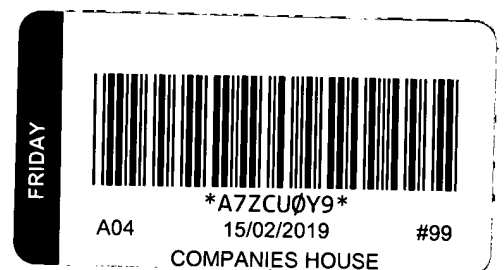


Company registered no: 00403854

Swale Motors Limited
Annual report and financial statements
for the year ended 30 June 2018



Swale Motors Limited

Contents

	Page
Company information	1
Strategic report for the year ended 30 June 2018	2
Directors' report for the year ended 30 June 2018	3
Independent auditors' report to the members of Swale Motors Limited	6
Income statement for the year ended 30 June 2018	9
Statement of comprehensive income for the year ended 30 June 2018	10
Statement of financial position as at 30 June 2018	11
Statement of changes in equity for the year ended 30 June 2018	12
Notes to the financial statements for the year ended 30 June 2018	13

Swale Motors Limited

Company information

Officers and professional advisers

Directors

P Mountford
C Brown
G Watson
M W Phillips
P M Wood

Company secretary

Higgs Secretarial Limited

Company number

00403854

Registered office

Swale Motors Limited
Allen Ford - Warwick
Tachbrook Park Drive
Warwick
CV34 6SY

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Exchange House
Central Business Exchange
Midsummer Boulevard
Central Milton Keynes
MK9 2DF

Swale Motors Limited

Strategic report for the year ended 30 June 2018

The directors present their Strategic report on the company for the year ended 30 June 2018.

Principal activities and business review

The company did not trade during the financial year ended 30 June 2018. The principal activities of the company were formerly the sale, repair and service of new and used motor vehicles and the sale of replacement parts.

As noted in the Directors' report on page 3, during the financial year the trading activities of the company, together with its employees and certain of its assets and liabilities, were transferred to fellow group companies at net book value and subsequently the company ceased trading.

During the preceding period the company changed its financial reporting date from 31 October to 30 June, therefore the comparative figures presented are for the eight-month financial period from 1 November 2016 to 30 June 2017.

During the financial year, the company reported a profit before tax of £34,115 (2017: £95,786 loss before tax for the eight-month period).

Following the payment of a dividend to the parent, total shareholders' funds at the end of the year were £1 (2017: £6,899,950). The directors consider the company's position at the end of the year to be satisfactory for a non-trading entity.

Principal risks and uncertainties

The directors believe that the principal risks to the business and principal uncertainty, prior to the decision to cease trading, was surrounding the impact of any unforeseen economic downturn. The directors have evaluated all known risks to the business and are confident that they have taken measures to mitigate any potential risk.

Key performance indicators

The directors consider key financial performance indicators are no longer relevant as the company has ceased to trade.

On behalf of the Board



M W Phillips
Director

14/2/19

Swale Motors Limited

Directors' report for the year ended 30 June 2018

The directors present their Annual report together with the audited financial statements for Swale Motors Limited ("the company") for the financial year ended 30 June 2018. The company did not trade during the current financial year.

The company is a private company limited by shares and is incorporated and domiciled in the UK.

On 5 July 2017 the whole of the issued share capital of the company's parent was acquired by SG International Holdings Limited (Note 24). Subsequently, the trading activities of the company, together with its employees and certain of its assets and liabilities, were transferred to fellow group companies and the company ceased trading.

During the preceding period the company changed its financial reporting date from 31 October to 30 June, therefore the comparative figures presented are for the eight-month financial period ended 30 June 2017.

Share capital reduction

On 22 May 2018 the directors resolved that the issued share capital of the company be reduced from £1,200 to £1 and that the amount by which share capital is so reduced to be credited to a reserve (Note 18). An amount of £1,199 was subsequently transferred to the profit and loss account reserve.

Results and dividends

The profit for the financial year was £68,118 (2017: £129,789 loss for the eight-month financial period).

An interim dividend of £7,876,012 was paid during the year (2017: £nil). The directors do not recommend the payment of a final dividend (2017: £nil).

Future developments and going concern

The directors intend the company to continue as a non-trading entity and have prepared these financial statements on a basis other than going concern as the company has ceased to trade.

Financial risk management

Prior to the decision to cease trading the company's operations exposed it to a variety of financial risks that included credit risk, liquidity risk and interest rate risk. The company had in place a risk management programme that sought to limit the adverse effects on the financial performance of the company by monitoring levels of such risk.

Given the size of the company the directors did not delegate the responsibility of monitoring financial risk management to a sub-committee of the board, but had a Group Compliance Officer, with specific responsibilities aimed towards FCA regulations. The policies set by the board of directors were implemented by the company's finance department. The department had policies and procedures that set out specific guidelines to manage credit risk, maintain liquidity and monitor interest rate movements.

Swale Motors Limited

Directors' report for the year ended 30 June 2018 (continued)

Financial risk management (continued)

Credit risk

The company implemented policies that required appropriate credit checks on potential customers before sales were made. Hierarchical authority levels ensured appropriate levels of risk appraisal. Additionally, sales of vehicles were largely fully settled with cleared funds prior to the vehicle being released from stock.

Liquidity risk

The company actively maintained short-term debt finance that was designed to ensure the company had sufficient available funds for operations at the key peak periods and planned expansions.

Interest rate risk

The company had a policy of maintaining debt at a mixture of variable rates with its current bankers to ensure that the company enjoyed the current low interest rate regime.

Directors

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

P Mountford
C Brown
G Watson
M W Phillips
P M Wood

Qualifying third-party indemnity provisions

The company maintained a directors' and officers' liability insurance policy from 5 July 2017 up to the date of signing the financial statements.

Employee involvement

The company maintains policies aimed at informing employees of, and involving them in matters relating to the company's activities and performance, as appropriate to their employment.

Disabled employees

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Swale Motors Limited

Directors' report for the year ended 30 June 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 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 company and of the profit or loss of the 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 company will continue in business.

The directors 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.

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.

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 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 company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the Board



M W Phillips
Director
14/2/19

Swale Motors Limited

Independent auditors' report to the members of Swale Motors Limited

Report on the audit of the financial statements

Opinion

In our opinion, Swale Motors Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit 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 financial statements (the "Annual report"), which comprise: the statement of financial position as at 30 June 2018; the income statement, the statement of comprehensive income, the statement 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 company 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 3 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern. No adjustments are required to the financial statements as a result of them being prepared on a basis other than going concern.

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 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.

Swale Motors Limited

Independent auditors' report to the members of Swale Motors Limited (continued)

Reporting on other information (continued)

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 30 June 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 company and its 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 5, 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 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 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.

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.

Swale Motors Limited

Independent auditors' report to the members of Swale Motors Limited (continued)

Responsibilities for the financial statements and the audit (continued)

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.

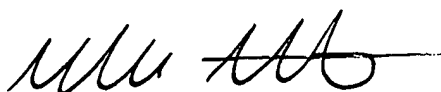
Other required reporting

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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Mark Foster (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes

14 February 2019

Swale Motors Limited

Income statement for the year ended 30 June 2018

		Year ended 30 June 2018	Period from 1 November 2016 to 30 June 2017
Discontinued operations	Note	£	£
Revenue	5	-	75,908,657
Cost of sales		-	(67,554,955)
Gross profit		-	8,353,702
Distribution costs		-	(6,331,465)
Administrative expenses		34,115	(1,968,351)
Operating profit	6	34,115	53,886
Interest payable and similar expenses	10	-	(149,672)
Profit/loss before taxation		34,115	(95,786)
Tax on profit/(loss)	11	34,003	(34,003)
Profit/(loss) for the financial year/period		68,118	(129,789)

The company did not trade during the current financial year.

The notes on pages 13 to 26 form part of these financial statements.

Swale Motors Limited

Statement of comprehensive income for the year ended 30 June 2018

	Year ended 30 June 2018 £	Period from 1 November 2016 to 30 June 2017 £
Profit/(loss) for the financial year/period	68,118	(129,789)
<i>Other comprehensive income/(expense) for the year/period:</i>		
Deferred tax adjustment in respect of prior periods (Note 11b)	54,952	(112,985)
Deferred tax in respect of the current period (Note 11b)	-	58,033
Surplus on revaluation of freehold properties (Note 12)	852,993	-
Total comprehensive income/(expense) for the financial year/period	976,063	(184,741)

The notes on pages 13 to 26 form part of these financial statements.

Swale Motors Limited

Statement of financial position as at 30 June 2018

Company number: 00403854

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Property, plant and equipment	12		-	5,834,898	
Investments	13		-	-	
				<u>5,834,898</u>	
Current assets					
Inventories	14	-		16,787,134	
Trade and other receivables	15	1		4,538,609	
Cash and cash equivalents		-		970,742	
		<u>1</u>		<u>22,296,485</u>	
Creditors: amounts falling due within one year	16	-		<u>(19,996,360)</u>	
Net current assets			<u>1</u>	<u>2,300,125</u>	
Total assets less current liabilities			<u>1</u>	<u>8,135,023</u>	
Provisions for liabilities	17		-	(1,235,073)	
Net assets			<u><u>1</u></u>	<u><u>6,899,950</u></u>	
Capital and reserves					
Called up share capital	18		1	1,200	
Revaluation reserve	19		-	2,020,945	
Profit and loss account	19		-	4,877,805	
Total shareholders' funds			<u><u>1</u></u>	<u><u>6,899,950</u></u>	

The notes on pages 13 to 26 form part of these financial statements.

The financial statements on pages 9 to 26 were approved and authorised for issue by the Board of Directors on 14/2/2019 and signed on its behalf by:



M W Phillips
Director

Swale Motors Limited

Statement of changes in equity for the year ended 30 June 2018

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total shareholders' funds £
Balance as at 1 November 2016	1,200	2,417,263	4,666,228	7,084,691
Loss for the financial period	-	-	(129,789)	(129,789)
Deferred tax movement in respect of prior periods (Note 11b)	-	(112,985)	-	(112,985)
Deferred tax relating to period ended 30 June 2017	-	58,033	-	58,033
Total comprehensive expense for the period	-	(54,952)	(129,789)	(184,741)
Transfer of revaluation surplus on disposal of freehold property	-	(341,366)	341,366	-
Balance as at 30 June 2017	1,200	2,020,945	4,877,805	6,899,950
Balance at 1 July 2017	1,200	2,020,945	4,877,805	6,899,950
Profit for the financial year	-	-	68,118	68,118
Deferred tax movement in respect of prior periods (Note 11b)	-	54,952	-	54,952
Surplus on revaluation of freehold properties (Note 12)	-	852,993	--	852,993
Total comprehensive income for the year	-	907,945	68,118	976,063
Transfer of revaluation surplus on transfer out of freehold properties (Notes 12 and 19)	-	(2,928,890)	2,928,890	-
Share capital reduction (Note 18)	(1,199)	-	1,199	-
Dividends paid (Note 20)	-	-	(7,876,012)	(7,876,012)
Total transactions with owners recognised directly in equity	(1,199)	-	(7,877,211)	(7,876,012)
Balance at 30 June 2018	1	-	-	1

The notes on pages 13 to 26 form part of these financial statements.

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018

1. General information

Swale Motors Limited ("the company") is a private company limited by shares which is incorporated in the United Kingdom and registered in England and Wales. The address of the registered office with effect from 7 July 2017 is given on page 1 (previously c/o Swale Motors Limited, 331 Long Lane Hillingdon, Uxbridge, Middlesex, UB10 9JU).

The company did not trade during the current financial year.

As noted in the Directors' report on page 3, on 5 July 2017 the whole of the issued share capital of the company's parent was acquired by SG International Holdings Limited. Subsequently, the trading activities of the company, together with its employees and certain of its assets and liabilities, were transferred to fellow group companies and the company ceased trading.

The company's financial statements are presented in £ sterling which is also the functional currency of the company.

2. Statement of compliance

These financial statements 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. There were no material departures from that standard.

3. Accounting policies

Basis of preparation

The directors have prepared these financial statements on a basis other than going concern as the company has ceased to trade. Consequently, the trade and assets of the company were transferred to a fellow group undertaking during the year. No adjustments are required to the financial statements as a result of them being prepared on a basis other than going concern.

During the preceding period, the company changed its reporting date from 31 October to 30 June. These financial statements therefore present comparative results for the eight-month financial period from 1 November 2016 to 30 June 2017.

The financial statements have been prepared under the historic cost convention, modified to include certain items at fair value.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the year and preceding period.

Disclosure exemptions

The company satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of SG International Limited which can be obtained from Companies House or its principal place of business, Allen Ford – Warwick, Tachbrook Park Drive, Warwick, England, CV34 6SY. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- i. No cash flow statement has been presented for the company;
- ii. Disclosures in respect of financial instruments have not been presented;
- iii. No disclosure has been given for the aggregate remuneration of key management personnel compensation, as required by FRS 102 paragraph 33.7.

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

3. Accounting policies (continued)

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

In general, this occurs when vehicles or parts have been supplied or when service has been completed.

Property, plant and equipment

Freehold properties are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Income statement during the year in which they are incurred.

Increases in the carrying amount arising on revaluation of properties are credited to Other comprehensive income and shown as Revaluation reserve in Shareholders' funds. Decreases that offset previous increases of the same asset are charged in Other comprehensive income and debited against Revaluation reserve; all other decreases are charged to the Income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the Income statement and depreciation based on the asset's original cost is transferred from Revaluation reserve to the profit and loss account reserve.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

3. Accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is provided on the following bases:

Land	– 0% per annum
Freehold property	– 2% per annum
Long leasehold property	– over period of lease
Plant and machinery	– 10 - 33.33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other operating income' in the Income statement.

When revalued assets are sold the amounts included in revaluation reserve are transferred to the profit and loss account reserve.

Operating leases

Rentals paid under operating leases are charged to the Income statement on a straight-line basis over period of the lease.

Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Investments

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

Inventories

Stocks are stated at the lower of invoiced cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stocks on consignment and their related obligations are recognised in current assets and creditors respectively when the risks and rewards of ownership pass to the company.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

3. Accounting policies (continued)

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

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

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

Pensions

Defined contribution pension plan

Prior to the decision to cease trading and transfer its employees to another group company (page 3), the company operated a defined contribution plan for its employees. 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 fall due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

3. Accounting policies (continued)

Current and deferred taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Share capital

Ordinary shares and deferred non-voting shares are classed as equity. The issued share capital of the company was reduced on 22 May 2018 (Note 18).

Dividend distribution

Dividend distributions to the company's shareholders are recognised, as a liability if not settled, in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with FRS102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. As a consequence of selling the company's trade and assets, it is considered that there are no key accounting judgements.

5. Revenue

The whole of the revenue is attributable to the principal activity of the company which was discontinued with effect from 5 July 2017. All revenue arose within the United Kingdom.

6. Operating profit

	Year ended 30 June 2018	Period from 1 November 2016 to 30 June 2017
This is stated after (crediting)/charging:	£	£
Depreciation of property, plant and equipment	-	169,461
Inventory recognised as an expense	-	67,047,076
Impairment of inventory	-	16,685
Impairment of trade receivables	-	25,799
Operating lease charges	-	516,022
Loss on disposal of property, plant and equipment	-	102,688
Loss on divestment of subsidiaries	-	843
Defined contribution pension cost	-	108,583

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

7. Auditors' remuneration

	Year ended 30 June 2018	Period from 1 November 2016 to 30 June 2017
Fees payable to the company's auditors for:		
	£	£
The audit of the financial statements	-	61,274
Tax compliance services	-	4,833

Fees payable to the company's auditors for the audit of the financial statements and tax compliance services relating to the current financial year were borne by other group companies and were not recharged to Swale Motors Limited.

8. Employees

Employees of the company were transferred to another group company with effect from 5 July 2017 (page 3); staff costs, including directors' remuneration, were as follows:

	Year ended 30 June 2018	Period from 1 November 2016 to 30 June 2017
	£	£
Wages and salaries	-	4,155,437
Social security costs	-	572,910
Other pension costs	-	108,583
	-	4,836,930

The monthly average number of employees including the directors, was made up as follows:

	Year ended 30 June 2018	Period from 1 November 2016 to 30 June 2017
	Number	Number
Production staff	-	32
Distribution staff	-	123
Administrative staff	-	8
	-	163

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

9. Directors' remuneration

The directors of Swale Motors Limited received no remuneration from the company (2017: £nil). Directors' emoluments are borne by fellow group companies as the directors are remunerated for their services to the group as a whole, including Swale Motors Limited. Those emoluments relating to services directly attributable to the company have not been separately identified and are therefore not separately disclosed.

No directors (2017: two) were members of a defined contribution pension scheme.

10. Interest payable and similar expenses

	Year ended 30 June 2018	Period from 1 November 2016 to 30 June 2017
	£	£
Interest payable on overdrafts and bank loans	-	149,672

11. Tax on profit/(loss)

a) Tax expense included in the Income statement

	Year ended 30 June 2018	Period from 1 November 2016 to 30 June 2017
	£	£
Current tax		
UK Corporation tax on profit/(loss) for the financial year/period	-	10,822
Adjustments in respect of prior periods	(10,822)	-
Total current tax	(10,822)	10,822
Deferred tax		
Origination and reversal of timing differences	-	(7,868)
Effects of changes in tax rates	-	1,052
Adjustments in respect of prior periods	(23,181)	29,997
Total deferred tax	(23,181)	23,181
Tax credit/charge on profit/(loss)	(34,003)	34,003

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

11. Tax on profit/(loss) (continued)

b) Tax expense included in Other comprehensive income

	Year ended 30 June 2018 £	Period from 1 November 2016 to 30 June 2017 £
Deferred tax		
Credit relating to current year/period	-	(58,033)
Adjustments in respect of prior periods	(54,952)	112,985
	<u>(54,952)</u>	<u>54,952</u>

c) Reconciliation of tax on profit/(loss)

The difference between the tax charge shown above and the amount calculated by applying the standard rate of UK Corporation tax to the profit/(loss) before tax is as follows:

	Year ended 30 June 2018 £	Period from 1 November 2016 to 30 June 2017 £
Profit/(loss) before taxation	<u>34,115</u>	<u>(95,786)</u>
Tax on profit/(loss) at standard rate of Corporation tax in the UK of 19.00% (2017: 19.62%)	6,482	(18,797)
Effects of:		
Income not taxable	(6,482)	-
Expenses not deductible for tax purposes	-	49,257
Group relief/other reliefs	-	(27,506)
Adjustments in respect of previous periods	(34,003)	29,997
Tax rate changes	-	1,052
Tax on profit/(loss)	<u>(34,003)</u>	<u>34,003</u>

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

12. Property, plant and equipment

	Freehold property £	Long leasehold property £	Plant and machinery £	Total £
Cost or valuation				
At 1 July 2017	4,955,306	1,025,208	1,726,554	7,707,068
Revaluation of freehold properties ¹	753,011	-	-	753,011
Additions ¹	268,983	-	-	268,983
Transfers out ²	<u>(5,977,300)</u>	<u>(1,025,208)</u>	<u>(1,726,554)</u>	<u>(8,729,062)</u>
At 30 June 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated depreciation				
At 1 July 2017	99,982	447,650	1,324,538	1,872,170
Depreciation adjustment on revaluation	(99,982)	-	-	(99,982)
Transfers out ²	<u>-</u>	<u>(447,650)</u>	<u>(1,324,538)</u>	<u>(1,772,188)</u>
At 30 June 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value				
At 30 June 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2017	<u>4,855,324</u>	<u>577,558</u>	<u>402,016</u>	<u>5,834,898</u>

¹Freehold properties previously valued at £4,955,306 were professionally valued in February 2018 by Knight Frank LLP to fair value of £5,977,300 in accordance with RICS Appraisal and Valuation standards. This resulted in a transfer to the revaluation reserve relating to a revaluation surplus of £852,993 and an inter-company adjustment to realign property titles to the correct group entity.

²All properties together with plant and machinery were transferred to other group companies at net book value during the financial year therefore no properties were stated at valuation at 30 June 2018. In respect of properties stated at valuation at 30 June 2017, the comparable historical cost is £4,137,029.

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

13. Investments

	2018	2017
	£	£
<i>Investments in subsidiaries</i>		
Cost at beginning of year/period	-	843
Disposals	-	(843)
Cost at end of year/period	<u>-</u>	<u>-</u>

14. Inventories

	2018	2017
	£	£
Finished goods and goods for resale	<u>-</u>	<u>16,787,134</u>

In the preceding period there was no significant difference between the carrying value of stocks and their replacement cost.

15. Trade and other receivables

	2018	2017
	£	£
Due within one year:		
Trade receivables	-	987,512
Amounts owed by group undertakings	1	2,763,635
Other debtors	-	536,354
Prepayments and accrued income	-	251,108
	<u>1</u>	<u>4,538,609</u>

16. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	-	16,086,204
UK corporation tax payable	-	9,579
Other taxation and social security	-	1,846,931
Accruals and deferred income	-	2,053,646
	<u>-</u>	<u>19,996,360</u>

In the preceding period certain trade creditors were secured by fixed and floating charges over certain assets of the company.

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

17. Provisions for liabilities

	Deferred taxation	Long-term dilapidation	Other	Total
	£	£	£	£
At 1 July 2017	376,083	324,537	534,453	1,235,073
Credited to Income statement	(23,181)	-	-	(23,181)
Credited to Other comprehensive income	(54,952)	-	-	(54,952)
Transfers out	(297,950)	(324,537)	(534,453)	(1,156,940)
At 30 June 2018	-	-	-	-

The deferred tax liability recognised consisted of the tax effect of:

	2018	2017
	£	£
Revaluation of property assets	-	376,083
Provision for deferred tax	-	376,083

Following the decision to cease trading the provisions for liabilities described below were transferred to other group companies:

Deferred taxation

In the preceding period deferred taxation was provided for on the revaluation of freehold property.

Dilapidations provision

A dilapidations provision was recognised in relation to future obligations for the maintenance of leasehold properties. The provision was management's best estimate of the obligation which formed part of the company's unavoidable cost of meeting its obligations under the lease contracts, the longest of which runs until 2027.

Other

Other provisions related to various small potential claims and commitments which were expected to be utilised within 12-24 months of the previous reporting date.

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

18. Called up share capital

Issued, called up and fully paid

Deferred non-voting shares of £1 each

	2018 Number	2018 £	2017 Number	2017 £
At beginning of year/period	600	600	600	600
Share capital reduction	(600)	(600)	-	-
At end of year/period	-	-	600	600

Ordinary shares of £1 each

	2018 Number	2018 £	2017 Number	2017 £
At beginning of year/period	600	600	600	600
Share capital reduction	(599)	(599)	-	-
At end of year/period	1	1	600	600

Total called up share capital

	2018 Number	2018 £	2017 Number	2017 £
At beginning of year/period	1,200	1,200	1,200	1,200
Share capital reduction	(1,199)	(1,199)	-	-
At end of year/period	1	1	1,200	1,200

On 22 May 2018 the directors passed a Special Resolution in accordance with Chapter 2 of Part 13 of the Companies Act 2006 which resolved that the issued share capital be reduced from £1,200 to £1 by cancelling and extinguishing 600 deferred shares of £1 each and 599 Ordinary shares of £1 each in the company and that the amount by which the share capital is so reduced be credited to a reserve. An amount of £1,199 (2017: £nil) was subsequently credited to the profit and loss account reserve.

19. Reserves

Revaluation reserve – this reserve records the value of asset revaluations and fair value movements on assets that have been recognised in Other comprehensive income.

Profit and loss account reserve – this reserve records retained earnings, accumulated losses and other adjustments; during the financial year the following transfers were made to the profit and loss account reserve:

- £1,199 (2017: £nil) following the reduction in share capital (Note 18).
- £2,928,890 (2017: £341,366) from the revaluation reserve following the transfer out/disposal of freehold properties during the year/period. (Note 12).

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

20. Dividends paid

	Year ended 30 June 2018 £	Period from 1 November 2016 to 30 June 2017 £
Dividends paid in respect of current year/period		
Interim dividend of £7,876,012 (2017: £nil) per ordinary share	7,876,012	-

21. Pension commitments

Employees of the company were transferred to another group company with effect from 5 July 2017 (page 3), therefore the amount recognised as an expense in relation to defined contribution pension costs during the financial year was £nil (2017: £108,583) and at 30 June 2018 the prepayment in relation to pension costs was £nil (2017: £2,381).

22. Commitments under operating leases

Obligations under non-cancellable operating leases were transferred to other group companies during the year. The total future minimum lease payments under non-cancellable operating leases for each of the following periods were as follows:

	2018 £	2017 £
Payments due:		
Within one year	-	116,450
Between one and five years	-	437,004
After more than five years	-	380,012
	-	933,466

23. Related party transactions

Included within debtors is a loan of £nil (2017: £255,000) from Bestodeck Limited, which was free of interest and was subordinated in favour of Ford Credit plc in respect of any outstanding liability.

The company has taken advantage of the exemption granted by paragraph 33.1(a) of FRS102, Related Party Disclosures, not to disclose transactions with group companies which are wholly owned subsidiaries of the group.

Swale Motors Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

24. Ultimate parent undertaking and controlling party

On 5 July 2017 100% of the issued share capital of the company's parent, Bestodeck Limited, was acquired by SG International Holdings Limited, a company incorporated in England and Wales which is a member of Super Group Limited, South Africa.

At 30 June 2018 the company's immediate parent was Bestodeck Limited, a company registered in England.

SG International Holdings Limited is the smallest group to consolidate these financial statements at 30 June 2018. The consolidated financial statement of SG International Holdings Limited may be obtained from Companies House or its principal place of business: Allen Ford-Warwick, Tachbrook Park Drive, Warwick, England, CV34 6SY.

The ultimate parent company and controlling party at the reporting date is Super Group Limited, a company incorporated in South Africa which is the parent undertaking of the largest group to consolidate these financial statements at the reporting date. The consolidated financial statements of Super Group Limited may be obtained from the Company Secretary at 27 Impala Road, Chislehurst, Sandton, South Africa.