

Registered number: 00534618

Lancaster Luxury Vehicles Limited
Report and Financial Statements

31 DECEMBER 2016



Lancaster Luxury Vehicles Limited
Report and Financial Statements

COMPANY INFORMATION

DIRECTORS	D N Williamson M D Bishop (appointed 1 April 2016)
COMPANY SECRETARY	M Finch
REGISTERED NUMBER	00534618
REGISTERED OFFICE	770 The Crescent Colchester Business Park Colchester CO4 9YQ
BANKERS	HSBC Bank plc Midland House 26 North Station Road Colchester CO1 1SY
SOLICITORS	Eversheds LLP Kett House Station Road Cambridge CB1 2JY

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their strategic report on the company for the year ended 31 December 2016

Principal activities

The company's principal activity is the retail distribution of new and used motor vehicles and related activities in the motor trade. The company operates Mercedes-Benz and smart dealerships in Essex and Suffolk.

Business review

The company has continued to experience good growth in the year with improved volumes, turnover and profitability. The company has increased annual turnover by 15.2% in the year.

Future developments

The company will continue to consolidate and grow its existing businesses in line with growth aspirations of its franchise partners.

Key Performance Indicators (KPIs) and principal risks and uncertainties

The directors manage the group's risks and those of its fellow subsidiaries at a group level. Furthermore, they monitor the group's performance on a dealership basis rather than at a statutory company level.

For these reasons the company's directors do not believe that a discussion of the principal risks facing the company or the use of KPIs to analyse its performance are appropriate for an understanding of its development, performance or financial position.

The KPIs used by the group and the principal business risks it faces are discussed in the directors' report of Jardine Motors Group UK Limited's annual report, which does not form part of this report.

This report was approved by the board on 19 September 2017 and signed on its behalf.



Mark Finch
Company secretary

Lancaster Luxury Vehicles Limited
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the business is discussed in the strategic report on page 1.

Business review and future developments

The review of the business and future developments are discussed in the strategic report on page 1.

Financial risk management

The company is part of the Jardine Motors Group UK Limited group of companies (referred to as 'group'). The directors manage the company's risks and those of its fellow subsidiaries on a group basis

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 facilities.

b) Interest rate risk

The group's interest rate policy is to manage the risk of interest rate fluctuations on the cash flows payable on the group's debt.

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.

Results and dividends

The profit for the year, after taxation, amounted to £4,663,000 (2015 - £3,192,000).

The directors do not recommend the payment of a final dividend (2015 - final paid £5,000,000).

Directors

The directors who served during the year were:

C A Beattie (resigned 1 April 2016)
D N Williamson
M D Bishop (appointed 1 April 2016)

Qualifying third party indemnity provisions

No qualifying third party indemnity provision was in force during the financial year ended 31 December 2016 or at the date of this report.

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

Employees and equal opportunities

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

It is the company's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. 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 company continues and that appropriate training is arranged. It is the policy of the company 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 company as a whole. Communication with all employees continues through internal newsletters, briefing groups, electronic communications and the group's internal periodical 'Torque'.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)'. 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of directors' responsibilities (continued)

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.

This report was approved by the board on 19 September 2017 and signed on its behalf.



Mark Finch
Company secretary

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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Turnover	5	204,748	177,802
Cost of sales		(185,745)	(161,151)
Gross profit		19,003	16,651
Selling and distribution costs		(9,095)	(8,146)
Administrative expenses		(3,983)	(3,639)
Operating profit	5	5,925	4,866
Interest payable and similar charges	9	(561)	(490)
Profit on ordinary activities before taxation		5,364	4,376
Taxation on profit on ordinary activities	10	(701)	(1,184)
Profit for the financial year		4,663	3,192

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Lancaster Luxury Vehicles Limited
Report and Financial Statements
REGISTERED NUMBER:00534618

BALANCE SHEET
AS AT 31 DECEMBER 2016

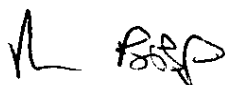
	Note	2016 £000	2015 £000
Fixed assets			
Tangible assets	12	2,252	1,238
		<u>2,252</u>	<u>1,238</u>
Current assets			
Stocks	13	37,456	34,306
Debtors: Amounts falling due within one year	14	18,067	13,948
Cash at bank and in hand		2,341	1,051
		<u>57,864</u>	<u>49,305</u>
Creditors: Amounts falling due within one year	15	(40,361)	(35,451)
Net current assets		<u>17,503</u>	<u>13,854</u>
Total assets less current liabilities		<u>19,755</u>	<u>15,092</u>
Net assets		<u>19,755</u>	<u>15,092</u>
Capital and reserves			
Called up share capital	17	1,500	1,500
Profit and loss account		18,255	13,592
Total equity		<u>19,755</u>	<u>15,092</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements on pages 5 to 23 were approved and authorised for issue by the board and were signed on its behalf on 19 September 2017.

M D Bishop
Director



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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2016	1,500	13,592	15,092
Comprehensive income for the year			
Profit for the financial year	-	4,663	4,663
Contributions by and distributions to owners	-	-	-
At 31 December 2016	1,500	18,255	19,755

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2015	1,500	15,400	16,900
Comprehensive income for the year			
Profit for the year	-	3,192	3,192
Contributions by and distributions to owners			
Dividends: Equity capital	-	(5,000)	(5,000)
At 31 December 2015	1,500	13,592	15,092

The notes on pages 8 to 23 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

The principal activity of Lancaster Luxury Vehicles Limited (the 'Company') 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. The address of its registered office is 770 The Crescent, Colchester Business Park, Colchester, CO4 9YQ.

2. Statement of compliance

The financial statements of Lancaster Luxury Vehicles 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 financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 4).

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 the profit and loss account over the directors' estimate of its useful life, being ten years.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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:

Short-term 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

The profit or loss on disposal of tangible fixed assets is recognised by reference to their carrying amount.

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, it is a wholly owned subsidiary of Lancaster Public Limited Company and it is included in the consolidated financial statements of that company, which are publicly available, and
- from disclosing the company key management personnel compensation, as required by FRS 102, paragraph 33.7.

Impairment

Goodwill is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. The company performs impairment reviews using the forecast net future cash flows of the businesses affected, discounted to net present value using the company'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 company 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Taxation (continued)

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.

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 the profit and loss account when they are identified.

Provisions

The company 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.

Turnover

Turnover comprises the value of sales of motor vehicles and parts, income from financing agreements and income from servicing, repairing and hiring 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.

Leased assets

Operating lease rentals are charged to the profit and loss account 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 profit or loss 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 profit or loss 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

Sale and leaseback

Any gain or loss on sale and operating leaseback transactions is recognised immediately in the profit and loss account where the transaction occurs at fair value. Any gain or loss on sale and finance leaseback transactions is deferred and amortised over the term of the lease.

Exceptional items

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Pensions

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company 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 company in independently administered funds.

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 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 the profit and loss account.

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 the profit and loss account.

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.

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 method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Financial liabilities (continued)

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

Financial instruments

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

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 Motors Group UK Limited.

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

4. Critical accounting judgements and estimation uncertainty

The preparation of financial statements under FRS 102 requires the company 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 financial year are discussed below.

a) Impairment of goodwill and other fixed assets

As required, the company 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 company is required to test whether goodwill has suffered any impairment on an annual basis. As part of this testing the recoverable amounts of cash generating units (CGU) 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 company's property portfolio is reviewed for impairment at each year-end by reference to third party desktop 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 company.

c) Tax estimates

The calculation of the company'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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

5. Turnover and operating profit

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

The operating profit is stated after charging:

	2016	<i>2015</i>
	£000	<i>£000</i>
Management charge payable to group undertakings	940	<i>932</i>
Depreciation of tangible fixed assets (note 12)	328	<i>262</i>
Impairment of trade debtors	24	<i>17</i>
Operating lease charges - plant and machinery	60	<i>70</i>
	=====	<i>=====</i>

6. Employees

Staff costs were as follows.

	2016	<i>2015</i>
	£000	<i>£000</i>
Wages and salaries	11,712	<i>10,431</i>
Social security costs	1,350	<i>1,181</i>
Other pension costs (note 22)	164	<i>151</i>
	=====	<i>=====</i>
	13,226	<i>11,763</i>
	=====	<i>=====</i>

The average monthly number of employees, including the directors, during the year was as follows

	2016	<i>2015</i>
	No.	<i>No.</i>
Sales	93	<i>83</i>
Aftersales	170	<i>157</i>
Administration	77	<i>73</i>
	=====	<i>=====</i>
	340	<i>313</i>
	=====	<i>=====</i>

7. Directors

No emoluments or fees were paid to directors during the year (2015: £nil) in respect of their services to the company. The key management compensation in respect of their services to the wider group is shown in the financial statements of Jardine Motors Group UK Limited.

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8. Dividends

	2016	2015
	£000	£000
Final paid of £nil per £1 ordinary share (2015: £3.33)	-	5,000

9. Interest payable and similar charges

	2016	2015
	£000	£000
Stocking loan interest	544	465
Other	17	25
	561	490

10. Taxation

	2016	2015
	£000	£000
Current tax:		
UK corporation tax at 20.00% (2015: 20.25%)	974	903
Adjustment in respect of prior years	(319)	14
Total current tax	655	917
Deferred tax:		
Change in rate	6	15
Accelerated capital allowances	28	12
Utilisation of tax losses	-	251
Other short term temporary differences	2	-
Adjustment in respect of prior years	10	(11)
Total deferred tax (note 16)	46	267
Taxation on profit on ordinary activities	701	1,184

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

10. Taxation (continued)

Reconciliation of tax charge

The tax assessed for the year is lower than *(2015 - higher than)* the standard rate of corporation tax in the UK of 20.00% *(2015 - 20.25%)*. The differences are explained below

	2016	2015
	£000	£000
Profit on ordinary activities before tax	5,364	4,376
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	1,073	886
Effects of:		
Adjustment to taxable profit - group recharges	(104)	246
Expenses not deductible for tax purposes	48	35
Net temporary differences: effect of change in tax rates	(7)	14
Adjustment in respect of prior years	(309)	3
Total tax charge for the year	701	1,184

Factors that may affect future tax charges

The standard rate of corporation tax in the United Kingdom changed from 21% to 20% with effect from 1 April 2015. Further changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 on 15 September 2016. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

11. Intangible assets

	Goodwill £000
Cost	
At 1 January 2016	1,703
At 31 December 2016	1,703
Amortisation	
At 1 January 2016	1,703
At 31 December 2016	1,703
Net book value	
At 31 December 2016	-
At 31 December 2015	-

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12. Tangible fixed assets

	Short-term leasehold property £000	Plant and machinery £000	Computer equipment £000	Furniture, equipment and motor vehicles £000	Total £000
Cost or valuation					
At 1 January 2016	879	2,047	650	2,127	5,703
Additions	(2)	548	186	612	1,344
Transfers	-	-	2	45	47
Disposals	-	(102)	(21)	(50)	(173)
At 31 December 2016	877	2,493	817	2,734	6,921
Depreciation					
At 1 January 2016	324	1,805	586	1,750	4,465
Charge for the year	39	104	51	134	328
Transfers	-	-	2	45	47
Disposals	-	(102)	(21)	(48)	(171)
At 31 December 2016	363	1,807	618	1,881	4,669
At 31 December 2016	514	686	199	853	2,252
At 31 December 2015	555	242	64	377	1,238

13. Stock

	2016 £000	2015 £000
Consignment vehicles	20,404	18,715
Motor vehicles	15,893	14,495
Parts and other stocks	1,159	1,096
	37,456	34,306

Stock held on consignment includes interest-bearing stock, some of which has a corresponding liability included in trade creditors. Vehicles adopted out of consignment stock are generally invoiced at the price ruling at the date of adoption.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

14. Debtors

	2016	2015
	£000	£000
Due within one year		
Trade debtors	3,284	2,146
Amounts owed by group undertakings	13,267	10,292
Other debtors	1,068	880
Prepayments and accrued income	364	500
Deferred taxation (note 16)	84	130
	18,067	13,948

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 £24,000 (2015: £17,000).

15. Creditors: Amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	33,478	28,906
Corporation tax	973	903
Other taxation and social security	254	99
Other creditors	4,745	4,806
Accruals and deferred income	911	737
	40,361	35,451

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

16. Deferred taxation

	2016	2015
	£000	£000
Asset		
At beginning of year	130	397
Charged to the profit or loss (note 10)	(46)	(267)
At end of year (note 14)	84	130

The deferred tax asset is made up as follows.

	2016	2015
	£000	£000
Accelerated capital allowances	84	130

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 company has unutilised ACT tax credits of £2,453,000 (2015: £2,453,000) and unutilised historic tax losses of £120,000 (2015: £125,000) giving rise to unrecognised deferred tax assets of £2,576,000 (2015: £2,578,000). 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 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

Distributions paid by the company are treated as exempt from corporation tax in the hands of the parent company, Lancaster Public Limited Company

17. Share capital

	2016	2015
	£000	£000
Allotted, called up and fully paid		
1,500,000 ordinary shares of £1 each	1,500	1,500

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FOR THE YEAR ENDED 31 DECEMBER 2016

18. Financial instruments

	2016	2015
	£000	£000
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	3,284	2,146
Amounts owed by group undertakings	13,267	10,292
Other debtors	1,068	880
	17,619	13,318
	<hr/>	<hr/>
Financial liabilities measured at amortised cost:		
Trade creditors	(33,478)	(28,906)
Other creditors	(4,745)	(4,806)
Accruals and deferred income	(911)	(737)
	(39,134)	(34,449)
	<hr/>	<hr/>

19. 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 Motors Group UK Limited.

20. Capital commitments

At 31 December 2016 the company had capital commitments as follows:

	2016	2015
	£000	£000
Contracted for but not provided in these financial statements	798	2,095
	<hr/>	<hr/>

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21. Commitments under operating leases

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

	Other 2016 £000	<i>Other 2015 £000</i>
Within one year	68	<i>68</i>

22. Pension schemes

The ultimate United Kingdom parent undertaking, Jardine Motors Group UK Limited, operates one principal hybrid scheme, which is in part defined benefit and in part defined contribution, and one principal defined contribution pension scheme that the company participates in. The principal hybrid scheme closed to future accrual on 1 December 2009, at which point all remaining members were able to join the defined contribution scheme.

During the year the company has made no contributions (2015: £nil) to the defined benefit scheme and £164,000 (2015: £151,000) to the defined contribution scheme.

23. Contingent liabilities

The company is subject to cross guarantees covering overdrafts in Jardine Motors Group UK Limited and fellow subsidiaries. These overdrafts amounted to £nil at 31 December 2016 (2015: £1,004,000).

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24. Ultimate parent undertaking

The immediate parent undertaking is Lancaster Public Limited Company.

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.

Lancaster Public Limited Company is the smallest group of undertakings to consolidate these financial statements.

The consolidated financial statements of Lancaster Public Limited Company 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
CO4 9YQ