

Registered Number 02470318

Jardine Motors Group UK Limited

**Annual report and consolidated financial
statements for the year ended 31 December 2018**

THURSDAY



S8BVCYFT

SCT

15/08/2019

#388

COMPANIES HOUSE

Jardine Motors Group UK Limited

Annual report and consolidated financial statements for the year ended 31 December 2018

Contents

Directors and advisors	1
Strategic report	2
Directors' report	4
Independent auditors' report to the members of Jardine Motors Group UK Limited.....	9
Consolidated income statement	12
Consolidated statement of comprehensive income	13
Consolidated balance sheet.....	14
Company balance sheet	15
Consolidated statement of changes in equity.....	16
Company statement of changes in equity	17
Consolidated cash flow statement	18
Notes to the financial statements	19

Jardine Motors Group UK Limited

Directors and advisors for the year ended 31 December 2018

Directors

D N Williamson

M D Bishop (resigned 1st January 2019)

D J Muir (appointed 1st January 2019)

Lord Sassoon, Kt

(non-executive)

P Hawkins

(non-executive)

A Keswick

(non-executive)

Company secretary

M Finch

Registered office

770 The Crescent

Colchester Business Park

Colchester

Essex

CO4 9YQ

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

The Maurice Wilkes Building

St John's Innovation Park

Cowley Road

Cambridge

CB4 0DS

Solicitors

Eversheds Sutherland LLP

Kett House

Station Road

Cambridge

CB1 2JY

Bankers

HSBC Bank plc

Midland House

26 North Station Road

Colchester

CO1 1SY

Lloyds Bank plc

25 Gresham Street

London

EC2V 7HN

Jardine Motors Group UK Limited

Strategic report for the year ended 31 December 2018

The directors present their strategic report of the group and the company for the year ended 31 December 2018.

Principal activities

The group's principal activity is the retail distribution of motor vehicles and related activities in the motor trade. The company is a holding company for subsidiaries operating in the motor trade.

Review of the business

The group's mission is to be the best motor retail group in the UK by delivering an unparalleled level of customer service. It aims to achieve this by retaining existing and adding new customers, improving its operational effectiveness and growing sales volumes profitably whilst investing in the development and retention of its employees.

The UK new car market declined by 6.8% during 2018, total passenger car registrations amounted to 2.37 million units. The brands represented by the group experienced a fall in registrations, on a like for like basis, of 6.2%.

Group operating profit of £12.5m is a reduction on prior year (2017: £17.1m including £2.4m VAT refund) reflecting the downturn in the UK new car market.

The group's developments

Following several years of growth, through net acquisitions and organic expansion, the group concentrated its efforts during 2018 on consolidating and enhancing its position with its existing portfolio of brands and dealerships.

The group has continued its core operating strategy of improving its focus on operational effectiveness in sales and aftersales, customer service and retention, community engagement and staff engagement. The group continued to invest in and develop the various initiatives under this strategy during the year.

During the year the group completed its investment programme in its Jaguar and Land Rover portfolio of dealerships and their transition to the brand's Dual Arch concept.

In early January 2018, the group completed and opened a new Porsche dealership in Sidcup taking its representation of the Porsche brand to four Porsche centres.

On 2 January 2018, the group sold the trade and net assets of two Bentley dealerships in Colchester and Sevenoaks for a net consideration of £0.8m.

Key Performance Indicators (KPIs) and principal risks and uncertainties

The group measures performance of each dealership throughout the year against certain pre-determined KPIs including return on sales and investment, as well as operating metrics based on sales volumes and profit margins.

Jardine Motors Group UK Limited

Strategic report for the year ended 31 December 2018 (continued)

Key Performance Indicators (KPIs) and principal risks and uncertainties (continued)

The group's KPIs during the year were:

	2018	2017
Retail return on sales %	0.6	1.0
Gross profit %	7.9	7.8
Operating profit (£,000)	12,518	17,143
New car sales	35,234	38,210
Used car sales	31,913	29,984

The group maintains a robust risk management framework as outlined in the Directors' report to ensure that we identify the most significant risks the group faces and that appropriate management focus is given to actions to respond to identified or emerging risks. A compliance programme is in place as is a fraud detection and whistleblowing programme.

The key risks facing the business are: failure to deliver our strategic goals of growth in market share, improvement in margins and control of working capital. There is a day to day focus on these goals through our operating and risk management frameworks.

Other risks include failure to maintain our brand and reputation for customer service and our relationships with our brand partners; and disruption to the global supply chain which may impact our brand partners. We are focussed on maintaining and improving our relationships and reputation with both our customers and our brand partners.

The group's position

We believe our strengths lie in our balanced portfolio of existing franchise partners in the growing premium sectors supported by our investment in freehold property, strong balance sheet, committed funding lines and shareholder support. At the year end the group had net current assets of £94.5m (2017: £91.9m).

Future developments

The group's operational focus is to continue to grow with its selected franchise partners both organically and through acquisition where real value opportunities arise. A key part of this growth plan is through customer and employee retention and continued investment in delivering a modern customer retail experience.

By order of the Board



M Finch
Company secretary
21 June 2019

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2018

The directors present their annual report and the audited consolidated financial statements of the group and the company for the year ended 31 December 2018.

Principal activities

The principal activities of the business are discussed in the strategic report on page 2.

Review of the business and future developments

The review of the business and future developments are discussed in the strategic report on pages 2 and 3.

Principal risks and uncertainties

The principal risks and uncertainties facing the group are discussed in the strategic report on pages 2 and 3.

Financial risk management

a) Funding and liquidity risk

The group's policy is to ensure that the funding requirements forecast by the group can be met within available committed bank facilities. The group has committed facilities in place expiring after 12 months of the audit date.

The group holds motor manufacturer funding facilities with each of its franchise partners. These incur stocking charges tied to Finance House Base Rate (FHBR) and are secured against vehicles held mostly on consignment, which can be returned to the manufacturer. The sizes of the facilities are reviewed by the group and manufacturers annually in line with operating needs.

The group continues to operate comfortably within its available bank facilities limits and its forecasts for the forthcoming year show this position continuing.

b) Interest rate risk

The group's interest rate practice is to manage the risk of interest rate fluctuations on the cash flows payable on the group's debt. Interest rates remain low and the group continues to monitor this on a daily basis. With the maintained low interest rates the group does not currently consider a hedging exercise to be appropriate in the current market conditions.

c) Credit risk

An external credit risk company is used to check the credit ratings of counterparties and limit the group's exposure to credit risk. Credit ratings are updated both throughout the year and also upon credit alerts received from the credit risk company.

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2018 (continued)

Corporate governance

As a member of the Jardine Matheson group of companies, corporate governance of the Jardine Motors Group UK Limited group of companies relies on a combination of shareholder, board and management supervision together with strict financial, internal audit and risk management procedures.

The company has a Board consisting of five directors; two executive and three non-executive. The Board meets regularly throughout the year to review the overall performance of the group, to agree strategy and discuss all issues that have either arisen or are facing the group. The company has a Risk Management and Compliance Committee ("RMCC") to which the internal auditors report twice yearly on the effectiveness of the group's internal controls. Any reports from external auditors are also reviewed by the RMCC.

The group's internal audit function performs both operational and financial audits, together with follow up visits within three months of the issued report. All internal audit reports are issued to the RMCC, the board of executive directors and the respective management teams. Dealerships are also subject to annual health and safety audits and regular operational audits from manufacturers.

The group also has a dedicated FCA compliance team. This team specifically audits each dealership for FCA compliance with regular follow up audits.

Below the Board, the group has a management committee that regularly meets. This committee consists of both the group's executive and its subsidiary operational directors covering each discipline of the business and is chaired by the group's CEO. The committee reviews all aspects of the group's activities and provides clear guidance and direction for the effective management of all parts of the business. The executive directors also produce a corporate risk register that is updated and presented to the RMCC and the Board on a regular basis.

Further committees are established as required to oversee individual areas within the group's control structure. A key established committee is the risk management forum that is tasked with monitoring day to day operating risks and making recommendations to the management committee.

The group operates a delegation of authority matrix for its management teams below directorship level and this is monitored through monthly performance reviews at every dealership, where the local management teams meet with operational directors to review performance.

Results and dividends

The results of the group for the year are set out in the Consolidated income statement on page 12.

The directors have not declared nor paid a dividend during the year (2017: none).

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2018 (continued)

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

D N Williamson

M D Bishop (resigned 1st January 2019)

D J Muir (appointed 1st January 2019)

Lord Sassoon, Kt *

P Hawkins

A Keswick *

The directors of any parent companies are marked with an asterisk, these include Jardine Motors Group Holdings Limited and Jardine Matheson Holdings Limited.

Qualifying third party indemnity provisions

No qualifying third party indemnity provision was in force during the financial year ended 31 December 2018 or at the date of this report.

Employees and equal opportunities

The group is committed to an active equal opportunities policy from recruitment and selection, through training and development, appraisal and promotion to retirement.

It is the group's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex and sexual orientation. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion opportunities of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the group as a whole. Communication with all employees continues through internal newsletters, briefing groups, electronic communications and the group's internal printed periodical 'Torque'.

Political donations

During the year, the group made no political contributions (2017: £nil).

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2018 (continued)

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

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

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

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

Jardine Motors Group UK Limited

Directors' report for the year ended 31 December 2018 (continued)

Independent auditors

The group has passed an elective resolution under section 487 of the Companies Act 2006 to dispense with the formal requirement to reappoint auditors annually.

In the absence of notice proposing that the appointment be terminated, PricewaterhouseCoopers LLP will remain in office for the next financial year.

By order of the Board

A handwritten signature in black ink, appearing to read 'M Finch', written in a cursive style.

M Finch
Company secretary
21 June 2019

Jardine Motors Group UK Limited

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

Report on the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2018 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and consolidated financial statements (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 December 2018; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the

Jardine Motors Group UK Limited

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

Reporting on other information (continued)

financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

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 year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Jardine Motors Group UK Limited

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

Auditors' responsibilities for the audit of the financial statements (continued)

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

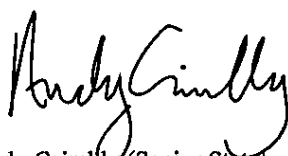
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Andy Grimbley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
24 June 2019

Jardine Motors Group UK Limited

Consolidated income statement for the year ended 31 December 2018

	Note	Continuing operations 2018 £'000	Continuing operations 2017 £'000	Discontinued operations 2017 £'000	Total 2017 £'000
Group Turnover	5	2,117,885	2,015,898	46,896	2,062,794
Cost of sales		(1,951,247)	(1,858,998)	(43,560)	(1,902,558)
Gross profit		166,638	156,900	3,336	160,236
Selling and distribution costs		(101,215)	(87,841)	(2,700)	(90,541)
Administrative expenses		(52,905)	(53,411)	(1,559)	(54,970)
Other operating income	6	-	2,418	-	2,418
Operating profit/(loss)	5	12,518	18,066	(923)	17,143
Exceptional items	7	3,116	394	-	394
Profit/(loss) before interest and taxation		15,634	18,460	(923)	17,537
Interest receivable and similar income	11	-	4,901	-	4,901
Interest payable and similar expenses	11	(5,548)	(4,019)	(97)	(4,116)
Finance expenses	11	(3,028)	(229)	-	(229)
Profit/(loss) before taxation		7,058	19,113	(1,020)	18,093
Tax on profit/ (loss)	12	(1,712)	(4,403)	197	(4,206)
Profit/(loss) for the financial year		5,346	14,710	(823)	13,887

Jardine Motors Group UK Limited

Consolidated statement of comprehensive income for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Profit for the financial year		5,346	13,887
Re-measurement of net defined benefit obligation	23	(2,692)	15,238
Total tax on components of other comprehensive (expense)/income	12(b)	457	(2,590)
Total comprehensive income for the financial year		3,111	26,535

Jardine Motors Group UK Limited

Consolidated balance sheet as at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	13	22,555	26,817
Tangible assets	14	159,537	142,887
		182,092	169,704
Current assets			
Stocks	16	292,193	288,286
Debtors	17	98,852	93,074
Cash at bank and in hand		622	1,431
		391,667	382,791
Creditors - amounts falling due within one year	18	(297,126)	(290,887)
Net current assets		94,541	91,904
Total assets less current liabilities		276,633	261,608
Creditors – amounts falling due after more than one year	19	(119,000)	(111,000)
Provisions for liabilities	21	(2,129)	(1,408)
Pension liability	23	(24,244)	(21,051)
Net assets		131,260	128,149
Capital and reserves			
Called up share capital	24	97,500	97,500
Retained earnings		33,760	30,649
Total equity		131,260	128,149

The group's result for the financial year amounted to a profit of £5,346,000 (2017: profit of £13,887,000).

The notes on pages 19 to 47 are an integral part of these financial statements.

The financial statements on pages 12 to 47 were approved by the board of directors on 21 June 2019 and were signed on its behalf by:



D Muir
Director

Jardine Motors Group UK Limited
Registered Number 02470318

Jardine Motors Group UK Limited

Company balance sheet as at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments	15	51,511	51,511
		51,511	51,511
Current assets			
Debtors	17	119,586	180,835
Cash at bank and in hand		49,792	-
		169,378	180,835
Creditors - amounts falling due within one year	18	(7,515)	(27,618)
Net current assets		161,863	153,217
Total assets less current liabilities		213,374	204,728
Creditors – amounts falling due after more than one year	19	(79,000)	(71,000)
Pension liability	23	(24,405)	(24,405)
Net assets		109,969	109,323
Capital and reserves			
Called up share capital	24	97,500	97,500
Retained earnings		12,469	11,823
Total equity		109,969	109,323

The company's result for the financial year amounted to a profit of £189,000 (2017: loss of £160,000).

The notes on pages 19 to 47 are an integral part of these financial statements.

The financial statements on pages 12 to 47 were approved by the board of directors on 21 June 2019 and were signed on its behalf by:



D Muir
Director

Jardine Motors Group UK Limited
Registered Number 02470318

Jardine Motors Group UK Limited

Consolidated statement of changes in equity for the year ended 31 December 2018

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2017	97,500	4,114	101,614
Total comprehensive income for the year			
Profit for the financial year	-	13,887	13,887
Other comprehensive income for the year	-	12,648	12,648
Total comprehensive income for the year	-	26,535	26,535
Balance at 31 December 2017	97,500	30,649	128,149
	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018	97,500	30,649	128,149
Total comprehensive income for the year			
Profit for the financial year	-	5,346	5,346
Other comprehensive expense for the year	-	(2,235)	(2,235)
Total comprehensive income for the year	-	3,111	3,111
Balance at 31 December 2018	97,500	33,760	131,260

Jardine Motors Group UK Limited

Company statement of changes in equity for the year ended 31 December 2018

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2017	97,500	14,573	112,073
Total comprehensive expense for the year			
Loss for the financial year	-	(160)	(160)
Other comprehensive expense for the year	-	(2,590)	(2,590)
Total comprehensive expense for the year	-	(2,750)	(2,750)
Balance at 31 December 2017	97,500	11,823	109,323

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018	97,500	11,823	109,323
Total comprehensive income for the year			
Profit for the financial year	-	189	189
Other comprehensive income for the year	-	457	457
Total comprehensive income for the year	-	646	646
Balance at 31 December 2018	97,500	12,469	109,969

Jardine Motors Group UK Limited

Consolidated cash flow statement for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Net cash from operating activities	26	36,843	2,115
Taxation paid		(2,187)	(3,948)
Net cash flow generated from/(used in) operating activities		34,656	(1,833)
Cash flow from investing activities			
Acquisitions (net of cash acquired)		-	(11,052)
Disposals (net of cost of disposals)		788	13,122
Purchase of tangible assets	14	(28,905)	(49,377)
Proceeds from disposals of tangible assets		5,700	2,952
Interest received	11	-	4,901
Net cash used in investing activities		(22,417)	(39,454)
Cash flow from financing activities			
Interest paid	11	(5,548)	(4,116)
Net cash used in financing activities		(5,548)	(4,116)
Net increase/(decrease) in cash and cash equivalents		6,691	(45,403)
Cash and cash equivalents at the beginning of the year		(92,569)	(47,166)
Cash and cash equivalents at the end of the year		(85,878)	(92,569)
Cash and cash equivalents consists of:			
Cash at bank and in hand		622	1,431
Bank loans and overdrafts	20	(86,500)	(94,000)
Cash and cash equivalents		(85,878)	(92,569)

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12 (b) not to present the company statement of cash flows.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

1 General information

The principal activity of Jardine Motors Group UK Limited (the 'Company') and its subsidiaries (together 'the Group') is the retail distribution of motor vehicles and related activities in the motor trade.

The company is a private company limited by shares and is incorporated in England, United Kingdom. The address of its registered office is 770 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9YQ.

2 Statement of compliance

The group and individual financial statements of Jardine Motors Group UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

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

Basis of preparation

These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The company has taken advantage of the exemption in section 405 of the Companies Act from presenting its individual profit and loss account.

Going concern

The group meets its day-to-day working capital requirements through its bank facilities. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

3 Summary of significant accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows; and
- from disclosing the company key management personnel compensation, as required by FRS 102, paragraph 33.7.

Basis of consolidation

The group financial statements include the company and all its subsidiaries. Each subsidiary has adopted the group's accounting policies. All material intercompany transactions, balances and unrealised profits and losses on transactions between group companies have been eliminated.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the balance sheet, the acquired identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated income statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

Turnover

Turnover comprises the value of sales of motor vehicles and parts, income from financing agreements and income from servicing and repairing of vehicles. Value added tax and discounts are excluded.

Turnover from the sale of goods is recognised upon transfer to a third party of economic benefits arising from the use of an asset or service. In practice this means that turnover is recognised when vehicles are invoiced and physically dispatched or when the service has been undertaken.

Exceptional items

The group classifies certain one-off charges or credits that have a material impact on the group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the group.

Employee benefits

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and contribution pension plans.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

3 Summary of significant accounting policies (continued)

Employee benefits (continued)

(i) Pensions

The group operates one principal hybrid scheme, which is in part defined benefit and in part defined contribution, and one principal defined contribution pension scheme. Trustees administer all of these schemes and their funds are independent of the group's assets. The hybrid scheme is a legacy closed scheme to which the group no longer accepts new entrants.

The defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the group in *independently administered funds*.

The liability recognised in the balance sheet in respect of the hybrid scheme is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments.

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit obligation'.

The cost of the defined benefit plan, recognised in comprehensive income as employee costs, except where included in the cost of an asset, comprises:

- the increase in pension benefit liability arising from employee service during the period; and
- the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. The cost is recognised in comprehensive income as a finance charge within 'Interest and other net finance expenses'.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

3 Summary of significant accounting policies (continued)

Employee benefits (continued)

(ii) Long term incentive plans

The group operates cash-settled long term incentive plans at an operating business level for certain members of management. The plans are based on both individual business and the group's performance over a three year period measured against budget. A liability for the plan is raised on the estimated amount payable in terms of the incentive scheme plans.

Taxation

Current tax is the amount of corporation tax payable provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Goodwill

Goodwill arising on acquisition, being the difference between the fair value of net assets acquired and the consideration paid, is recognised in the balance sheet as an intangible fixed asset and amortised through comprehensive income over the directors' estimate of its useful life, being ten years.

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

On a subsequent disposal or termination of a previously acquired business, the profit or loss on disposal or termination is calculated after charging the amount of any related goodwill not written off through the profit and loss account, including any previously taken direct to reserves.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on tangible fixed assets in equal annual instalments over their expected useful economic lives as follows:

Freehold and long leasehold buildings	-	2% per annum
Short leasehold land and buildings	-	over term of lease
Plant and machinery	-	10% - 33% per annum
Computer equipment	-	20% - 33% per annum
Furniture, equipment and motor vehicles	-	10% - 33% per annum

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

3 Summary of significant accounting policies (continued)

Tangible fixed assets and depreciation (continued)

No depreciation is provided on freehold and long leasehold land as it is deemed to have an indefinite life. The profit or loss on disposal of tangible fixed assets is recognised by reference to their carrying amount.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less provision for impairment in the financial statements of the company. Provision against the underlying value of the group investments in subsidiaries is made where, in the opinion of the directors, there is impairment to the value of the underlying business.

Leased assets

Operating lease rentals are charged to comprehensive income on a straight-line basis over the term of the lease.

Where assets are financed by leasing arrangements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to comprehensive income over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to comprehensive income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Impairment

Goodwill is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. The group performs impairment reviews using the forecast net future cash flows of the businesses affected, discounted to net present value using the group's cost of capital. Any impairment provision is offset directly against the underlying assets of the business deemed to have suffered the impairment.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is actual purchase price, excluding value added tax. Stock includes interest-bearing consignment stock, the corresponding liabilities of which are included in creditors. *Consignment stock that is non-interest bearing is not considered an asset of the group and is excluded.* Net realisable value is based on estimated selling price less further costs to be incurred to completion and disposal. Provision is made where necessary for obsolete, slow moving and defective stocks.

Trade and other debtors

Trade debtors are recognised and measured at their original invoiced amount less provision for any uncollectable amounts. An estimate for doubtful debts is made when the collection of the full amount is no longer probable. Bad debts are written off to comprehensive income when they are identified.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

3 Summary of significant accounting policies (continued)

Cash and cash equivalents

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

Provisions

The group provides in full for liabilities when it has a legal or constructive obligation arising from a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Related party transactions

The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

4 Critical accounting judgements and estimation uncertainty

The preparation of consolidated financial statements under FRS 102 requires the group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates, judgements and assumptions to the carrying amount of assets and liabilities within the next financial year are discussed below.

a) Impairment of goodwill and other fixed assets

As required, the group applies procedures to ensure that its assets are carried at no more than their recoverable amount. The procedures require estimates and assumptions to be made.

The group is required to test whether goodwill has suffered any impairment if a trigger event occurs. As part of this testing, the recoverable amounts of cash generating units (CGUs) have been determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows expected to arise from the continuing operation of the CGU and the choice of suitable discount rates in order to calculate the present value of the forecast cash flows. Actual outcomes could vary significantly from these estimates.

The group's property portfolio is reviewed for impairment at each year-end by reference to third party desk top valuations or formal valuations every three years.

b) Stock

As stocks are carried at the lower of cost and net realisable value this requires the estimation of the eventual sales price of goods to customers in the future. A high degree of judgement is applied when estimating the impact on the carrying value of stock of factors such as obsolete, slow moving and defective stocks. The quantity, age and condition of stocks are regularly measured and assessed as part of a range of reviews and stock counts undertaken throughout the year and across the group.

c) Tax estimates

The calculation of the group's total tax charge for the year necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined at the reporting date. To the extent that the final outcome differs from the tax that has been provided, adjustments will be made to corporation tax and deferred tax provisions. Furthermore, the recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits, based on the latest available profit forecasts, will be available in the future against which the reversal of timing differences can be deducted.

d) Post-employment benefits

The present value of the defined benefit pension liabilities recognised on the balance sheet is dependent on a number of assumptions including interest rates of high quality corporate bonds, inflation and mortality rates. The net interest expense or income is dependent on the interest rates of high quality corporate bonds. The assumptions are based on the conditions at the time and changes in these assumptions can lead to significant movements in the estimated obligations.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

5 Turnover and operating profit

All turnover, operating profit and net assets of the group's subsidiary undertakings are derived from retail and commercial motor trade activities transacted from dealerships within the United Kingdom.

	2018 £'000	2017 £'000
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets (note 14)	9,604	7,636
Profit on disposal of fixed assets	(115)	(186)
Profit on disposal of Bentley businesses	(208)	-
Net provision provided / (released) for lease exit costs (note 21)	741	(777)
Amortisation of goodwill (note 13)	4,262	4,746
Impairment of trade debtors (note 17)	282	556
Operating lease charges - land and buildings	13,446	12,580
Operating lease charges - plant and machinery	842	715
Services provided by the company's auditors		
- the audit of parent company and consolidated financial statements	25	28
- the audit of company's subsidiaries pursuant to legislation	276	313
- other services pursuant to legislation	39	85

Total fees paid to PricewaterhouseCoopers LLP for non-audit services were £39,000 (2017: £85,000); consisting of £13,000 (2017: £63,000) for services related to taxation advisory and £26,000 (2017: £22,000) for services related to the pension scheme.

6 Other operating income

	2018 £'000	2017 £'000
VAT refund	-	2,418

During 2017 the group made a recovery of historic overpaid VAT on sales of second-hand vehicles relating to the period 1973 to 1992. The net amounts received are recognised within other operating income for 2017. Interest in respect of such receipts is shown in note 11.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

7 Exceptional items

	2018 £'000	2017 £'000
Profit on sale of freehold property	3,116	-
Profit on disposals of dealerships	-	1,844
Stock write down	-	(1,450)
	3,116	394

8 Company profit and loss account

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 and consequently a profit and loss account for Jardine Motors Group UK Limited is not presented. The company's result for the financial year amounted to a profit of £189,000 (2017: loss of £160,000).

9 Employees

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

	2018 Number	2017 Number
Sales	1,042	1,116
Aftersales	1,714	1,866
Administration	692	696
	3,448	3,678

The costs incurred in respect of these employees were:

	2018 £'000	2017 £'000
Wages and salaries	121,709	117,492
Social security costs	14,193	13,541
Other pensions costs (note 23)	1,899	1,484
	137,801	132,517

The company has no (2017:nil) employees other than the executive directors whose emoluments are disclosed in note 10.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

10 Directors

	Total directors		Highest paid director	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Aggregate emoluments	1,201	1,205	601	662
Post-employment benefits	56	59	46	10
	1,257	1,264	647	672

There are no retirement benefits accruing to the executive directors under defined benefit schemes (2017: none).

Key management compensation

The directors consider the only key management are the directors disclosed above.

11 Interest and other net finance expenses

	2018 £'000	2017 £'000
Interest receivable and similar income		
Interest associated with VAT refund (note 6)	-	4,901

	2018 £'000	2017 £'000
Interest payable and similar expenses		
Bank loans and overdrafts	894	522
Interest paid to fellow group companies	692	605
Stocking loan interest	3,962	2,989
	5,548	4,116

	2018 £'000	2017 £'000
Finance expenses		
Pension charge (note 23)	2,947	23
Unwinding of discount in provisions (note 21)	81	206
	3,028	229

Unwinding of discount in provisions is in respect of the lease exit costs provision (note 21).

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

12 Tax on profit

(a) Tax expense included in comprehensive income	2018 £'000	2017 £'000
Current tax:		
UK corporation tax at 19.00% (2017: 19.25%)	2,550	5,189
Adjustments in respect of prior years	(346)	(1,493)
Total current tax	2,204	3,696
Deferred tax:		
Pension deficit	(200)	475
Accelerated capital allowances	115	385
Intangible fixed assets	(141)	(66)
Other short term temporary differences	131	(541)
Adjustments in respect of prior years	(397)	257
Total deferred tax (note 22)	(492)	510
Tax on profit	1,712	4,206
(b) Tax expense included in other comprehensive income	2018 £'000	2017 £'000
Deferred tax:		
Gain/(loss) relating to pension liability (note 22)	457	(2,590)
Total tax included in other comprehensive income	457	(2,590)

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

12 Tax on profit (continued)

(c) Reconciliation of tax charge

The tax assessed for the year is higher (2017: higher) than the standard rate of corporation taxation in the UK of 19.00% (2017: 19.25%). The differences are explained below:

	2018 £'000	2017 £'000
Profit before taxation	7,058	18,093
Profit before taxation multiplied by standard corporation tax rate in the UK at 19.00% (2017: 19.25%)	1,341	3,483
Effects of:		
Non-taxable disposal gains	(592)	(167)
Net chargeable gains on disposals in year	-	650
Expenses not deductible for tax purposes	1,958	1,304
Net temporary differences: effect of change in tax rates	(252)	172
Adjustments in respect of prior years	(743)	(1,236)
Total tax charge for the year	1,712	4,206

(d) Tax rate changes

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

13 Intangible assets

Group	Goodwill £'000
Cost	
At 1 January and 31 December 2018	53,201
Accumulated amortisation	
At 1 January 2018	26,384
Charge for the year	4,262
At 31 December 2018	30,646
Net book amount	
At 31 December 2018	22,555
At 31 December 2017	26,817

Company

The company has no intangible assets (2017: £nil).

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

14 Tangible assets

Group	Land and buildings		Plant and machinery £'000	Computer equipment £'000	Furniture, equipment and motor vehicles £'000	Total £'000
	Freehold and long leasehold £'000	Short leasehold £'000				
Cost						
At 1 January 2018	110,131	23,883	23,290	8,528	19,985	185,817
Reclassification	(4,080)	1,589	-	-	-	(2,491)
Revised at 1 January 2018	106,051	25,472	23,290	8,528	19,985	183,326
Additions	18,473	3,740	3,489	1,333	1,870	28,905
Disposals	(2,705)	(346)	(52)	(1)	(28)	(3,132)
Reclassification	54	4,417	(4,471)	-	-	-
At 31 December 2018	121,873	33,283	22,256	9,860	21,827	209,099
Accumulated depreciation						
At 1 January 2018	10,132	9,739	8,530	5,902	8,627	42,930
Reclassification	(4,080)	1,589	-	-	-	(2,491)
Revised at 1 January 2018	6,052	11,328	8,530	5,902	8,627	40,439
Charge for the year	1,375	2,384	1,951	1,255	2,639	9,604
Disposals	(153)	(270)	(32)	(1)	(25)	(481)
At 31 December 2018	7,274	13,442	10,449	7,156	11,241	49,562
Net book amount						
At 31 December 2018	114,599	19,841	11,807	2,704	10,586	159,537
At 31 December 2017	99,999	14,144	14,760	2,626	11,358	142,887

The above reclassification has been made to better reflect the allocation of cost and accumulated depreciation following a review by the Directors.

Company

The company has no tangible assets (2017: £nil).

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

15 Investments

Company	£'000
Cost	
At 1 January and 31 December 2018	51,511
Provision	
At 1 January and 31 December 2018	-
Net book amount	
At 31 December 2018	51,511
At 31 December 2017	51,511

Investments include the following:

Subsidiary Undertaking	Class of Share	Principal Activity
Abridge Loughton TPS Limited	Ordinary	Wholesale trade parts centre
Appleyard Commercial Vehicles Limited	Ordinary	Dormant
Appleyard Group Limited	Ordinary	Holding company for non-trading subs
Appleyard Investments Limited	Ordinary	Dormant
Appleyard Midlands Limited	Ordinary	Dormant
Appleyard Pensions (Nominees) Limited	Ordinary	Dormant
Appleyard Properties Limited	Ordinary	Dormant
Appleyard Specialist Cars Limited	Ordinary	Dormant
Appleyard Volume Cars Limited	Ordinary	Dormant
Beechwood Birmingham Limited	Ordinary	Dormant
Carrs (Holdings) Limited	Ordinary	Property owning company
Chiltern Forecourts Limited	Ordinary	Dormant
City Motors (Oxford) Limited	Ordinary	Dormant
Clover Leaf Cars (Ascot) Limited	Ordinary	Dormant
Clover Leaf Cars (Farnham) Limited	Ordinary	Dormant
Clover Leaf Cars (Henley) Limited	Ordinary	Dormant
Clover Leaf Cars (Holdings) Limited	Ordinary	Dormant
Clover Leaf Cars Limited	Ordinary	Dormant
Continental Cars (Stansted) Limited	Ordinary	Dormant
Fast Fix Super Service Centre Limited	Ordinary	Dormant
Home Counties Finance Corporation Limited	Ordinary	Dormant
Irsal Limited	Ordinary	Dormant
Jardine Motors Management Services Limited	Ordinary	Dormant
Jardine Motors Pension Trustees Limited	Ordinary	Trustee co. for the group pension scheme
Jardine Motors Services Limited	Ordinary	Dormant
L S Design Limited	Ordinary	Dormant
Lancaster Bow Limited	Ordinary	Dormant
Lancaster Cars Limited	Ordinary	Retail distribution of motor vehicles and the supply of related goods and services
Lancaster Europa Limited	Ordinary	Dormant
Lancaster Garages (Colchester) Limited	Ordinary	Dormant

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

15 Investments (continued)

Subsidiary Undertaking	Class of Share	Principal Activity
Lancaster Garages (European) Limited	Ordinary	Dormant
Lancaster Garages (Norwich) Limited	Ordinary	Dormant
Lancaster Garages (Scandinavian) Limited	Ordinary	Dormant
Lancaster Hertford Limited	Ordinary	Dormant
Lancaster Jaguar Sevenoaks Limited	Ordinary	Dormant
Lancaster Lakeside Limited	Ordinary	Dormant
Lancaster Luxury Cars Limited	Ordinary	Dormant
Lancaster Luxury Vehicles Limited	Ordinary	Retail distribution of motor vehicles and the supply of related goods and services
Lancaster Medway Limited	Ordinary	Dormant
Lancaster Motor Company Limited	Ordinary	Retail distribution of motor vehicles and the supply of related goods and services
Lancaster Motors (Dormant) Limited	Ordinary	Dormant
Lancaster Public Limited Company	Ordinary	Holding company for subsidiaries operating in the motor trade, provides management services to the group and owns property
Lancaster Sheffield Limited	Ordinary	Dormant
Lancaster Specialist Cars Limited	Ordinary	Retail distribution of motor vehicles and the supply of related goods and services
Lancaster Sports Cars Limited	Ordinary	Retail distribution of motor vehicles and the supply of related goods and services and owns property
Lancaster Truck and Van South West Limited	Ordinary	Dormant
Lancaster Vehicles Limited	Ordinary	Dormant
Lancaster Ventures Limited	Ordinary	Dormant
Lancaster Winchester Limited	Ordinary	Dormant
Lancaster Motors (Property) Limited	Ordinary	Property construction and development
Minories Garages Limited	Ordinary	Dormant
Motorways Limited	Ordinary	Dormant
Oxford Motors Limited	Ordinary	Dormant
Scotthall Cambridge Limited	Ordinary	Dormant
Scotthall Leeds Limited	Ordinary	Dormant
Scotthall Limited	Ordinary	Dormant
Shoreline Cars Limited	Ordinary	Dormant
Spencers Limited	Ordinary	Dormant
Wayside (auto cz) Limited	Ordinary	Dormant
Wayside Audi (Hitchin) Limited	Ordinary	Dormant
Wayside Audi Limited	Ordinary	Dormant
Wayside Aylesbury Limited	Ordinary	Dormant
Wayside Garages Limited	Ordinary	Dormant
Wayside Group Limited	Ordinary	Property owning and holding company
Wayside Milton Keynes Limited	Ordinary	Dormant
Wayside North Bucks Limited	Ordinary	Dormant
Wayside North Herts Limited	Ordinary	Dormant
Wayside St Albans Limited	Ordinary	Dormant
Wayside Towcester Limited	Ordinary	Dormant
Wayside Trade Parts Limited	Ordinary	Wholesale trade parts centres

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

15 Investments (continued)

Subsidiary Undertaking	Class of Share	Principal Activity
Wayside Van Centres Limited	Ordinary	Dormant
Wayside Volkswagen Limited	Ordinary	Dormant
Wheelmaster Limited	Ordinary	Dormant
Wiggins Winchester Limited	Ordinary	Dormant

All of the above subsidiary undertakings of the company as at 31 December 2018 had registered address of 770 The Crescent, Colchester Business Park, Essex, CO4 9YQ.

The following subsidiary undertakings of the company as at 31 December 2018 had registered address of 302 St. Vincent Street, Glasgow, Scotland, G2 5RZ:

Subsidiary Undertaking	Class of Share	Principal Activity
Appleyard Properties (Scotland) Limited	Ordinary	Dormant
Clanford Motors Limited	Ordinary	Dormant
Ian Skelly (Coachworks) Limited	Ordinary	Dormant
Ian Skelly (Glasgow) Limited	Ordinary	Dormant
Ian Skelly (Liverpool) Limited	Ordinary	Dormant
Ian Skelly (Wishaw) Limited	Ordinary	Dormant
Ian Skelly Group Limited	Ordinary	Dormant
JMG (Scotland) Limited	Ordinary	Solely owns shares in JMG LP and acts as the General Partner of the entity
Skelly's Limited	Ordinary	Dormant

The group also owns 100% of the share capital of JMG LP. JMG LP owns freehold properties and sub-lets to Lancaster Motor Company Limited and Lancaster Luxury Vehicles Limited, group subsidiary undertakings, at open market rentals. JMG LP is a Scottish Limited Partnership of which the Partners are all part of Jardine Motors Group UK Limited. The results and balance sheet of JMG LP are consolidated into these financial statements. All other group subsidiary undertakings are wholly owned and are registered and operate in England and Wales.

Appleyard Group Limited, Lancaster Public Limited Company, JMG (Scotland) Limited and Jardine Motors Pension Trustees Limited are held directly. The remainder of the subsidiary undertakings are held indirectly.

All subsidiary undertakings of the group, with the exception of Lancaster Public Limited Company, have taken advantage of the exemption from an audit for the year ended 31 December 2018 available under s479A of the Companies Act 2006 as the company has given a statutory guarantee of all of the outstanding liabilities of the subsidiaries as at 31 December 2018.

All dormant subsidiary undertakings of the group have taken advantage of the exemption from preparing and filing financial statements for the year ended 31 December 2018 available under s394A and s448A of the Companies Act 2006.

In the opinion of the directors, the value of the investments is not less than their carrying value.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

16 Stocks

	Group 2018 £'000	Group 2017 £'000
Consignment vehicles	51,762	62,086
Motor vehicles	231,290	217,897
Parts and other stocks	9,141	8,303
	292,193	288,286

Certain subsidiary undertakings have consignment stock arrangements with suppliers in the ordinary course of business. Vehicles adopted out of consignment stock are generally invoiced at the price ruling at the date of adoption.

Stock held on consignment includes interest-bearing stock, some of which has a corresponding liability included in trade creditors.

Stocks are stated after provision for impairment of £nil (2017: £1,450,000).

Company

The company has no stock (2017: £nil).

17 Debtors

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Trade debtors	51,387	48,637	-	-
Amounts owed by group undertakings	-	-	104,472	164,321
Corporation tax	-	-	12,534	14,670
Deferred tax assets (note 22)	1,873	924	2,383	1,726
Other taxation and social security	-	1,971	3	49
Other debtors	22,214	26,462	-	-
Prepayments and accrued income	23,378	15,080	194	69
	98,852	93,074	119,586	180,835

The amounts owed by group undertakings are unsecured, interest free, have no fixed repayment terms and are repayable on demand.

Trade debtors are stated after provisions for impairment of £282,000 (2017: £556,000).

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

18 Creditors - amounts falling due within one year

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Bank loans and overdrafts (note 20)	7,500	23,000	7,500	23,000
Trade creditors	205,975	197,097	-	4,601
Corporation tax	2,448	2,431	-	-
Other taxation and social security	6,231	4,940	-	-
Other creditors	58,558	47,865	-	-
Accruals and deferred income	16,414	15,554	15	17
	297,126	290,887	7,515	27,618

19 Creditors - amounts falling due after more than one year

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Bank loans and overdrafts (note 20)	79,000	71,000	79,000	71,000
Amounts owed to fellow group company	40,000	40,000	-	-
	119,000	111,000	79,000	71,000

The amounts owed to fellow group company are unsecured and are due for repayment in 2021.

Interest is charged on the amounts owed to fellow group company at 6 months LIBOR plus 1.00%.

20 Loans and other borrowings

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Unsecured bank loans and overdrafts	86,500	94,000	86,500	94,000
The borrowings are repayable as follows:	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Within one year or on demand	7,500	23,000	7,500	23,000
Between two and five years	79,000	71,000	79,000	71,000

Unsecured bank loans and overdrafts

The bank loans and overdrafts of the company and its subsidiary undertakings, Appleyard Group Limited, Lancaster Public Limited Company and Lancaster Public Limited Company's subsidiary undertakings are guaranteed by fellow subsidiaries and Appleyard Group Limited and Lancaster Public Limited Company under the terms of an unlimited multi-lateral cross-guarantee agreement. The overdrafts are renewed annually.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

21 Provisions for liabilities

Group	At 1 January 2018 £'000	Net provision (released)/ provided during the year £'000	Utilised £'000	Unwinding of discount in provisions £'000	At 31 December 2018 £'000
Leasehold dilapidations	50	(50)	-	-	-
Onerous lease costs	1,196	741	-	81	2,018
Deferred consideration	20	-	(20)	-	-
Self-insurance fund	142	(26)	(5)	-	111
	1,408	665	(25)	81	2,129

Leasehold dilapidations

The leasehold dilapidations provision was established to provide for future dilapidation liabilities on certain leasehold properties.

Onerous lease costs

The onerous lease costs provision was established to provide for all future estimated costs which will be payable up to, and including, the date of termination of the leases and was discounted at the average cost of capital of the group.

Deferred consideration

The deferred consideration arose on an acquisition made during 1998, this has been fully unwound during the year.

Self-insurance fund

The self-insurance fund provision was set up to provide for insurance claims in excess of the group's insurance policy cover.

Company

The company has no provisions (2017: £nil).

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

22 Deferred tax assets

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Deferred tax assets comprises:				
Accelerated capital allowances	268	131	-	-
Intangible fixed assets	(1,529)	(1,670)	-	-
Other short term timing difference	751	737	-	-
Deferred tax liability	(510)	(802)	-	-
Deferred tax asset on pension liability	2,383	1,726	2,383	1,726
Net deferred tax assets (note 17)	1,873	924	2,383	1,726

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Movements during the year are as follows:				
At 1 January	924	4,105	1,726	4,792
Amount credited/(charged) to profit and loss (note 12a)	492	(510)	200	(476)
Acquisitions	-	(81)	-	-
Amount taken to other comprehensive income relating to pension liability (note 12b)	457	(2,590)	457	(2,590)
Net deferred tax assets at 31 December	1,873	924	2,383	1,726

The directors consider there will be sufficient taxable profits in the future such as to realise the deferred tax assets.

In addition to the deferred tax above, the group has unutilised ACT tax credits of £2,453,000 (2017: £2,453,000) and unutilised historic tax losses of £4,468,000 (2017: £4,591,000) giving rise to unrecognised deferred tax assets of £3,213,000 (2017: £3,233,000). The company has unutilised historic tax losses of £4,468,000 (2017: £4,468,000) giving rise to unrecognised deferred tax assets of £760,000 (2017: £760,000). In both cases, the unutilised tax losses and ACT have no expiry date and are available indefinitely against qualifying income or tax charges. The directors consider there to be insufficient certainty over the ability of the group/company to offset the available losses or tax credits for the foreseeable future in order to recognise a deferred tax asset at the balance sheet date.

No deferred tax is recognised in relation to the undistributed reserves of subsidiary entities on the basis that such distributions would be exempt from corporation tax and withholding taxes in accordance with UK tax law. In accordance with UK tax law Jardine Motors Group UK Limited is not required to deduct UK income tax on the payment of distributions to its shareholders. Distributions paid by the company may be subject to tax on the recipient.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

23 Pension liability

Group

The group operates a hybrid pension scheme and one principal defined contribution pension scheme.

The assets of the schemes are held separately from those of the group in independent trustee administered funds.

Details in respect of the principal pension schemes are set out below:

Jardine Motors Group UK Pension Scheme

The group participates in the Jardine Motors Group UK Pension Scheme ('the scheme') which was closed to future accrual on 1 December 2009. Jardine Motors Group UK Limited is legally responsible for the group pension plan and accordingly recognises the entire net defined benefit cost in its individual financial statements.

Asset-backed funding arrangement

In 2014 Jardine Motors Group UK Limited (the "Group") established a Scottish Limited Partnership ("JMG LP" or the "Partnership") with the scheme. Under this arrangement, properties with a fair value of £21.45 million were transferred to the Partnership from group companies Lancaster plc and Lancaster Motor Company Limited. Both transfers were effected via a 20 year sale and leaseback arrangement to the respective company.

The scheme's interest in the partnership entitles it to an annual distribution in the form of rental payments for 20 years. The annual contributions are set at £1.35 million per annum and increase by 13.14% every 5 years. In addition to these contributions, the group may have to pay additional cash sums to the scheme as part of the triennial valuation deficit recovery plan.

The partnership is controlled by the group and its results are consolidated by Jardine Motors Group UK Limited. The group's balance sheet and comprehensive income are unchanged by the establishment of the partnership. The investment held by the scheme in the partnership does not qualify as a plan asset for the purposes of the group's consolidated financial statements and is therefore not included within the fair value of plan assets. The value of the properties transferred to the partnership remains included within the group's fixed assets on the balance sheet. In addition, the group retains full operational flexibility to extend, develop and substitute the properties within the partnership.

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

23 Pension liability (continued)

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

	2018 £'000	2017 £'000
Fair value of scheme assets	154,002	171,996
Present value of scheme liabilities	(178,246)	(193,047)
Deficit in scheme	(24,244)	(21,051)

Reconciliation of group scheme assets and liabilities

	Assets £'000	Liabilities £'000	Total £'000
At 1 January 2018	171,996	(193,047)	(21,051)
Interest income/(expense)	4,119	(4,605)	(486)
Actuarial (losses)/gains	(14,348)	11,656	(2,692)
Benefits paid, death in service insurance premiums and expenses	(10,211)	7,750	(2,461)
Contributions by employer – deficit funding	2,446	-	2,446
At 31 December 2018	154,002	(178,246)	(24,244)

The actual return on the scheme assets over the year ended 31 December 2018 was a deficit of £10,229,000 (2017: gain of £16,454,000).

Total charge recognised in comprehensive income

	2018 £'000	2017 £'000
Net interest expense	486	969
Loss/(gain) on settlements	2,461	(946)
Total charge recognised in comprehensive income (note 11)	2,947	23

Other comprehensive (expense)/income

	2018 £'000	2017 £'000
Return on scheme assets	(14,348)	12,252
Experience (losses)/gains arising on the scheme liabilities	(809)	4,573
Effects of changes to the demographic and financial assumptions underlying the present value of the scheme liabilities	12,465	(1,587)
Actuarial (losses)/gains recognised in other comprehensive income	(2,692)	15,238

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

23 Pension liability (continued)

The fair value of plan assets was:

	2018 £'000	2017 £'000
Equities	55,843	66,611
Bonds and other classes	98,159	105,385
Total assets	154,002	171,996

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

Assumptions	2018 % p.a.	2017 % p.a.
Inflation assumption	3.25	3.25
Discount rate	2.80	2.45
Rate of increase in pensions in payment	3.11	3.11
Revaluation rate for deferred pensioners	2.25	2.25

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

	2018 Years	2017 Years
Male currently aged 45	21.8	21.9
Female currently aged 45	23.7	23.7
Male currently aged 65	22.8	23.0
Female currently aged 65	24.9	25.0

Estimate of contributions to be paid to the scheme

The best estimate of contributions to be paid by the employer to the scheme for the year beginning 1 January 2019 is £1,840,000.

Jardine Motors Group UK Defined Contribution Pension Plan

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

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

During the year the group has contributed £1,899,000 (2017: £1,484,000) to this scheme.

Total pension schemes

Total pension costs in the year of £1,899,000 (2017: £1,484,000) comprise contributions to all pension schemes (note 9).

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

23 Pension liability (continued)

Company

The deficit in the scheme includes the investment held by the Scheme in the Partnership as a plan asset and at 31 December 2018 the deficit was £24,405,000 (2017: £24,405,000).

24 Called up share capital

Group and company	2018 £'000	2017 £'000
Allotted and fully paid:		
97,500,000 (2017: 97,500,000) ordinary shares of £1 each	97,500	97,500

25 Financial instruments

The group and company have the following financial instruments:

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	51,387	48,637	-	-
Amounts owed by group undertakings	-	-	104,472	164,321
Other debtors	22,214	26,462	-	-
	73,601	75,099	104,472	164,321
Financial liabilities measured at amortised cost:				
Bank loans and overdrafts	(86,500)	(94,000)	(86,500)	(94,000)
Trade creditors	(205,975)	(197,097)	-	(4,601)
Accruals and deferred income	(16,414)	(15,554)	(15)	(17)
Other creditors	(58,558)	(47,865)	-	-
Amount owed to fellow group company	(40,000)	(40,000)	-	-
	(407,447)	(394,516)	(86,515)	(98,618)

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

26 Cash flow from operating activities

	2018 £'000	2017 £'000
Profit for the financial year	5,346	13,887
Adjustments for:		
Tax on profit (note 12a)	1,712	4,206
Interest receivable and similar income (note 11)	-	(4,901)
Interest payable and similar expenses (note 11)	5,548	4,116
Finance expenses (note 11)	3,028	229
Exceptional items (note 7)	(3,116)	(394)
Operating profit	12,518	17,143
Amortisation of intangible assets (note 13)	4,262	4,746
Depreciation of tangible fixed assets (note 14)	9,604	7,636
Profit on disposal of fixed assets	(115)	(186)
Profit on disposal of business	(208)	-
Pension contributions (note 23)	(2,446)	(1,348)
Increase in stocks	(4,615)	(47,782)
Increase in debtors	(4,829)	(3,778)
Increase in creditors	22,032	27,142
Increase/(decrease) in provisions for liabilities	640	(1,458)
Cash flow from operating activities	36,843	2,115

27 Related party transactions

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

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

28 Financial commitments

(a) Future capital expenditure

As at 31 December the group had committed future capital expenditure as follows.

	Group 2018 £'000	Group 2017 £'000
Contracted for but not provided	7,152	25,487

The company does not have any committed future capital expenditure (2017: £nil).

(b) Operating leases

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

	Land and buildings 2018 £'000	Other 2018 £'000	Land and buildings 2017 £'000	Other 2017 £'000
Within one year	14,162	282	15,459	475
Within two to five years	51,334	86	51,047	68
After five years	95,107	380	100,614	-
	160,603	748	167,120	543

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

Company

The company does not hold any operating leases (2017: £nil).

29 Contingent liabilities

The group operates combined banking facilities for the company and its subsidiaries. The cash held by the company has been offset against the overdrafts of the subsidiaries under these arrangements. The company has contingent liabilities at 31 December 2018 in respect of cross guarantees covering the overdrafts in the subsidiary undertakings amounting to £nil (2017: £nil).

Jardine Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2018

30 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Jardine Motors Holdings Limited.

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

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

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

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

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