910	19,010
Adjustments for		
Tax on profit on ordinary activities	4,561	4,333
Interest receivable and similar income	(1,523)	-
Interest payable and similar charges	3,714	3,181
Other net finance charges	230	843
Exceptional items	(7,448)	(5,848)
Operating profit	22,444	21,519
Amortisation of goodwill (note 14)	3,085	2,921
Depreciation of tangible fixed assets (note 15)	5,342	4,994
(Profit)/loss on disposal of fixed assets	(8)	3
Pension contribution	(3,542)	(1,368)
Increase in stocks	(55,643)	(20,150)
Increase in debtors	(6,075)	(8,884)
Increase in creditors	53,952	14,159
Decrease in provisions for liabilities	(19)	(579)
Net cash from operating activities	19,536	12,615

27 Related party transactions

The company is exempt from disclosing related party transactions with entities that are part of the group as the company is a wholly owned subsidiary of Jardine Matheson Holdings Limited

Jardine Motors Group UK Limited

28 Acquisitions

On 10 August 2015, the group acquired the combined trade and assets of Jaguar and Land Rover dealerships in Milton Keynes

This acquisition has been accounted for in the financial statements for the year ended 31 December 2015
The goodwill arising and consideration paid on the acquisition was as follows

	Fair value £000
Tangible fixed assets (note 15)	57
Stocks	135
Debtors	48
Creditors	(569)
Net liabilities acquired (fair value)	(329)
Goodwill (note 14)	5,076
Cash consideration	4,747

From acquisition to 31 December 2015, the acquired dealerships contributed £18,974,000 to turnover and £234,000 to operating profit

29 Disposals

On 12 May 2015, the group disposed of the trade and assets of a Jaguar dealership in Bradford

On 28 August 2015, the group disposed of the trade and assets of a Jaguar dealership in Amersham

The profit on disposal and the net assets at disposal were as follows

	Bradford £000	Amersham £000
Goodwill (note 14)	-	349
Tangible fixed assets	50	231
Stocks	96	993
Debtors	27	3
Creditors	(97)	(91)
Net assets disposed	76	1,485
Book profit on disposals (net of sales expenses) (note 7)	649	987
Cash consideration	725	2,472

From 1 January to 12 May 2015, the Bradford dealership contributed £3,713,000 to turnover and a loss of £305,000 to operating profit

Jardine Motors Group UK Limited

29 Disposals (continued)

From 1 January to 28 August 2015, the Amersham dealership contributed £13,584,000 to turnover and a profit of £22,000 to operating profit

A corporation tax charge of £144,000 and deferred tax charge of £142,000 has been included within the total tax expense for the period in relation to the taxable profit arising as a result of these disposals

30 Financial commitments

(a) Future capital expenditure

	Group 2015 £'000	Group 2014 £'000
Contracted for but not provided	9,208	4,102

The company does not have any committed future capital expenditure (2014: £nil)

(b) Operating leases

At 31 December the group had total future minimum lease payments under non-cancellable operating leases which expire as follows

	Land and buildings 2015 £'000	Other 2015 £'000	Land and buildings 2014 £'000	Other 2014 £'000
Within one year	67	321	84	196
Within two to five years	1,245	31	1,264	1
After five years	127,826	-	131,170	-
	129,138	352	132,518	197

The majority of leases of land and buildings are subject to rent reviews at intervals of five years

Company

The company does not hold any operating leases (2014: £nil)

31 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 Limited

31 Pension schemes (continued)

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, FRS102 deficit and profit and loss account 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.

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

	2015 £'000	2014 £'000
Fair value of scheme assets	149,676	155,888
Present value of scheme liabilities	(168,249)	(178,487)
Deficit in scheme	(18,573)	(22,599)

Reconciliation of group scheme assets and liabilities

	Assets £'000	Liabilities £'000	Total £'000
At 1 January 2015	155,888	(178,487)	(22,599)
Interest income/(cost)	5,218	(5,898)	(680)
Actuarial (losses)/gains	(4,832)	5,463	631
Benefits paid, death in service insurance premiums and expenses	(8,409)	8,409	-
(Assets distributed)/liabilities extinguished on settlements	(1,731)	2,264	533
Contributions by employer – deficit funding	3,542	-	3,542
At 31 December 2015	149,676	(168,249)	(18,573)

Jardine Motors Group UK Limited

31 Pension schemes (continued)

The actual return on the scheme assets over the year ended 31 December 2015 was £386,000 (2014 £16,953,000)

Total charge recognised in profit and loss account

	2015 £'000	2014 £'000
Net interest cost	680	750
Gains on settlements	(533)	-
Total charge recognised in profit and loss account (note 11)	147	750

Other comprehensive income

	2015 £'000	2014 £'000
Return on scheme assets	(4,832)	10,703
Experience gains arising on the scheme liabilities	(43)	413
Effects of changes to the demographic and financial assumptions underlying the present value of the scheme liabilities	5,506	(16,710)
Actuarial gains/(losses) recognised in other comprehensive income	631	(5,594)

The fair value of plan assets was:

	2015 £'000	2014 £'000
Equities	57,229	69,450
Bonds and other classes	92,447	86,438
Total assets	149,676	155,888

None of the fair values of the assets shown above include any of the group's own financial instruments or any property occupied by, or other assets used by, the group

Jardine Motors Group UK Limited

31 Pension schemes (continued)

Assumptions

	2015 % p.a.	2014 % p.a.
Inflation assumption	2.92	2.91
Discount rate	3.68	3.41
Rate of increase in pensions in payment	2.82	2.81
Revaluation rate for deferred pensioners	1.92	1.91

The mortality assumptions adopted imply the following life expectancies at age 65

	2015 Years	2014 Years
Male currently aged 45	23.3	23.3
Female currently aged 45	25.8	25.7
Male currently aged 65	22.0	22.0
Female currently aged 65	24.3	24.2

Estimate of contributions to be paid to the scheme

The best estimate of contributions to be paid by the employer to the scheme for the year beginning 1 January 2016 is £1,348,000

Jardine Motors Group UK Defined Contribution Pension Plan

This scheme provides pensions that depend on contributions made by both employer and employee, and future growth of the funds. A fund is allocated to each individual member of the pension plan

The year-end group balance sheet includes neither a pension liability nor a pension asset in relation to this scheme

During the year the group has contributed £1,204,000 (2014 £1,204,000) to this scheme

Total pension schemes

Total pension costs in the year of £1,351,000 (2014 £1,954,000) comprise contributions to all pension schemes (note 9)

Company

The deficit in the scheme includes the investment held by the Scheme in the Partnership as a plan asset and at 31 December 2015 the deficit was £5,289,000 (2014 £9,247,000)

Jardine Motors Group UK Limited

32 Contingent liabilities

The group operates combined banking facilities for the company and its subsidiaries. The cash held by the company has been offset against the overdrafts of the subsidiaries under these arrangements. The company has contingent liabilities at 31 December 2015 in respect of cross guarantees covering the overdrafts in the subsidiary undertakings amounting to £1,004,000 (2014 £2,639,000)

33 Post balance sheet events

On 4 January 2016, the group sold a Land Rover dealership in Welwyn Garden City for a net consideration of £10.8m including net assets of £0.8m

On 1 April 2016, the group acquired a Land Rover dealership in Tonbridge for a net consideration of £9.3m including net assets of £2.2m

On 3 May 2016, the group sold a Jaguar dealership in Sidcup for a net consideration of £0.2m including net liabilities of £0.2m

On 20 May 2016, the group acquired a Jaguar dealership in Wolverhampton for a net consideration of £0.2m including net liabilities of £8,000

On 8 June 2016, the group acquired a number of dealerships from Collier Motor Group Ltd including a Jaguar dealership in Tamworth, Land Rover, Honda and Mazda dealerships in Erdington, Birmingham and a Trade Parts retail centre for net consideration of £24.3m including net assets (including freehold property) of £22.1m.

34 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Jardine International Motors Limited

The ultimate parent undertaking and controlling party is Jardine Matheson Holdings Limited, a company incorporated in Bermuda

Jardine Matheson Holdings Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements

Jardine International Motors Limited is the smallest group of undertakings to consolidate these financial statements

The consolidated financial statements of Jardine International Motors Limited and Jardine Matheson Holdings Limited can be obtained from the address below:

M Finch
Jardine Motors Group UK Limited
770 The Crescent
Colchester Business Park
Colchester
CO4 9YQ

Jardine Motors Group UK Limited

35 First time adoption of FRS 102

This is the first year that the group and the company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Set out below are the changes in accounting policies and the reconciliation of profit for the year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

(a) Group balance sheet

	As previously stated 1 January 2014	Effect of transition 1 January 2014	FRS 102 (as restated) 1 January 2014	As previously stated 31 December 2014	Effect of transition 31 December 2014	FRS 102 (as restated) 31 December 2014
Fixed assets						
Intangible assets	19,206	-	19,206	16,285	-	16,285
Tangible assets	74,390	-	74,390	88,170	-	88,170
	93,596	-	93,596	104,455	-	104,455
Current assets						
Stocks	139,490	-	139,490	159,640	-	159,640
Debtors (B)	44,936	3,525	48,461	53,072	3,329	56,401
Cash at bank and in hand	87	-	87	37	-	37
	184,513	3,525	188,038	212,749	3,329	216,078
Creditors - amounts falling due within one year	(145,422)	-	(145,422)	(168,296)	-	(168,296)
Net current assets	39,091	3,525	42,616	44,453	3,329	47,782
Total assets less current liabilities	132,687	3,525	136,212	148,908	3,329	152,237
Creditors - amounts falling due after more than one year	(40,000)	-	(40,000)	(40,000)	-	(40,000)
Provisions for liabilities	(1,964)	-	(1,964)	(1,478)	-	(1,478)
Pension liability (B)	(14,098)	(3,525)	(17,623)	(19,270)	(3,329)	(22,599)
Net assets	76,625	-	76,625	88,160	-	88,160
Capital and reserves						
Called up share capital	97,500	-	97,500	97,500	-	97,500
Profit and loss account	(20,875)	-	(20,875)	(9,340)	-	(9,340)
Total equity	76,625	-	76,625	88,160	-	88,160

Jardine Motors Group UK Limited

35 First time adoption of FRS 102 (continued)

(b) Group profit and loss account

Notes	As previously stated 31 December 2014 £'000	Effect of transition 31 December 2014 £'000	FRS 102 (as restated) 31 December 2014
Group turnover	1,528,657	-	1,528,657
Cost of sales	(1,401,248)	-	(1,401,248)
Gross profit	127,409	-	127,409
Selling and distribution costs	(65,155)	-	(65,155)
Administrative expenses	(40,735)	-	(40,735)
Group operating profit	21,519	-	21,519
Exceptional items	5,848	-	5,848
Profit on ordinary activities before interest and taxation	27,367	-	27,367
Interest payable and similar charges	(3,181)	-	(3,181)
Other net finance charges (A)	1,594	(2,437)	(843)
Profit on ordinary activities before taxation	25,780	(2,437)	23,343
Tax on profit on ordinary activities	(4,333)	-	(4,333)
Profit for the financial year	21,447	(2,437)	19,010

(c) Group statement of comprehensive income

Notes	As previously stated 31 December 2014 £'000	Effect of transition 31 December 2014 £'000	FRS 102 (as restated) 31 December 2014 £'000
Profit for the financial year (A)	21,447	(2,437)	19,010
Actuarial (losses)/gains (A)	(8,031)	2,437	(5,594)
Movement on deferred tax	1,119	-	1,119
Total comprehensive income	14,535	-	14,535

Jardine Motors Group UK Limited

35 First time adoption of FRS 102 (continued)

(d) Company

Profit for the financial year	2014 £'000	
UK GAAP – as previously reported	31,119	
Pension scheme (C)	(750)	
Notional interest on pension plan asset (C)	(88)	
Tax charge on pension scheme (D)	(1,315)	
FRS 102	28,966	

Total equity	1 January 2014 £'000	31 December 2014 £'000
UK GAAP – as previously reported	118,890	147,009
Pension scheme (C)	(50,185)	(56,771)
FRS 102	68,705	90,238

Notes

A Defined benefit scheme

Under previous UK GAAP the group recognised an expected return on defined benefit plan assets in the profit and loss account. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the profit and loss account. There has been no change in the defined benefit liability at either 1 January 2014 or 31 December 2014. The effect of the change has been to reduce the credit to the profit and loss account in the year to 31 December 2014 by £2,437,000 and increase the credit in other comprehensive income by the equivalent amount

B Pension liability

Under previous UK GAAP the group disclosed the net pension liability on the Balance Sheet. Under FRS 102, the group and company disclosed the gross pension liability and the corresponding deferred tax asset separately on the balance sheet. The effect of this change to the group and the company has been to increase the debtor by £3,329,000 and increase the pension liability by £3,329,000

C Group pension scheme

Under previous UK GAAP the group recognised the group pension plan in the consolidated financial statements. Under FRS 102 the entity that is legally responsible (Jardine Motors Group UK Limited) for the group pension plan recognises the entire net defined benefit cost in its individual financial statements. The effect of the change to the company has been to decrease the reserves by £50,185,000 at the start of 2014 and £56,771,000 at the end of 2014. In addition, the company recognises the property investment held by the scheme in the Partnership as a plan asset. The effect of this has reduced the pension liability by £13,352,000 at the end of 2014, with a notional interest charge relating to unwinding of the discount of £88,000 and a net interest expense of £750,000 recognised in the company's profit and loss account

D Taxation

The corresponding tax charge relating to the group pension plan as a result of the adjustment above has increased the company's tax charge by £1,315,000