

Registration number: 6006735

Inchcape (Belgium) Limited
Annual Report and Financial Statements
for the year ended 31 December 2018



Registered Office
22a St James's Square
London
SW1Y 5LP

Inchcape (Belgium) Limited

Company Information

Directors

Michael Bowers

Alison Clarke (resigned 18 June 2018)

Jonathan Greenwood

Bertrand Mallet

Tamsin Waterhouse

Kathryn Mecklenburgh (appointed 18 June 2018)

Company secretary

Inchcape Corporate Services Limited

Registered office

22a St James's Square

London

SW1Y 5LP

United Kingdom

Independent Auditors

Deloitte LLP

Inchcape (Belgium) Limited

Strategic Report for the Year Ended 31 December 2018

The Directors present their strategic report for the year ended 31 December 2018.

Fair review of the business

The results for the Company show a profit for the financial year of £179,000 (2017 profit of: £400,000).

The Company's principal activity during the year was to hold intercompany balances on which it receives interest and remains unchanged from prior years.

Key performance indicators (KPIs)

The Company is part of the Inchcape Group. The development, performance and position of the UK segment, which includes this Company, is discussed in the Group's Annual Report and Accounts 2018 which does not form part of this report.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Directors of Inchcape plc manage the Group's risk at a group level rather than at an individual business unit or company level. Further discussion on these risks and uncertainties, in the context of the Inchcape Group as a whole, is provided in the Group's Annual Report and Accounts 2018 which does not form part of this report.

Approved by the Board on 26 September 2019 and signed by order of the Board by:



Inchcape Corporate Services Limited
Company secretary

Inchcape (Belgium) Limited

Directors' Report for the Year Ended 31 December 2018

The Directors present their report and the audited financial statements for the year ended 31 December 2018.

Incorporation and domicile

The Company is incorporated and domiciled in United Kingdom (registration number 6006735). The registered address of the Company is 22a St James's Square, London, SW1Y 5LP.

Directors of the Company

The Directors who held office during the year and up to the date of signing were as follows:

Michael Bowers

Alison Clarke (resigned 18 June 2018)

Jonathan Greenwood

Bertrand Mallet

Kathryn Mecklenburgh (appointed 18 June 2018)

Tamsin Waterhouse

Transactions with Directors

No transaction, arrangement or agreement required to be disclosed under the terms of the Companies Act 2006 was outstanding at 31 December 2018, or occurred during the year for any Director or connected person (2017: none).

Dividends

The Directors do not recommend the payment of a final dividend (2017: £nil).

No dividends were paid during the year (2017: £nil).

Future developments

The Directors do not foresee any significant changes in the Company or its activities in 2019.

Post balance sheet date events

There have been no significant events since the balance sheet date which should be considered for a proper understanding of the financial statements.

Financial risk management

The Directors consider that the Company's key financial instruments are intercompany loans. Financial exposures exist to the extent that a change in the underlying base rate of interest will affect the level of income received or paid on the intercompany loans. The risk is not considered material and the Company does not employ the use of hedging instruments. Financial exposure also exists due to currency risk on balances denominated in currency other than sterling. This risk is managed in the context of Inchcape Group as a whole.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of signing and approving these financial statements. This assessment is based on the company's net assets and forecast performance. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the annual report and financial statements.

Inchcape (Belgium) Limited

Directors' Report for the Year Ended 31 December 2018

Directors' indemnity

A Qualifying Third-Party Indemnity (QTPI), as permitted by the Company's Articles of Association and section 234 of the Companies Act 2006, has been granted by the Company to each of the Directors of the Company. Under the provisions of the QTPI, the Company undertakes to indemnify each Director against liability to third parties (excluding criminal and regulatory penalties) and to pay the Directors' costs as incurred, provided that they are reimbursed to the Company if the Director is found guilty or, in an action brought by the Company, judgement is given against the Director. A QTPI was in force throughout the financial year and also at the date of approval of these financial statements.

Statement of disclosure of information to the auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware.

The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Under section 487(2) of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

Approved by the Board on 26 September 2019 and signed by order of the Board by:



Inchcape Corporate Services Limited
Company secretary

Inchcape (Belgium) Limited

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

Independent auditors' report to the members of Inchcape (Belgium) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Inchcape (Belgium) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent auditors' report to the members of Inchcape (Belgium) Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent auditors' report to the members of Inchcape (Belgium) Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the year ended 31 December 2018 for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report and the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



Manmeet Kalsi (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham
26 September 2019

Inchcape (Belgium) Limited

Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Interest receivable and similar income	5	221	495
Profit before taxation		221	495
Tax on profit	6	(42)	(95)
Profit for the financial year		179	400

The above results were derived from continuing operations.

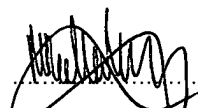
There is no other comprehensive income for the year (2017: £nil).

Inchcape (Belgium) Limited

Balance Sheet as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
Non-current assets			
Debtors: Amounts falling due after more than one year	7	22,986	23,064
		<u>22,986</u>	<u>23,064</u>
Current liabilities			
Creditors: Amounts falling due within one year	8	(10,586)	(10,843)
		<u>(10,586)</u>	<u>(10,843)</u>
Net current liabilities		<u>(10,586)</u>	<u>(10,843)</u>
 Total assets less current liabilities		 <u>12,400</u>	 <u>12,221</u>
 Net assets		 <u>12,400</u>	 <u>12,221</u>
 Capital and reserves			
Share capital	9	10,000	10,000
Profit and loss account		<u>2,400</u>	<u>2,221</u>
Total shareholders' funds		<u>12,400</u>	<u>12,221</u>

The financial statements on pages 9 to 16 were approved by the Board on 26 September 2019 and signed on its behalf by:



Kathryn Mecklenburgh

Director

Inchcape (Belgium) Limited

Company registration number 06006735

Inchcape (Belgium) Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £ 000	Profit and loss account £ 000	Total shareholders' funds £ 000
At 1 January 2018	10,000	2,221	12,221
Profit for the financial year	-	179	179
Total comprehensive income	-	179	179
At 31 December 2018	10,000	2,400	12,400

	Share capital £ 000	Profit and loss account £ 000	Total shareholders' funds £ 000
At 1 January 2017	10,000	1,821	11,821
Profit for the financial year	-	400	400
Total comprehensive income	-	400	400
At 31 December 2017	10,000	2,221	12,221

Inchcape (Belgium) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies

General Information

These financial statements are prepared for Inchcape (Belgium) Limited (the Company) for the year ended 31 December 2018.

Inchcape (Belgium) Limited (hereafter 'the Company') is a private company limited by shares and incorporated in the United Kingdom under the companies ACT 2006 and is registered in England and Wales. The address of its registered office is 22a St James Square, London SW1Y 5LP.

The principal activity of the Company during the financial year was to hold intercompany balances within the Inchcape Group (the Group). The functional currency of the Company is Pound Sterling.

Basis of preparation

These financial statements were prepared under the historical cost convention and in accordance with the Companies Act 2006 and the Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The principal accounting policies of the Company have been applied consistently.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise of share options, and how the fair value of goods and services received was determined)
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows)
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Impact of new International Financial Reporting Standards

IFRS 9 'Financial Instruments' was issued by the IASB in July 2014 and replaced IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 15 'Revenue from Contracts with Customers' was issued by the IASB in May 2014 and replaced IAS 18 'Revenue'. The Company adopted IFRS 9 and IFRS 15 from 1 January 2018 and has applied the new standards in accordance with the transition provisions. The Company identified no changes in accounting policies as a result of implementing the new standards.

Inchcape (Belgium) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of signing and approving these financial statements. This assessment is based on the Company's net assets and forecast performance. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the annual report and financial statements.

Finance income and costs policy

Interest is included in the profit and loss account on an accruals basis.

Foreign currency transactions and balances

Transactions in overseas currencies have been translated into Sterling at the rate ruling at the date of the transaction. Assets and liabilities are translated into Sterling at the rate ruling at the balance sheet date. Gains are presented in the Interest receivable and similar income line and losses are presented in the Interest payable and similar charges line in the profit and loss account.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax, including UK corporation tax, is 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 taxation is provided in full (without discounting) based on current tax rates and law, on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax in the future. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding commitment to sell the asset.

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the 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 by the balance sheet date.

Inchcape (Belgium) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Financial assets and liabilities

Trade receivables are initially recognised at fair value and subsequently recognised at amortised cost less provision for impairment. A provision for impairment is established when based on an expected loss model.

Trade payables and borrowings are initially recognised at fair value and subsequently recognised at amortised cost.

Trade and loan receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except where the maturity date is more than twelve months after the end of the reporting period.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with the generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The Directors do not consider that there are any critical accounting judgements or key sources of estimation uncertainty.

3 Operating profit

Auditors' remuneration has been borne by a fellow subsidiary undertaking. Of this remuneration £3,000 (2017: £3,000) is deemed to be attributable to the Company. The auditors' remuneration does not include any non-audit services.

4 Directors' remuneration

The Company has no employees except the Directors (2017: none) and hence no salary, social security or pension costs (2017: £nil).

No emoluments (2017: £nil) were paid to the Directors of the Company whose services are provided to a number of Group companies. The proportion of their emoluments attributable to the Company cannot be reasonably estimated and these costs are borne entirely within the Inchcape Group.

5 Interest receivable and similar income

	2018 £ 000	2017 £ 000
Foreign exchange gains	221	421
Interest receivable from group undertakings	-	74
	<hr/> 221	<hr/> 495

Inchcape (Belgium) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

6 Tax on profit

Tax charged in the profit and loss account:

	2018 £ 000	2017 £ 000
Current taxation		
UK corporation tax	<u>42</u>	<u>95</u>

	2018 £ 000	2017 £ 000
Profit before taxation	<u>221</u>	<u>495</u>
Corporation tax at standard rate of 19% (2017:19.25%)	<u>42</u>	<u>95</u>
Total tax charge	<u>42</u>	<u>95</u>

Factors that may affect future tax charges

The Finance Act 2017 included legislation to reduce the rate of UK corporation tax to 17% from 1 April 2020.

7 Debtors: amounts falling after more than one year

	2018 £ 000	2017 £ 000
Amounts owed by group undertakings	<u>22,986</u>	<u>23,064</u>

Amounts owed by group undertakings are unsecured, bear interest at rates linked to LIBOR and are due for repayment after more than one year.

Inchcape (Belgium) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

8 Creditors: amounts falling due within one year

	2018 £ 000	2017 £ 000
Amounts owed to group undertakings	-	445
Redeemable cumulative preference shares	10,586	10,398
	<u>10,586</u>	<u>10,843</u>

The redeemable preference shares comprise 10,353,335 shares of €1.1349 each and have been issued to another group company. These shares are redeemable in full at any time at the option of the holder. For dividend purposes, the redeemable preference shares rank pari passu with the ordinary shares and each redeemable preference share is treated as if it had the same nominal value as an ordinary share. Each redeemable share carries the same right to attend or vote at general meetings of the Company as an ordinary share. On a winding up the holders of the redeemable preference shares have priority before all other classes of shares to receive repayment of the original subscription amount.

9 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

10 Parent and ultimate parent undertaking

The Company's immediate parent is Toyota Belgium NV/SA, a company registered in Belgium.

The Directors regard the ultimate parent undertaking and controlling party to be Inchcape plc, a company registered in England and Wales.

Both the smallest and the largest group of which the Company is a member and for which Group financial statements are drawn up is that of Inchcape plc. Copies of the Annual Report and Accounts for that company are available from The Company Secretary at its registered address:

Inchcape plc
22a St James's Square
London
SW1Y 5LP