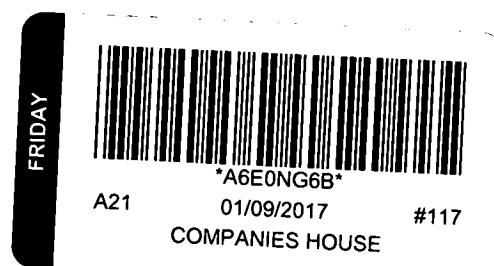


JTG Holdings Limited

Financial Statements

31 December 2016



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 2016

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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 2016

The director presents his strategic report for the year ended 31st December 2016.

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 21% during the year to over £73.5 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.

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:

	2016	2015	Variance
	£	£	
Turnover	73,624,757	60,598,098	13,026,659
Gross Profit	4,828,584	4,323,966	504,618
Gross Profit %	6.56%	7.13%	(0.57%)
Profit before tax	1,874,254	1,246,650	624,604
Profit before tax %	2.55%	2.05%	0.50%
Number of cars sold	7,212	6,284	928
Used vehicle turnover	22,956,031	20,372,985	2,583,046
New vehicle turnover	42,128,798	32,825,363	9,303,435

This report was approved by the board of directors on **28.07.17**..... and signed on behalf of the board by:



Mr J Gravell
Director

JTG Holdings Limited

Director's Report

Year ended 31 December 2016

The director presents his report and the financial statements of the group for the year ended 31 December 2016.

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 group has implemented a policy of investment in research and development in order to create a competitive position in the market.

DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT

The group 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 group'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.

JTG Holdings Limited

Director's Report *(continued)*

Year ended 31 December 2016

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.

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~~28.07.17~~..... and signed on behalf of the board by:



Mr J Gravell
Director

JTG Holdings Limited

Independent Auditor's Report to the Members of JTG Holdings Limited

Year ended 31 December 2016

We have audited the financial statements of JTG Holdings Limited for the year ended 31 December 2016 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 the 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 members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF 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 2016 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

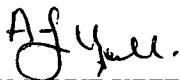
Independent Auditor's Report to the Members of JTG Holdings Limited (continued)

Year ended 31 December 2016

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 ...1.2.17..

JTG Holdings Limited**Consolidated Statement of Comprehensive Income****Year ended 31 December 2016**

		2016 £	2015 £
TURNOVER	Note 4	73,624,757	60,598,098
Cost of sales		<u>68,796,173</u>	<u>56,274,132</u>
GROSS PROFIT		4,828,584	4,323,966
Administrative expenses		<u>2,939,399</u>	<u>3,018,395</u>
Other operating income	5	<u>86,496</u>	<u>42,537</u>
OPERATING PROFIT	6	1,975,681	1,348,108
Other interest receivable and similar income		<u>103</u>	<u>3,642</u>
Interest payable and similar expenses	10	<u>101,530</u>	<u>105,100</u>
PROFIT BEFORE TAXATION		1,874,254	1,246,650
Tax on profit	11	<u>352,119</u>	<u>229,311</u>
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>1,522,135</u>	<u>1,017,339</u>

All the activities of the group are from continuing operations.

The notes on pages 13 to 30 form part of these financial statements.

JTG Holdings Limited**Consolidated Statement of Financial Position****31 December 2016**

	Note	2016 £	2015 £
FIXED ASSETS			
Negative goodwill	13	(1,197,824)	(1,289,964)
Tangible assets	14	6,683,260	6,097,418
Investments	15	19,920	19,920
		<u>5,505,356</u>	<u>4,827,374</u>
CURRENT ASSETS			
Stocks	16	6,860,050	6,067,723
Debtors	17	1,947,159	1,777,200
Cash at bank and in hand		2,758,266	1,622,049
		<u>11,565,475</u>	<u>9,466,972</u>
CREDITORS: amounts falling due within one year	18	<u>11,087,184</u>	<u>8,824,115</u>
NET CURRENT ASSETS		<u>478,291</u>	<u>642,857</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,983,647</u>	<u>5,470,231</u>
CREDITORS: amounts falling due after more than one year	19	643,871	1,535,897
PROVISIONS			
Taxation including deferred tax	20	412,197	324,290
NET ASSETS		<u>4,927,579</u>	<u>3,610,044</u>
CAPITAL AND RESERVES			
Called up share capital	23	20	20
Revaluation reserve	24	95,640	99,714
Profit and loss account	24	4,831,919	3,510,310
MEMBERS FUNDS		<u>4,927,579</u>	<u>3,610,044</u>

These financial statements were approved by the board of directors and authorised for issue on ~~28.07.17~~ 28.07.17, and are signed on behalf of the board by:



Mr J Gravell
Director

Company registration number: 07098738

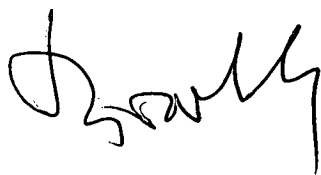
The notes on pages 13 to 29 form part of these financial statements.

JTG Holdings Limited**Company Statement of Financial Position****31 December 2016**

	Note	2016 £	2015 £
FIXED ASSETS			
Investments	15	1,000,004	1,000,004
CURRENT ASSETS			
Debtors	17	837,240	837,240
CREDITORS: amounts falling due within one year	18	59,899	59,899
NET CURRENT ASSETS		<u>777,341</u>	<u>777,341</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,777,345</u>	<u>1,777,345</u>
CAPITAL AND RESERVES			
Called up share capital	23	20	20
Profit and loss account	24	1,777,325	1,777,325
MEMBERS FUNDS		<u>1,777,345</u>	<u>1,777,345</u>

The profit for the financial year of the parent company was £204,600 (2015: £245,600).

These financial statements were approved by the board of directors and authorised for issue on 28.07.17, and are signed on behalf of the board by:



Mr J Gravell
Director

Company registration number: 07098738

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

JTG Holdings Limited
Consolidated Statement of Changes in Equity
Year ended 31 December 2016

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
AT 1 JANUARY 2015	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	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(4,074)	1,021,413	1,017,339
Dividends paid and payable 12	-	-	(245,600)	(245,600)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	-	-	(245,600)	(245,600)
AT 31 DECEMBER 2015	20	99,714	3,510,310	3,610,044
Profit for the year	-	-	1,522,135	1,522,135
Other comprehensive income for the year:				
Transfer from Revaluation Reserve	-	(4,074)	4,074	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(4,074)	1,526,209	1,522,135
Dividends paid and payable 12	-	-	(204,600)	(204,600)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	-	-	(204,600)	(204,600)
AT 31 DECEMBER 2016	<u>20</u>	<u>95,640</u>	<u>4,831,919</u>	<u>4,927,579</u>

The notes on pages 13 to 30 form part of these financial statements.

JTG Holdings Limited**Company Statement of Changes in Equity****Year ended 31 December 2016**

		Called up share capital £	Profit and loss account £	Total £
AT 1 JANUARY 2015		20	1,777,325	1,777,345
Profit for the year		—	245,600	245,600
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		—	245,600	245,600
Dividends paid and payable	12	—	(245,600)	(245,600)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		—	(245,600)	(245,600)
AT 31 DECEMBER 2015		20	1,777,325	1,777,345
Profit for the year		—	204,600	204,600
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		—	204,600	204,600
Dividends paid and payable	12	—	(204,600)	(204,600)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		—	(204,600)	(204,600)
AT 31 DECEMBER 2016		20	1,777,325	1,777,345

The notes on pages 13 to 30 form part of these financial statements.

JTG Holdings Limited**Consolidated Statement of Cash Flows****Year ended 31 December 2016**

	Note	2016	2015
		£	£
Cash generated from operations	26	3,094,692	2,314,404
Interest paid		(101,530)	(105,100)
Interest received		103	3,642
Tax paid		(184,663)	(110,451)
Net cash from operating activities		<u>2,808,602</u>	<u>2,102,495</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets		(3,543,918)	(3,271,108)
Proceeds from sale of tangible assets		2,816,833	1,925,173
Net cash used in investing activities		<u>(727,085)</u>	<u>(1,345,935)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		(740,700)	(379,804)
Dividends paid		(204,600)	(245,600)
Net cash used in financing activities		<u>(945,300)</u>	<u>(625,404)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,136,217	131,156
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>1,622,049</u>	<u>1,490,893</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>2,758,266</u>	<u>1,622,049</u>

The notes on pages 13 to 30 form part of these financial statements.

JTG Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2016

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Gravells Service Centre, Pembrey Road, Kidwelly, Carmarthenshire, SA17 4TF.

2. 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'.

3. 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 2016.

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.

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.

JTG Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. ACCOUNTING POLICIES *(continued)*

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.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

3. 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 2016

Consolidation

The consolidated financial statements incorporate the financial statements of JTG Holdings Limited, and its subsidiary undertakings for the year ended 31 December 2016.

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 2016

3. 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.

3. 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 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.

3. 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.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

JTG Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2016

3. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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.

4. TURNOVER

Turnover arises from:

	2016	2015
	£	£
Vehicle Sales	65,084,829	53,198,348
Parts and Service sales	6,051,132	4,680,088
Other sales	2,382,144	2,621,560
Rental income	106,652	98,102
	<u>73,624,757</u>	<u>60,598,098</u>

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

JTG Holdings Limited**Notes to the Financial Statements (continued)****Year ended 31 December 2016****5. OTHER OPERATING INCOME**

	2016	2015
	£	£
Other operating income	<u>86,496</u>	<u>42,537</u>

6. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Amortisation of intangible assets	(92,140)	(92,140)
Depreciation of tangible assets	206,753	231,922
Gains on disposal of tangible assets	(65,510)	(47,180)
Impairment of trade debtors	5,480	(1,164)
Operating lease rentals	203,000	236,000
Defined contribution plans expense	<u>187,936</u>	<u>182,817</u>

7. AUDITOR'S REMUNERATION

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>24,150</u>	<u>22,725</u>

8. STAFF COSTS

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

	2016	2015
	No.	No.
Production staff	60	53
Administrative staff	15	11
Number of sales staff	<u>40</u>	<u>43</u>
	<u>115</u>	<u>107</u>

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

	2016	2015
	£	£
Wages and salaries	1,718,371	1,535,292
Social security costs	209,354	192,975
Other pension costs	187,936	182,817
	<u>2,115,661</u>	<u>1,911,084</u>

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £187,936 (2015: £182,817).

JTG Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2016

9. DIRECTOR'S REMUNERATION

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

	2016	2015
	£	£
Remuneration	8,119	7,034
Company contributions to defined contribution pension plans	37,305	40,000
	<u>45,424</u>	<u>47,034</u>

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

	2016	2015
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Interest on banks loans and overdrafts	35,582	50,546
Other interest payable and similar charges	65,948	54,554
	<u>101,530</u>	<u>105,100</u>

11. TAX ON PROFIT

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	264,221	184,671
Adjustments in respect of prior periods	(9)	(57,840)
Total current tax	<u>264,212</u>	<u>126,831</u>
Deferred tax:		
Origination and reversal of timing differences	87,907	102,480
Tax on profit	<u>352,119</u>	<u>229,311</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016	2015
	£	£
Profit on ordinary activities before taxation	<u>1,874,254</u>	<u>1,246,650</u>
Profit on ordinary activities by rate of tax	374,852	252,448
Adjustment to tax charge in respect of prior periods	(9)	(57,840)
Effect of expenses not deductible for tax purposes	183	145
Effect of capital allowances and depreciation	(110,811)	(67,922)
Rounding on tax charge	87,907	102,480
Tax on profit	<u>352,122</u>	<u>229,311</u>

JTG Holdings Limited**Notes to the Financial Statements (continued)****Year ended 31 December 2016****12. DIVIDENDS**

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

	2016	2015
	£	£
Dividends Paid	<u>204,600</u>	<u>245,600</u>

13. INTANGIBLE ASSETS

Group	Goodwill
	£
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>(1,842,805)</u>
Amortisation	
At 1 January 2016	(552,841)
Charge for the year	<u>(92,140)</u>
At 31 December 2016	<u>(644,981)</u>
Carrying amount	
At 31 December 2016	<u>(1,197,824)</u>
At 31 December 2015	<u>(1,289,964)</u>

The company has no intangible assets.

14. TANGIBLE ASSETS

Group	Land and buildings	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2016	3,540,143	1,595,375	2,042,200	7,177,718
Additions	352,534	389,791	2,801,593	3,543,918
Disposals	—	—	(2,867,436)	(2,867,436)
At 31 December 2016	<u>3,892,677</u>	<u>1,985,166</u>	<u>1,976,357</u>	<u>7,854,200</u>
Depreciation				
At 1 January 2016	311,587	594,612	174,101	1,080,300
Charge for the year	(11,352)	80,856	137,249	206,753
Disposals	—	—	(116,113)	(116,113)
At 31 December 2016	<u>300,235</u>	<u>675,468</u>	<u>195,237</u>	<u>1,170,940</u>
Carrying amount				
At 31 December 2016	<u>3,592,442</u>	<u>1,309,698</u>	<u>1,781,120</u>	<u>6,683,260</u>
At 31 December 2015	<u>3,228,556</u>	<u>1,000,763</u>	<u>1,868,099</u>	<u>6,097,418</u>

The company has no tangible assets.

JTG Holdings Limited**Notes to the Financial Statements (continued)****Year ended 31 December 2016**

The Net Book values of land and buildings at 31st December 2016 comprised:

	2016	2015
	£	£
Leasehold investment property	1,192,829	840,295
Freehold land and buildings	2,399,613	2,388,261
	<u>3,592,442</u>	<u>3,228,556</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:

	2016
	£
Cost	3,792,963
Valuations	99,714
	<u>3,892,677</u>

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

	2016
	£
Cost	3,792,963
Accumulated depreciation	(341,962)
As at 31.12.16	<u>3,451,001</u>
As at 31.12.15	<u>3,451,001</u>

JTG Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

15. INVESTMENTS

Group

**Other
investments
other than
loans
£**

Cost

At 1 Jan 2016 and 31 Dec 2016

19,920

Impairment

At 1 Jan 2016 and 31 Dec 2016

—

JTG Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2016

15. INVESTMENTS (continued)

Group	Other investments other than loans £
Carrying amount At 1 Jan 2016 and 31 Dec 2016	<u>19,920</u>
Company	Shares in group undertakings £
Cost At 1 Jan 2016 and 31 Dec 2016	<u>1,000,004</u>
Impairment At 1 Jan 2016 and 31 Dec 2016	<u>-</u>
Carrying amount At 1 Jan 2016 and 31 Dec 2016	<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:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Gravells Limited	ordinary	100
JTG Enterprises Limited	ordinary	100

16. STOCKS

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Raw materials and consumables	<u>99,254</u>	38,982	-	-
Finished goods and goods for resale	<u>6,760,796</u>	<u>6,028,741</u>	-	-
	<u>6,860,050</u>	<u>6,067,723</u>	-	-

JTG Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2016

17. DEBTORS

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	432,279	348,939	–	–
Amounts owed by group undertakings	–	–	374,380	837,224
Director's loan account	3,755	–	–	–
Other debtors	1,511,124	1,428,261	462,860	16
	<u>1,947,158</u>	<u>1,777,200</u>	<u>837,240</u>	<u>837,240</u>

18. CREDITORS: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts	339,958	382,783	–	–
Trade creditors	5,706,185	5,684,874	–	–
Accruals and deferred income	1,766,823	1,561,105	–	–
Corporation tax	264,224	184,675	–	–
Social security and other taxes	398,462	55,751	–	–
Other creditors	2,611,531	954,927	59,899	59,899
	<u>11,087,183</u>	<u>8,824,115</u>	<u>59,899</u>	<u>59,899</u>

The aggregate of secured liabilities falling due within one year is £504,509 (2015: £544,866)

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts	209,701	907,576	–	–
Other creditors	434,170	628,321	–	–
	<u>643,871</u>	<u>1,535,897</u>	<u>–</u>	<u>–</u>

Included within creditors: amounts falling due after more than one year is an amount of £101,632 (2015: £Nil) 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 and overdraft are secured by a fixed and floating charge over all of the assets of the group, except Unit 2 Kingsway, Fforestfach, together with a group cross guarantee.

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 £574,804 (2015: £1,437,231)

JTG Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2016

20. PROVISIONS

Group	Deferred tax (note 21) £
At 1 January 2016	324,290
Charge against provision	87,907
At 31 December 2016	<u>412,197</u>

The company does not have any provisions.

21. DEFERRED TAX

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Included in provisions (note 20)	<u>412,197</u>	<u>324,290</u>	<u>—</u>	<u>—</u>

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Accelerated capital allowances	<u>412,197</u>	<u>324,290</u>	<u>—</u>	<u>—</u>

22. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £37,305 (2015: £40,000).

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 £187,936 (2015: £182,817).

23. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>

JTG Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

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.

26. CASH GENERATED FROM OPERATIONS

	2016 £	2015 £
Profit for the financial year	1,522,135	1,017,339
<i>Adjustments for:</i>		
Depreciation of tangible assets	206,753	231,922
Amortisation of intangible assets	(92,140)	(92,140)
Other interest receivable and similar income	(103)	(3,642)
Interest payable and similar expenses	101,530	105,100
Gains on disposal of tangible assets	(65,510)	(47,180)
Tax on profit	352,119	229,311
Accrued expenses	205,718	707,472
<i>Changes in:</i>		
Stocks	(792,327)	(146,558)
Trade and other debtors	(169,958)	(268,637)
Trade and other creditors	1,826,475	581,417
	<u>3,094,692</u>	<u>2,314,404</u>

27. OPERATING LEASES

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

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Not later than 1 year	84,000	36,000	—	—
Later than 1 year and not later than 5 years	216,000	144,000	—	—
Later than 5 years	—	36,000	—	—
	<u>300,000</u>	<u>216,000</u>	<u>—</u>	<u>—</u>

28. CONTINGENCIES

None.

JTG Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

29. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

At the year end the director, Mr J Gravell, owed £3,755 (2015: nil) to the company. No interest is being accrued on this balance.

30. RELATED PARTY TRANSACTIONS

Group

Company

During the year the company entered into the following transactions with related parties:

Transaction value		Balance owed by/(owed to)	
2016	2015	2016	2015
£	£	£	£

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

Other related parties

	2016	2015
	£	£
Balance owing (to) from	1,582,125	1,582,125
Rent paid	218,000	200,000

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.

31. CONTROLLING PARTY

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