Company Registration No. 08043672

COLBORNE (HGG) 2012 LTD

Annual Report and Financial Statements for the year ended 31 December 2015

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2015

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A C Bruce
R A Gregson
N J McMinn

COMPANY SECRETARY

G. MacGeekie

REGISTERED OFFICE

776 Chester Road
Stretford
Manchester
M32 OQH
United Kingdom

BANKERS

National Westminister Bank plc
501 Silbury Boulevard
Saxon Gate East
Central Milton Keynes
MK9 3ER

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 Hardman Street
Manchester
M60 2AT
United Kingdom

STRATEGIC REPORT
For the year ended 31 December 2015

The Directors, in preparing this strategic report have complied with s414c of the Companies Act 2006.

PRINCIPAL ACTIVITIES

The company did not trade during the year.

STRATEGIC AND OPERATIONAL REVIEW

The company did not trade in the year but received a tax estimate credit of £696,000 which was taken to the profit and loss account.

The financial position of the Company is set out on page 11.

Corporate Social Responsibility, Human Rights and Diversity

The Company has a long-standing Corporate and Social Responsibility agenda and further details of this are included on page 39 of our Group's Annual Report. We are also very conscious of human rights issues within the Company and the key area that would impact our business would be across our supply chain. All of our directly employed staff are based in the UK and are covered by UK employment law. Our supply chain in the motor division is predominantly the major international motor manufacturers who clearly take these issues very seriously as well.

The UK Corporate Governance Code includes a recommendation that boards should consider the benefits of diversity, including gender when making board appointments. The Board recognises the importance of gender balance and considers this issue amongst the wider issues of diversity where the most important requirement is to ensure that there is an appropriate range of experience, balance of skills and background on the Board. We will continue to make changes to the composition of the Board irrespective of gender or any form of discrimination so that the best candidate is appointed.

Mandatory Carbon Reporting

The Company is aware of, and supports, the new carbon reporting requirements. Separately, the Company reports each year to the Environment Agency under the government's Carbon Reduction Commitment (CRC) scheme. The mandatory reporting period for CRC is April to March. It is the intention of the Company to align the new carbon reporting period with those of CRC and consequently has issued its first report on carbon footprint in the 2015 Annual Report for its Ultimate Holding Company, Lookers plc.

Principal Risks and Uncertainties

The Company's business activities, financial condition, results of operations or the Company's share price could be affected by any or all of the following principal risks or uncertainties:

Global Economy

The new and used car markets are influenced by general economic conditions, including changes in interest rates, fuel prices, indirect taxation, the cost and availability of credit and other factors which affect levels of consumer confidence. The demand for new cars is cyclical, which in some years will lead to reduced margins caused by oversupply. This could have an adverse impact on the earnings of the Company, although it is likely that this would be mitigated by potential increases in both the used car market and the aftersales market as customers substitute nearly new for new cars, or spend more keeping their old vehicles roadworthy. Despite the general uncertainty in the economy in recent years, the Company's business has proved to be resilient against this background and has continued to be profitable.

Manufacturers' Financial Stability

The Company relies on its manufacturer partners for a significant proportion of its revenues and profits. The failure of a manufacturer could have a significant impact on the short-term profitability of a retailer partner. The Company has attempted to mitigate this risk by having trading relationships with a large number of manufacturers, so that the impact of any one manufacturer failing would be reduced.

STRATEGIC REPORT (continued)
For the year ended 31 December 2015

STRATEGIC AND OPERATIONAL REVIEW (continued)

Government Legislation

In addition to franchise regulation rules noted above, changes to the Government's transport policy could adversely affect the Company's profitability if, as a result, customers choose to use alternative forms of transport.

Liquidity and Financing

The group uses a number of methods to fund its day to day business. These methods are (i) bank borrowings by way of committed borrowing facilities (Banking facilities of £245.0 million, maturing March 2020); (ii) from manufacturer and third party finance houses through uncommitted stocking facilities to fund the purchase of stock; and (iii) from suppliers by way of trade credit. A withdrawal of any of these financing facilities or a failure to renew them as they expire could lead to a significant reduction in the trading ability of the group. However the group's balance sheet has been strengthened significantly over the past five years and this together with the renewal of the group's banking facilities in 2015, provides sufficient liquidity and funding.

Block Exemption Aftersales / General Exemption Sales

The franchise agreement legislation for the automotive sector changed in June 2013. Aftersales agreements continue to be legislated by a Block Exemption, dictating that aftersales businesses meeting manufacturers qualitative standards criteria have an entitlement to represent the brands aftersales service and parts franchise.

Sales agreements are granted by car manufacturers based on standards, but agreements are restricted to territories granted by manufacturers, who also determine choice of partner, enabling them to restrict the number of outlets any dealer can hold or entry into the sales franchise.

By continuing to focus on providing excellent customer facilities, excellent customer service and providing high level representation for the Company's manufacturer partners, current business relationships will be maintained, providing opportunities for selective growth.

Competitive Nature of the Market

The motor vehicle distribution market is highly competitive and comprises a small number of large dealer networks, similar to Lookers Motor Group Limited, down to a large number of much smaller operators. In addition, the market includes internet-based dealers and private individuals. The franchised businesses also compete in the aftersales market which comprises similar franchised businesses, supply and fit chains, and a large number of small independent garages and bodyshops.

The market therefore offers customers different options depending upon price and quality of service they wish to take, with owners of new and nearly new vehicles tending to use the franchised businesses and owners of older vehicles tending towards the smaller independent provider. The Company's franchised businesses rely on the quality of their customer service and the ability to adjust pricing, enabling them to react to local competitive conditions.

Information Systems

The Company is dependent upon a number of business critical systems which, if interrupted for any length of time, could have a material effect on the efficient running of the Company's businesses. The Board has implemented a series of contingency plans which would enable the Company to resume operations within a short space of time, thus mitigating the likelihood of material loss.

Manufacturers' Influence

The Company's activities are also influenced by manufacturers in other ways. The timing, frequency and efficiency of new model roll-outs and changes in consumers' perception of these models and brands could materially affect the Company's business. Similarly, manufacturers use a series of incentive schemes to support new car sales, warranty programmes etc. and changes or discontinuation of these schemes could also affect the Company's business. By representing over thirty marques, the Company believes that this diversity reduces the impact to the Company that manufacturers' influence could cause.

STRATEGIC REPORT (continued)
For the year ended 31 December 2015

STRATEGIC AND OPERATIONAL REVIEW (continued)

Approved and authorised for issue by the board and signed on their behalf by:

R. A. Gregson

Finance Director

30 June 2016

DIRECTORS REPORT
For the year ended 31 December 2015

The Directors present the Annual Report and the audited financial statements for the year ended 31 December 2015.

DIVIDENDS

There were no dividends paid in the year. The Directors do not recommend the payment of a final dividend (2014: £nil).

DIRECTORS

The following were Directors of the Company during the year and thereafter to the date of signing these financial statements:

A C Bruce
R A Gregson
N J McMinn

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

EMPLOYEE INVOLVEMENT

Employees are encouraged to discuss with management any matters which they are concerned about and factors affecting the Company. In addition, the Board takes account of employees' interests when making decisions. Suggestions from employees aimed at improving the Company's performance are welcomed.

A significant number of employees are remunerated partly by profit-related bonus schemes.

The Lookers plc Company has a dedicated intranet site 'Insight', which keeps employees up-to-date with Company developments and activities. Communicating in this manner ensures a consistent message.

Long service awards were made during the year to those staff with 25 years continuous service. Special awards were also made to those staff reaching 40 and 50 years of service.

All employment policies have been upgraded to conform to current legislation.

It is the Company's policy to encourage career development for all employees to help staff achieve job satisfaction and increase personal motivation.

EMPLOYMENT OF DISABLED PERSONS

The Company's recruitment policy sympathetically considers applications for employment from the disabled where they have the necessary abilities and skills to perform the job. If any employee becomes disabled during employment with the Company every effort is made to retrain that employee to perform a job appropriate to his/her abilities and skills.

It is the Company's policy to encourage career development for its employees, including the disabled for whom further training is arranged, if necessary, to allow for special needs.

DIRECTORS' REPORT (continued)

For the year ended 31 December 2015

GOING CONCERN

As the Company disposed of its trade and assets in July and August 2014 to external companies to the group, as required by IAS 1 Presentation of Financial Statements, the accounts have been prepared on the basis other than that of a going concern as the company has ceased trade since the disposal of its trade and assets.

AUDITOR

Each person who is a director at the date of approval of this report and financial statements confirms that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the Directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006. Deloitte LLP have expressed their willingness to continue in office and, in accordance with the Companies Act 2006, their re-appointment will be proposed at the Annual General Meeting.

Approved and authorised for issue by the board and signed on their behalf by:

R. A. Gregson

Finance Director

30 June 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLBORNE (HGG) 2012 LIMITED

We have audited the financial statements of Colborne (HGG) 2012 Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 15. 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 101 "Reduced Disclosure Framework".

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 company's affairs as at 31 December 2015 and of its 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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the section of the accounting policies, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the 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 the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLBORNE (HGG) 2012 LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

Damian Sanders BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
30 June 2016

INCOME STATEMENT
For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
REVENUE	2	-	42,007
Cost of sales		-	(38,152)
GROSS PROFIT		-	3,855
Net operating expenses		-	(6,848)
PROFIT / (LOSS) FROM OPERATIONS		-	(2,993)
Interest payable	3	-	(197)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	-	(3,190)
Tax on loss on ordinary activities	5	696	-
PROFIT / (LOSS) FOR THE YEAR		696	(3,190)

All revenue and results for the year and the prior year arise from discontinuing operations.

The Company has no gains and losses in either year other than those included in the results above, and therefore no separate statement of comprehensive income has been presented.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	Share capital £'000	Retained losses £'000	Total £'000
As at 1 January 2014	-	(464)	(464)
Loss for the year	-	(3,190)	(3,190)
As at 31 December 2014	-	(3,654)	(3,654)
Profit for the year	-	696	696
As at 31 December 2015	-	(2,,958)	(2,958)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Note	2015 £'000	2014 £'000
NON-CURRENT ASSETS			
Goodwill	7	-	-
TOTAL ASSETS		-	-
CURRENT LIABILITIES			
Trade and other payables	8	(2,958)	(3,620)
NET CURRENT LIABILITIES		(2,958)	(3,620)
NON-CURRENT LIABILITIES			
Deferred tax	10	-	(34)
		-	(34)
TOTAL LIABILITIES		(2,958)	(3,654)
NET LIABILITIES		(2,958)	(3,654)
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Retained losses	12	(2,958)	(3,654)
SHAREHOLDERS' DEFICIT		(2,958)	(3,654)

The accompanying notes form an integral part of the financial statements.

The financial statements of Colborne (HGG) 2012 Ltd, (registered number: 08043672) were approved and authorised for issue by the Board of Directors on the 30 June 2016 and were signed on its behalf by:

R A Gregson
Finance Director

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2015

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

General information

Colborne (HGG) 2012 Ltd is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 776 Chester Road, Stretford, Manchester M32 0QH.

The nature of the Company's operations and its principal activities are set out in the Strategic Report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The Company has applied FRS 101 'Reduced Disclosure Framework' incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the group has adopted the following new standards and interpretations:

- IFRIC 21 Levies: The Company has adopted IFRIC 21 Levies for the first time in the current year. IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Company's financial statements as no government imposed levy has been imposed.

- Annual Improvements to IFRSs: 2011-2013: The Company has adopted the various amendments to a number of standards. IFRS 3 Business Combinations, IFRS 13 Fair Value Measurement and IAS 40 Investment Property. The majority of the amendments are in the nature of clarifications rather than substantive changes to existing requirements.

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company has undergone transition from reporting under IFRSs adopted by the European Union to FRS 101 as issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. This transition is not considered to have had a material effect on the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to a transitional opening financial position, financial instruments, presentation of comparative information in respect of certain assets and capital, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of Lookers Plc. The group accounts of Lookers plc are available to the public and can be obtained as set out in note 15.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2015

1. ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible assets acquired on a business combination are capitalised separately from goodwill if the asset is separable and if fair value can be measured reliably on initial recognition. Intangible assets so acquired are carried at cost less accumulated amortisation and any impairment losses. Amortisation is provided on a straight line basis to allocate the cost of the asset over its estimated useful life.

Impairment of assets

Assets that have an indefinite life are not subject to amortisation and are tested annually for impairment. Assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal costs, and value in use.

Going concern

As the Company disposed of its trade and assets in July and August 2014 to external companies to the group, as required by IAS 1 Presentation of Financial Statements, the accounts have been prepared on the basis other than that of a going concern.

Critical accounting estimates and judgements

There are no critical accounting estimates.

Profit from operations

Profit from operations is stated before net interest costs.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is not provided on temporary differences arising on investments in subsidiaries, as the Company controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Financial instruments

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Dividends

Final dividends proposed by the Board and unpaid at the end of the year are not recognised in the financial statements until they have been approved by the shareholders at the Annual General Meeting. Interim dividends are recognised when they are paid.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2015

2. REVENUE

	2015 £'000	2014 £'000
To external customers	-	41,961
To group companies	-	46
	-	42,007

There was only one class of business being motor vehicle franchises.

3. INTEREST PAYABLE

	2015 £'000	2014 £'000
Interest payable:		
Interest on consignment stocks	-	165
Bank interest	-	32
Interest payable	-	197

4. PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation is calculated after taking into account the following items		
Staff costs (note 6)	-	1,640
Operating leases - Property	-	184
Depreciation	-	216
Amortisation	-	196
Impairment of goodwill	-	2,061
Fees payable to the Company's auditor for the audit of the Company's annual accounts	-	10
Fees payable to the Company's auditor for taxation services	-	2

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015 £'000	2014 £'000
Corporation tax:		
Corporation tax in relation to prior years	696	-
Tax credit for the year	696	-

The tax credit was affected by the following factors:

	2015 %	2014 %
Standard rate of corporation tax	20.3	21.5
Group relief	(20.3)	(21.5)
Effective rate of tax on current profit	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2015

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Directors emoluments were borne by Lookers plc and not recharged. This is because fair apportionment is not possible as services are provided to multiple entities (2014: same).

	2015 No.	2014 No.
Average number of persons employed (including Directors)		
Production	-	23
Sales and distribution	-	57
Administration	-	9
	-	89

	£'000	£'000
Staff costs during the year		
Wages and salaries	-	1,471
Social security costs	-	156
Pension costs	-	13
	-	1,640

7. GOODWILL

	2015 £'000	2014 £'000
Cost		
At 1 January and 31 December	2,613	2,613
Amortisation		
At 1 January	2,613	356
Charge for the year	-	196
Impairment on sale to third party	-	2,061
At 31 December	-	2,613
Net book value at 31 December	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2015

8. TRADE AND OTHER PAYABLES

	2015 £'000	2014 £'000
Amounts owed to group undertakings	2,958	3,620
	2,958	3,620

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

9. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2015 £'000	2014 £'000
Financial liabilities		
Amortised cost (see note 8)	2,958	3,620

10. DEFERRED TAX

	2015 £'000	2014 £'000
Deferred tax liability at 1 January	34	34
Transferred to group company	(34)	-
Deferred tax liability at 31 December	-	34

11. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Called up, allotted and fully paid		
1 ordinary shares of £1	1	1

12. STATEMENT OF MOVEMENTS ON RESERVES

	Retained losses £'000
At 1 January 2015	(3,654)
Profit for the year	696
	(2,958)

13. FINANCIAL COMMITMENTS

Contingent liabilities

The Company is jointly and severally liable under cross guarantees within the Lookers plc group for loans and overdrafts. The total group borrowings at the year-end amounted to £95,000,000 (2014: £42,500,000).

The weighted average interest rate paid during the year on the bank loans was 1.89% (2014: 1.89%).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2015

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the reduced disclosure exemption available in FRS 101 to disclose transactions entered into between the Company and other fully owned subsidiaries of Lookers Plc.

The Company's key management are remunerated by its ultimate parent undertaking, Lookers plc and accordingly these amounts are disclosed in the consolidated financial statements of Lookers plc. Their management of the Company forms only a small part of their responsibilities within the wider Lookers Company and so it is not possible to accurately identify that element of their remuneration which is directly attributable to Colborne (HGG) 2012 Limited.

15. ULTIMATE PARENT COMPANY

In the opinion of the Directors, the Company's ultimate parent and controlling Company is Lookers plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Lookers plc is registered in England and Wales and copies of the financial statements of both companies can be obtained from Lookers plc, 776 Chester Road, Stretford, Manchester, M32 0QH.