

**COMPANY REGISTRATION NUMBER: 07098738**

**JTG Holdings Limited**

**Financial Statements**

**31 December 2015**



**JAMES & UZZELL LTD**

Chartered Certified Accountants & statutory auditor

Axis 15, Axis Court

Mallard Way

Riverside Business Park

Swansea

SA7 0AJ

**JTG Holdings Limited**

**Financial Statements**

**Year ended 31 December 2015**

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**JTG Holdings Limited**

**Officers and Professional Advisers**

**Director**

Mr J Gravell

**Registered office**

Gravells Service Centre, Pembrey Road  
Kidwelly  
Carmarthenshire  
SA17 4TF

**Auditor**

James & Uzzell Ltd  
Chartered Certified Accountants & statutory auditor  
Axis 15, Axis Court  
Mallard Way  
Riverside Business Park  
Swansea  
SA7 0AJ

# **JTG Holdings Limited**

## **Strategic Report**

**Year ended 31 December 2015**

The director presents his strategic report for the year ended 31st December 2015.

### **REVIEW OF BUSINESS**

The director undertakes a detailed analysis of the group's position during the year and at the year end using turnover and profitability as the key performance indicators as detailed below.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The group operates in competitive markets and has reliance on a very good reputation and providing quality services. The group's trading activities are all within the United Kingdom and therefore it does not expose itself to fluctuating exchange rates. The principal risk facing the group is the strength of the UK economy and following from that the demand for its products. The group maintained positive growth during the last twelve months through its subsidiary's ability to offer innovative and value added products and services to its new and existing customer base while maintaining a high standard of service. The group continues to invest in its underlying systems and constantly seeks to identify opportunities for growth. The group's performance is heavily influenced by the fortunes of its subsidiary's franchises it represents. Given the longstanding and successful relationship the subsidiary enjoys with each of its core franchises it is considered that such risks have to a large extent been mitigated.

### **DEVELOPMENT AND PERFORMANCE**

The results for the year and the financial position at the year end was considered satisfactory by the director.

Turnover has increased by 10% during the year to over £60 million. The increase was predominantly due to increased revenue from new car sales and used car sales in Gravells Limited, the groups primary trading subsidiary, and the fact that the Bridgend site has experienced its first full year of trading.

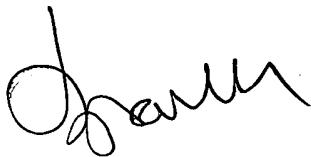
The director continues to identify growth strategies and improve the efficiency of the groups operations.

### **FINANCIAL KEY PERFORMANCE INDICATORS**

The key performance indicators are set out below:

	<b>2015</b>	<b>2014</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	
Turnover	60,598,098	55,256,793	5,341,305
Gross Profit	4,323,966	4,054,684	269,282
Gross Profit %	7.13%	7.34%	(0.21%)
Profit before tax	1,246,650	1,291,817	(45,167)
Profit before tax %	2.05%	2.34%	(0.29%)
Number of cars sold	6,284	5,805	479
Used vehicle turnover	20,372,985	18,504,358	1,868,627
New vehicle turnover	32,825,363	29,573,932	3,251,431

This report was approved by the board of directors on 26.03.16 and signed on behalf of the board by:



**Mr J Gravell**  
Director

## **JTG Holdings Limited**

### **Director's Report**

#### **Year ended 31 December 2015**

The director presents his report and the financial statements of the group for the year ended 31 December 2015.

#### **DIRECTOR**

The director who served the company during the year was as follows:

Mr J Gravell

#### **DIVIDENDS**

Particulars of recommended dividends are detailed in note 12 to the financial statements.

#### **FUTURE DEVELOPMENTS**

The director aims to maintain the management policies which have resulted in the group's steady trading in recent years and to continue to focus on sustained profitability and growth within its existing core franchise operations.

#### **FINANCIAL INSTRUMENTS**

The group operates a number of risk management policies designed to minimise its exposure to financial risk.

##### **Liquidity and cash flow risk**

The group produces detailed monthly management accounts and forecasts, which enables the director to monitor the cash position and to ensure there is sufficient liquidity and cash flow to minimise the risk of the group being unable to pay its debts as they fall due.

##### **Credit risk**

The group operates a number of policies and controls to minimise credit risk. All customers are subject to a detailed credit review prior to any terms being agreed. The director must authorise any larger value contracts and the group will only conduct business with customers deemed to be credit worthy.

##### **Price risk**

The group actively manages price risk by agreeing terms with suppliers prior to entering into any transactions with customers.

#### **RESEARCH AND DEVELOPMENT**

The company has implemented a policy of investment in research and development in order to create a competitive position in the market, and particularly to deal with environmental issues.

#### **DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT**

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

#### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

## **JTG Holdings Limited**

### **Director's Report** *(continued)*

**Year ended 31 December 2015**

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

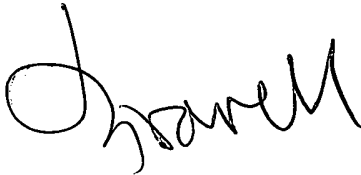
The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 26.08.16 and signed on behalf of the board by:



**Mr J Gravell**  
Director

## **JTG Holdings Limited**

### **Independent Auditor's Report to the Shareholders of JTG Holdings Limited**

#### **Year ended 31 December 2015**

We have audited the financial statements of JTG Holdings Limited for the year ended 31 December 2015 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR**

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

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the director's report 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.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion 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 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.

#### **OPINION ON OTHER MATTER 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 Directors' Report for the financial year 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

**JTG Holdings Limited**

**Independent Auditor's Report to the Shareholders of JTG Holdings Limited** *(continued)*

**Year ended 31 December 2015**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

  
ALISON JAYNE UZZELL FCCA (Senior Statutory Auditor)

For and on behalf of  
James & Uzzell Ltd  
Chartered Certified Accountants & statutory auditor  
Axis 15, Axis Court  
Mallard Way  
Riverside Business Park  
Swansea  
SA7 0AJ

Dated ... 26.08.16 .....



**JTG Holdings Limited****Consolidated Statement of Comprehensive Income****Year ended 31 December 2015**

		2015 £	2014 £
<b>TURNOVER</b>	<b>Note 3</b>	<b>60,598,098</b>	<b>55,256,793</b>
Cost of sales		<u>56,274,132</u>	<u>51,202,109</u>
<b>GROSS PROFIT</b>		<b>4,323,966</b>	<b>4,054,684</b>
Administrative expenses		<b>3,018,395</b>	<b>2,653,556</b>
Other operating income	<b>4</b>	<u>42,537</u>	<u>3,301</u>
<b>OPERATING PROFIT</b>	<b>5</b>	<b>1,348,108</b>	<b>1,404,429</b>
Other interest receivable and similar income		<b>3,642</b>	<b>5,249</b>
Interest payable and similar charges	<b>9</b>	<u>105,100</u>	<u>117,861</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,246,650</b>	<b>1,291,817</b>
Tax on profit on ordinary activities	<b>10</b>	<u>229,311</u>	<u>147,124</u>
<b>PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<b><u>1,017,339</u></b>	<b><u>1,144,693</u></b>

All the activities of the group are from continuing operations.

The notes on pages 13 to 29 form part of these financial statements.

**JTG Holdings Limited****Consolidated Statement of Financial Position****31 December 2015**

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Negative goodwill	13	(1,289,964)	(1,382,104)
Tangible assets	14	6,097,418	4,936,225
Investments	15	19,920	19,920
		<u>4,827,374</u>	<u>3,574,041</u>
<b>CURRENT ASSETS</b>			
Stocks	16	6,067,723	5,921,165
Debtors	17	1,777,200	1,508,563
Cash at bank and in hand		1,622,049	1,490,893
		<u>9,466,972</u>	<u>8,920,621</u>
<b>CREDITORS: amounts falling due within one year</b>	18	<u>8,824,115</u>	<u>8,012,649</u>
<b>NET CURRENT ASSETS</b>		<u>642,857</u>	<u>907,972</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,470,231</u>	<u>4,482,013</u>
<b>CREDITORS: amounts falling due after more than one year</b>	19	1,535,897	1,421,898
<b>PROVISIONS</b>			
Taxation including deferred tax	21	324,290	221,810
<b>NET ASSETS</b>		<u>3,610,044</u>	<u>2,838,305</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	20	20
Revaluation reserve	24	99,714	103,788
Profit and loss account	24	3,510,310	2,734,497
<b>SHAREHOLDERS FUNDS</b>		<u>3,610,044</u>	<u>2,838,305</u>

These financial statements were approved by the board of directors and authorised for issue on ~~26.08.16~~ 26.08.16, and are signed on behalf of the board by:



**Mr J Gravell**  
Director

Company registration number: 07098738

The notes on pages 13 to 27 form part of these financial statements.

**JTG Holdings Limited****Company Statement of Financial Position****31 December 2015**

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Investments	15	1,000,004	1,000,004
<b>CURRENT ASSETS</b>			
Debtors	17	837,240	837,240
<b>CREDITORS: amounts falling due within one year</b>	18	59,899	59,899
<b>NET CURRENT ASSETS</b>		<u>777,341</u>	<u>777,341</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,777,345</u>	<u>1,777,345</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	20	20
Profit and loss account	24	1,777,325	1,777,325
<b>SHAREHOLDERS FUNDS</b>		<u>1,777,345</u>	<u>1,777,345</u>

These financial statements were approved by the board of directors and authorised for issue on 26.03.16, and are signed on behalf of the board by:



**Mr J Gravell**  
Director

Company registration number: 07098738

The notes on pages 13 to 27 form part of these financial statements.

**JTG Holdings Limited**
**Consolidated Statement of Changes in Equity**
**Year ended 31 December 2015**

		Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
<b>AT 1 JANUARY 2014</b>		8	107,862	1,701,330	1,809,200
Profit for the year				1,144,693	1,144,693
Other comprehensive income for the year:					
Transfer from Revaluation Reserve		—	(4,074)	4,074	—
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		—	(4,074)	1,148,767	1,144,693
Issue of shares		12	—	—	12
Dividends paid and payable	12	—	—	(115,600)	(115,600)
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>		12	—	(115,600)	(115,588)
<b>AT 31 DECEMBER 2014</b>		20	103,788	2,734,497	2,838,305
Profit for the year				1,017,339	1,017,339
Other comprehensive income for the year:					
Transfer from Revaluation Reserve		—	(4,074)	4,074	—
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		—	(4,074)	1,021,413	1,017,339
Dividends paid and payable	12	—	—	(245,600)	(245,600)
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>		—	—	(245,600)	(245,600)
<b>AT 31 DECEMBER 2015</b>		20	99,714	3,510,310	3,610,044

The notes on pages 13 to 29 form part of these financial statements.

**JTG Holdings Limited**

**Company Statement of Changes in Equity**

**Year ended 31 December 2015**

		Called up share capital £	Profit and loss account £	Total £
<b>AT 1 JANUARY 2014</b>		8	1,777,325	1,777,333
Profit for the year			115,600	115,600
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		—	115,600	115,600
Issue of shares		12	—	12
Dividends paid and payable	12	—	(115,600)	(115,600)
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>		12	(115,600)	(115,588)
<b>AT 31 DECEMBER 2014</b>		20	1,777,325	1,777,345
Profit for the year			245,600	245,600
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		—	245,600	245,600
Dividends paid and payable	12	—	(245,600)	(245,600)
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>		—	(245,600)	(245,600)
<b>AT 31 DECEMBER 2015</b>		20	1,777,325	1,777,345

The notes on pages 13 to 29 form part of these financial statements.

**JTG Holdings Limited****Consolidated Statement of Cash Flows****Year ended 31 December 2015**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
Cash generated from operations	<b>26</b>	<b>2,314,404</b>	2,013,629
Interest paid		<b>(105,100)</b>	(117,861)
Interest received		<b>3,642</b>	5,249
Tax paid		<b>(110,451)</b>	(121,754)
Net cash from operating activities		<b><u>2,102,495</u></b>	<b><u>1,779,263</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of tangible assets		<b>(3,271,108)</b>	(1,762,193)
Proceeds from sale of tangible assets		<b>1,925,173</b>	788,906
Net cash used in investing activities		<b><u>(1,345,935)</u></b>	<b><u>(973,287)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of ordinary shares		–	12
Proceeds from borrowings		<b>(379,804)</b>	1,261,856
Repayments of borrowings		–	(29,050)
Payments of finance lease liabilities		–	(190,356)
Dividends paid		<b>(245,600)</b>	(115,600)
Net cash (used in)/from financing activities		<b><u>(625,404)</u></b>	<b><u>926,862</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>131,156</b>	1,732,838
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>1,490,893</b>	(241,945)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b><u>1,622,049</u></b>	<b><u>1,490,893</u></b>

The notes on pages 13 to 29 form part of these financial statements.

## **JTG Holdings Limited**

### **Notes to the Financial Statements**

**Year ended 31 December 2015**

#### **1. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparation**

JTG Holdings Limited is a private company limited by shares, incorporated in the United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements. The nature of the group's operations and principal activities are those of a wholesale and retail motor dealer, petrol retailer, and property investment company.

The reporting period of these financial statements and its comparative period is twelve months.

The Group consolidated financial statements include the financial statements of this subsidiary along with its fellow subsidiaries, together with the Group's share of the results of associates made up to 31st December 2015.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### **Going concern**

The group meets its day-to-day working capital requirements through its bank facilities. After making enquiries, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group's forecasts and projections, taking account reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities. Therefore the group continues to adopt the going concern basis in preparing its financial statements.

##### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 31.

## **JTG Holdings Limited**

### **Notes to the Financial Statements *(continued)***

#### **Year ended 31 December 2015**

#### **2. ACCOUNTING POLICIES *(continued)***

##### **Consolidation**

The consolidated financial statements incorporate the financial statements of JTG Holdings Limited, and its subsidiary undertakings for the year ended 31 December 2015.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Groups accounting policies when preparing the consolidated financial statements.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss, is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss on disposal includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave control is accounted for as a business combination. Thereafter where the Group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interests in the entity.

Goodwill arising on consolidation, representing the excess of the fair values of the consideration given over the fair values of the identifiable net assets acquired, is capitalised.

Uniform accounting policies have been used throughout the group.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.



## **JTG Holdings Limited**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2015**

#### **2. ACCOUNTING POLICIES *(continued)***

##### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Turnover from the sale of vehicles is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the vehicle.

Interest income is recognised using the effective interest rate method.

Rentals are charged in line with property leases. At this point turnover can be measured reliably and economic benefits associated with the transactions are transferred.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

##### **Taxation**

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

## **JTG Holdings Limited**

### **Notes to the Financial Statements (continued)**

**Year ended 31 December 2015**

#### **2. ACCOUNTING POLICIES (continued)**

##### **Goodwill and business combinations**

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the unidentifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units (CGUs) that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life. Where Group is unable to make reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

##### **Amortisation**

Negative goodwill is arising from the consolidation of the group is amortised over its useful life estimated at 20 years.

Goodwill - 20 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

## **JTG Holdings Limited**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2015**

#### **2. ACCOUNTING POLICIES *(continued)***

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land & buildings	-	2%
Plant & machinery	-	3 - 50 years
Motor vehicles	-	1 - 4 years

##### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**JTG Holdings Limited**

**Notes to the Financial Statements** *(continued)*

**Year ended 31 December 2015**

**2. ACCOUNTING POLICIES** *(continued)*

**Investment properties**

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

The methods and significant assumptions used to ascertain the fair value and fair value movement included in the profit/loss for the year are as follows:

- For properties transferred in recent years for which valuations have been obtained, there is no reason to believe these have altered
- For the remaining properties, discussions with the director have established that the values in the accounts are deemed reasonable based on his knowledge of current market conditions of similar properties in the area.

**Debtors and creditors receivable**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with bank, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts, when applicable, are shown within borrowings in current liabilities.

## **JTG Holdings Limited**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2015**

#### **2. ACCOUNTING POLICIES *(continued)***

##### **Critical accounting estimates and assumptions**

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are addressed below.

##### **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets.

##### **Impairment of intangible assets and goodwill**

The group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (GNUs). This requires estimation of the future cash flows from the GNUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

##### **Stock provisioning**

The group sells vehicles and is subject to consumer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability.

##### **Impairment of debtors**

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

##### **Employee benefits**

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

##### **Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**JTG Holdings Limited****Notes to the Financial Statements (continued)****Year ended 31 December 2015****3. TURNOVER**

Turnover arises from:

	2015 £	2014 £
Vehicle Sales	53,198,348	48,078,290
Parts and Service sales	4,680,088	4,688,097
Other sales	2,621,560	2,398,367
Rental income	98,102	92,039
	<u>60,598,098</u>	<u>55,256,793</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

**4. OTHER OPERATING INCOME**

	2015 £	2014 £
Commission receivable	–	50
Other operating income	42,537	3,251
	<u>42,537</u>	<u>3,301</u>

**5. OPERATING PROFIT**

Operating profit or loss is stated after charging:

	2015 £	2014 £
Amortisation of intangible assets	(92,140)	(92,140)
Depreciation of tangible assets	231,922	264,926
Gains on disposal of tangible assets	(47,180)	(75,753)
Research and development expenditure written off	–	100,000
Operating lease rentals	236,000	240,000
Defined contribution plans expense	142,817	231,560

**6. AUDITOR'S REMUNERATION**

	2015 £	2014 £
Fees payable for the audit of the financial statements	<u>22,725</u>	<u>21,675</u>

**7. STAFF COSTS**

The average number of persons employed by the group during the year, including the director, amounted to:

	2015 No.	2014 No.
Production staff	53	47
Administrative staff	11	11
Number of sales staff	43	38
	<u>107</u>	<u>96</u>

**JTG Holdings Limited****Notes to the Financial Statements (continued)****Year ended 31 December 2015****7. STAFF COSTS (continued)**

The aggregate payroll costs incurred during the year, relating to the above, were:

	2015	2014
	£	£
Wages and salaries	1,535,292	1,447,839
Social security costs	192,975	182,270
Other pension costs	182,817	271,560
	<u>1,911,084</u>	<u>1,901,669</u>

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £182,817 (2014: £271,560).

**8. DIRECTOR'S REMUNERATION**

The director's aggregate remuneration in respect of qualifying services was:

	2015	2014
	£	£
Remuneration	7,034	10,239
Company contributions to defined contribution pension plans	40,000	40,000
	<u>47,034</u>	<u>50,239</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2015	2014
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

	2015	2014
	£	£
Interest on banks loans and overdrafts	50,546	13,667
Other interest payable and similar charges	54,554	104,194
	<u>105,100</u>	<u>117,861</u>

**10. TAX ON PROFIT ON ORDINARY ACTIVITIES****Major components of tax expense**

	2015	2014
	£	£
<b>Current tax:</b>		
UK current tax expense	184,671	168,295
Adjustments in respect of prior periods	(57,840)	(83,064)
Total current tax	<u>126,831</u>	<u>85,231</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	102,480	61,893
<b>Tax on profit on ordinary activities</b>	<u>229,311</u>	<u>147,124</u>

**JTG Holdings Limited****Notes to the Financial Statements (continued)****Year ended 31 December 2015****10. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)****Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%).

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>1,246,650</u>	<u>1,291,817</u>
Profit on ordinary activities by rate of tax	252,448	273,645
Adjustment to tax charge in respect of prior periods	(57,840)	(83,064)
Effect of expenses not deductible for tax purposes	145	(21,596)
Effect of capital allowances and depreciation	(67,922)	(82,185)
Effect of different UK tax rates on some earnings	–	(1,569)
Rounding on tax charge	<u>102,480</u>	<u>61,893</u>
Tax on profit on ordinary activities	<u>229,311</u>	<u>147,124</u>

**11. PROFIT FOR THE YEAR OF THE PARENT COMPANY**

The profit for the financial year of the parent company was £245,600 (2014: £115,600).

**12. DIVIDENDS**

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2015 £	2014 £
Dividends Paid	<u>245,600</u>	<u>115,600</u>

**13. INTANGIBLE ASSETS**

Group	Goodwill £
<b>Cost</b>	
At 1 Jan 2015 and 31 Dec 2015	<u>(1,842,805)</u>
<b>Amortisation</b>	
At 1 January 2015	(460,701)
Charge for the year	(92,140)
At 31 December 2015	<u>(552,841)</u>
<b>Carrying amount</b>	
At 31 December 2015	<u>(1,289,964)</u>
At 31 December 2014	<u>(1,382,104)</u>

The company has no intangible assets.



**JTG Holdings Limited****Notes to the Financial Statements (continued)****Year ended 31 December 2015****14. TANGIBLE ASSETS**

<b>Group</b>	<b>Land and buildings £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2015	2,603,726	1,523,224	1,872,389	<b>5,999,339</b>
Additions	936,417	145,578	2,189,113	<b>3,271,108</b>
Disposals	–	(73,427)	(2,019,302)	<b>(2,092,729)</b>
<b>At 31 December 2015</b>	<b>3,540,143</b>	<b>1,595,375</b>	<b>2,042,200</b>	<b>7,177,718</b>
<b>Depreciation</b>				
At 1 January 2015	300,235	540,187	222,692	<b>1,063,114</b>
Charge for the year	11,352	92,302	128,268	<b>231,922</b>
Disposals	–	(37,877)	(176,859)	<b>(214,736)</b>
<b>At 31 December 2015</b>	<b>311,587</b>	<b>594,612</b>	<b>174,101</b>	<b>1,080,300</b>
<b>Carrying amount</b>				
<b>At 31 December 2015</b>	<b>3,228,556</b>	<b>1,000,763</b>	<b>1,868,099</b>	<b>6,097,418</b>
At 31 December 2014	2,303,491	983,037	1,649,697	<b>4,936,225</b>

The company has no tangible assets.

**JTG Holdings Limited****Notes to the Financial Statements (continued)****Year ended 31 December 2015****14. TANGIBLE ASSETS (continued)**

The Net Book values of land and buildings at 31st December 2015 comprised:

	2015 £	2014 £
Leasehold investment property	840,295	840,295
Freehold land and buildings	2,388,261	1,463,196
	<u>3,228,556</u>	<u>2,303,491</u>

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

The methods and significant assumptions used to ascertain the fair value and fair value movement included in the profit/loss for the year are as follows:

- For properties transferred in recent years for which valuations have been obtained, there is no reason to believe these have altered

- For the remaining properties, discussions with the director have established that the values in the accounts are deemed reasonable based on his knowledge of current market conditions of similar properties in the area.

Cost or valuation of land and buildings comprises:

	2015 £
Cost	3,440,429
Valuations	99,714
	<u>3,540,143</u>

The comparable amounts determined according to the historical cost convention are as follows:

	2015 £
Cost	3,440,429
Accumulated depreciation	(341,962)
As at 31.12.15	<u>3,098,467</u>
As at 31.12.14	3,239,140

**15. INVESTMENTS**

Group	Other investments other than loans £
Cost	
At 1 Jan 2015 and 31 Dec 2015	<u>19,920</u>
Impairment	
At 1 Jan 2015 and 31 Dec 2015	<u>—</u>
Carrying amount	
At 1 Jan 2015 and 31 Dec 2015	<u>19,920</u>

# JTG Holdings Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2015

### 15. INVESTMENTS (continued)

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 Jan 2015 and 31 Dec 2015	<u>1,000,004</u>
<b>Impairment</b>	
At 1 Jan 2015 and 31 Dec 2015	<u>—</u>
<b>Carrying amount</b>	
At 1 Jan 2015 and 31 Dec 2015	<u>1,000,004</u>

#### Listed investments

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

Other investments are measured at cost less impairment on the basis that they represent shares in entities that are not publicly traded and the fair value cannot otherwise be measured reliably.

#### Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

	Country of incorporation	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>			
Gravells Limited	Wales	ordinary	100
JTG Enterprises Limited	Wales	ordinary	100

### 16. STOCKS

	<b>Group</b>		<b>Company</b>	
	2015 £	2014 £	2015 £	2014 £
Raw materials and consumables	38,982	74,431	—	—
Finished goods and goods for resale	6,028,741	5,846,734	—	—
	<u>6,067,723</u>	<u>5,921,165</u>	<u>—</u>	<u>—</u>

### 17. DEBTORS

	<b>Group</b>		<b>Company</b>	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	348,939	416,625	—	—
Amounts owed by group undertakings	—	—	837,224	837,224
Other debtors	1,428,261	1,091,938	16	16
	<u>1,777,200</u>	<u>1,508,563</u>	<u>837,240</u>	<u>837,240</u>

# JTG Holdings Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2015

### 18. CREDITORS: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	382,783	376,531	—	—
Trade creditors	5,684,874	5,327,690	—	—
Accruals and deferred income	1,561,105	853,633	—	—
Corporation tax	184,675	168,295	—	—
Social security and other taxes	55,751	48,787	—	—
Other creditors	954,927	1,237,713	59,899	59,899
	<u>8,824,115</u>	<u>8,012,649</u>	<u>59,899</u>	<u>59,899</u>

The aggregate of secured liabilities falling due within one year is £544,866 (2014: £376,531)

### 19. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	907,576	1,293,632	—	—
Other creditors	628,321	128,266	—	—
	<u>1,535,897</u>	<u>1,421,898</u>	<u>—</u>	<u>—</u>

Included within creditors: amounts falling due after more than one year is an amount of £358,708 (2014: £433,963) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loans are secured by a fixed and floating charge over the assets of the group. The bank loans bear interest between 1.95-2.5% above the base rate per annum and are repayable between 36 and 120 months.

The pension scheme loan is secured over Unit 2 Kingsway, Fforestfach, a property owned by the group. The loan bears interest at 1.5% above the base rate per annum.

The aggregate of secured liabilities falling due after one year is £1,437,231 (2014: £1,293,632)

### 20. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Included in provisions (note 21)	<u>324,290</u>	<u>221,810</u>	<u>—</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	<u>324,290</u>	<u>221,810</u>	<u>—</u>	<u>—</u>

# JTG Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

### 21. PROVISIONS

Group	Deferred tax (note 20) £
At 1 January 2015	221,810
Charge against provision	102,480
At 31 December 2015	<u>324,290</u>

The company does not have any provisions.

### 22. EMPLOYEE BENEFITS

#### Other long-term employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £182,817 (2014: £271,560).

### 23. CALLED UP SHARE CAPITAL

#### Issued, called up and fully paid

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>

### 24. RESERVES

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 25. TRANSACTIONS WITH DIRECTORS

Mr J Gravell has given a personal guarantee of £250,000 to RCI Financial Services in respect of borrowings of the company.

Mr J Gravell has also provided a personal guarantee of £400,000 to Hyundai Capital to cover all facilities provided.

# JTG Holdings Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2015

### 26. CASH GENERATED FROM OPERATIONS

	2015 £	2014 £
Profit for the financial year	1,017,339	1,144,693
<i>Adjustments for:</i>		
Depreciation of tangible assets	231,922	264,926
Amortisation of intangible assets	(92,140)	(92,140)
Other interest receivable and similar income	(3,642)	(5,249)
Interest payable and similar charges	105,100	117,861
Gains on disposal of tangible assets	(47,180)	(75,753)
Tax on profit on ordinary activities	229,311	147,124
Accrued expenses/(income)	707,472	(1,180,026)
<i>Changes in:</i>		
Stocks	(146,558)	(730,441)
Trade and other debtors	(268,637)	138,816
Trade and other creditors	581,417	2,283,818
	<u>2,314,404</u>	<u>2,013,629</u>

### 27. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Not later than 1 year	36,000	166,000	–	–
Later than 1 year and not later than 5 years	144,000	144,000	–	–
Later than 5 years	36,000	72,000	–	–
	<u>216,000</u>	<u>382,000</u>	<u>–</u>	<u>–</u>

### 28. CONTINGENCIES

None.

### 29. RELATED PARTY TRANSACTIONS

#### Company

During the year the company entered into transactions with related parties as follows:

#### Other related parties

	2015 £	2014 £
Balance owing (to) from	1,582,125	811,292
Rent paid	200,000	290,000

Within other related parties are amounts owing the the groups pension scheme. These are bearing market rate interest and are secured against group assets

Other related party balances bear no interest.

**JTG Holdings Limited**

**Notes to the Financial Statements** *(continued)*

**Year ended 31 December 2015**

**30. CONTROLLING PARTY**

The company is controlled by Mr J Gravell, by virtue of his shareholding

**31. TRANSITION TO FRS 102**

These are the first financial statements that comply with FRS 102. The group and the company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.