

Cambria Automobiles Group Limited

**Annual report and financial statements
for the year ended 31 August 2017
Registered number 05767247**

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Company information

Directors	M J J Lavery J A Mullins
Secretary	J A Mullins
Auditor	KPMG LLP Plym House 3 Longbridge Road Plymouth PL6 8LT
Banker	Bank of Scotland plc 25 Gresham Street London EC2V 7HN
Registered office	Dorcan Way Swindon SN3 3RA
Company registered number	05767247

Strategic report

Business review

The profit for the year before taxation was £3,000,000 (2016: £nil).

Primary risks

The Company is a holding company for the Cambria group's car dealership trading entities. Therefore, the primary risk to the Company is the volatility in the new and used car markets and the changes made by our manufacturer brand partners to the pricing and margin structure on the new vehicles that we sell. Through implementing tight controls and building a strong operational Group infrastructure, the Directors believe they are taking all possible steps to protect the business.

Interest rate risk

The Group finances its operations through a combination of bank funding and shareholders' funds. The interest rate on bank funding is variable with base rate.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The funding for significant new ventures is secured before commitments are made. Cash flows are monitored on a monthly basis.

Price risk

The principal price risks arise from vehicle stocks which are either inappropriate for resale, or are bought at too high a price, relative to a fast moving marketplace. The Group's purchasing staff are trained and developed to be aware of the current marketplace. They are also provided with all the latest available market data. The managers of each business unit consider their stock books and purchasing patterns on a very regular basis, with a higher level of review by the Directors.

Credit risk

The principal credit risk arises from trade debtors. In order to manage credit risk, the Directors set limits for customers and ensure a regular review is made of trade debtors outstanding. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

All potential areas of financial risk are monitored regularly and reviewed by the Directors and local management. Any preventative or corrective measures are taken as necessary.


Associate involvement

During the year, the policy of providing associates with information about the Group has been continued through internal media methods in which associates have also been encouraged to present their suggestions and views on the Group's performance. Regular meetings are held between local management and associates to allow a free flow of information and ideas.

By order of the board.


J A Mullins
Director

Dorcan Way
Swindon
SN3 3RA

 December 2017

Directors' report

The directors present their Directors' report and financial statements for the year ended 31 August 2017.

Principal activities

The Company's principal activity is as a holding company.

Proposed dividend

Dividends paid and received during the year were £3,000,000 and £3,000,000 respectively (2016: £nil and £nil).

Directors and directors' interests

The following directors have held office since 1 September 2016 and up to the date of approval of these financial statements:

J A Mullins

M J J Lavery

All directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Political and charitable contributions

The Company made no political contributions during the year (2016: £nil). Donations to UK charities amounted to £nil (2016: £nil).

Going concern

The directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors continue to adopt the going concern basis in preparing the financial statements. Cambria Automobiles plc, being the ultimate parent undertaking, have confirmed that they will make available such funds as are needed by the Company and, in particular, will not seek repayment of the amounts currently made available, to enable the Company to remain in operational existence for the foreseeable future and to meet their liabilities as they fall due.

Further information regarding the Company's business activities together with the factors likely to affect its future development, performance and position is set out in the Strategic Report on page 2.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board



J A Mullins
Director

Dorcan Way
Swindon
SN3 3RA

19 December 2017

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Cambria Automobiles Group Limited

Opinion

We have audited the financial statements of Cambria Automobiles Group Limited ("the company") for the year ended 31 August 2017 which comprise the Profit and loss account and other comprehensive income, the Balance sheet, the Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Cambria Automobiles Group Limited (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

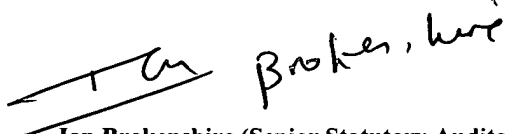
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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

 Ian Brokenshire

Ian Brokenshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Plym House
3 Longbridge Road
Plymouth
PL6 8LT

22 December 2017

Profit and loss account and other comprehensive income
for the year ended 31 August 2017

	<i>Note</i>	2017 £000	2016 £000
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
Operating profit		-	-
Income from group undertakings		3,000	-
		<hr/>	<hr/>
Profit before tax	2	3,000	-
Tax on profit	5	-	-
		<hr/>	<hr/>
Profit for the financial year		<u>3,000</u>	<u>-</u>

All results arose from continuing operations.

There were no recognised gains or losses for the years ended in 2017 and 2016 other than the results shown above.

Notes on the pages 10 to 15 form part of the financial statements.

Balance sheet
at 31 August 2017

	<i>Note</i>	2017	2016
		£000	£000
Fixed assets			
Investments	6	666	666
Current assets			
Cash at bank		2	2
Creditors: amounts falling due within one year	7	(26)	(26)
Net current liabilities		(24)	(24)
Total assets less current liabilities and net assets		642	642
Capital and reserves			
Called up share capital	8	666	666
Profit and loss account	9	(24)	(24)
Shareholders' funds		642	642

The notes on pages 10 to 15 form part of these financial statements.

These financial statements were approved by the board of directors on 19 December 2017 and were signed on its behalf by:



J A Mullins
Director

Company registered number: 05767247

Statement of changes in equity

For the year ended 31 August 2017

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 September 2015	666	(24)	642
Total comprehensive income for the year			
Profit or loss	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2016	666	(24)	642
	<hr/>	<hr/>	<hr/>
Balance at 1 September 2016	666	(24)	642
Total comprehensive income for the year			
Profit or loss	-	3,000	3,000
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	3,000	3,000
Dividend paid	-	(3,000)	(3,000)
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2017	666	(24)	642
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Cambria Automobiles Group Limited (the “company”) is a private company incorporated and domiciled and registered in England in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets ;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

The Company’s ultimate parent undertaking, Cambria Automobiles plc includes the Company in its consolidated financial statements. The consolidated financial statements of Cambria Automobiles plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Cambria Automobiles, Dorcan Way Swindon SN3 3RA.

As the consolidated financial statements of Cambria Automobiles plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill;

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Notes *(continued)*

1 *Accounting policies (continued)*

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors continue to adopt the going concern basis in preparing the financial statements. Cambria Automobiles plc, being the ultimate parent undertaking, have confirmed that they will make available such funds as are needed by the Company and, in particular, will not seek repayment of the amounts currently made available, to enable the Company to remain in operational existence for the foreseeable future and to meet their liabilities as they fall due.

Further information regarding the Company's business activities together with the factors likely to affect its future development, performance and position is set out in the Strategic Report on page 2.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

Investments

Investments in subsidiaries are held at cost less impairment.

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Impairment excluding stocks and deferred tax assets

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

2 Auditor's remuneration

The auditor's remuneration of £1,000 (2016: £1,000) was borne by the ultimate parent company, Cambria Automobiles plc.

3 Remuneration of directors

The remuneration of directors of the Company during the financial year was borne by the ultimate parent company, Cambria Automobiles plc. No apportionment has been made as the Directors have not spent a significant amount of time relating to this entity.

The following directors benefited from qualifying third party indemnity provisions:

- M J J Lavery
- J A Mullins

4 Staff numbers and costs

The Company had no employees during the financial year.

Notes *(continued)*

5 Taxation

	2017		2016	
	£000	£000	£000	£000
<i>Current tax</i>				
Current tax charge for the year	-		-	
		-		-
Total current tax		-		-
Total tax		-		-
<i>Reconciliation of effective tax rate</i>				
			2017 £000	2016 £000
Profit before tax			-	-
Tax at 19.58% (2016: 20%)			-	-
Total tax charge			-	-

The applicable tax rate for the current year is 19.58% (2016: 20%) following the reduction in the main rate of UK corporation tax from 20% to 19% with effect from 1 April 2017.

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

This will reduce the company's future current tax charge accordingly.

Notes (continued)

6 Fixed asset investments

<i>Shares in group undertakings</i>	2017 £000	2016 £000
Subsidiary undertakings at cost	666	666

The Company's investments in the share capital of unlisted companies include the following:

Subsidiary undertakings	Country of incorporation	Principal activity	Class and percentage of shares held
Cambria Automobiles Property Limited	England and Wales	Property company	100% ordinary
Cambria Automobiles Acquisitions Limited	England and Wales	Holding company	100% ordinary
Cambria Automobiles (Swindon) Limited **	England and Wales	Motor dealership	100% ordinary and preference
Grange Motors (Swindon) Limited **	England and Wales	Motor dealership	100% ordinary
Thoranmart Limited **	England and Wales	Motor dealership	100% ordinary
Cambria Automobiles (South East) Limited**	England and Wales	Motor dealership	100% ordinary
Deeslease Limited*	England and Wales	Dormant	100% ordinary
Dove Group Limited*	England and Wales	Dormant	100% ordinary
Translease Vehicle Management Limited*	England and Wales	Dormant	100% ordinary
Grange Motors (Brentwood) Limited*	England and Wales	Motor dealership	100% ordinary
Invicta Motors (Maidstone) Limited**	England and Wales	Motor dealership	100% ordinary
Invicta Motors Limited*	England and Wales	Motor dealership	100% ordinary and preference
Cambria Vehicle Services Limited **	England and Wales	Motor dealership	100% ordinary

* Owned directly by Cambria Automobiles (South East) Limited.

** Owned directly by Cambria Automobiles Acquisitions Limited.

The registered office of all of the above entities is Dorcan Way, Swindon SN3 3RA.

7 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	26	26

8 Called up share capital

<i>Allotted, called up and fully paid</i>	2017 £000	2016 £000
666,000 ordinary shares of £1 each	666	666

9 Reserves

	Profit and loss account £000
At beginning and end of the year	(24)

Notes *(continued)*

10 Contingent liabilities

The Company benefits from participation in the Cambria Automobiles plc amalgamated group overdraft facility with Bank of Scotland.

In recognition of the Cambria Automobiles plc Group Bank and used vehicle funding facilities, the following companies have entered into a joint agreement to guarantee liabilities with banks and finance houses of the motor manufacturers that provide new and used vehicles to the Group:

Cambria Automobiles plc, Cambria Automobiles Property Limited, Cambria Automobiles Group Limited, Cambria Automobiles Acquisitions Limited, Cambria Automobiles (Swindon) Limited, Grange Motors (Swindon) Limited, Thoranmart Limited, Cambria Automobiles (South East) Limited, Grange Motors (Brentwood) Limited, Invicta Motors (Maidstone) Limited, Cambria Vehicle Services Limited and Invicta Motors Limited.

Intercompany guarantees are accounted for as insurance contracts.

11 Ultimate parent company and controlling party

The Company is a subsidiary undertaking of Cambria Automobiles plc, which is the ultimate parent company incorporated in England and Wales.

The smallest and largest group in which the results of the Company are consolidated is that headed by Cambria Automobiles plc, incorporated in England and Wales. The consolidated financial statements of these groups are available to the public and may be obtained from Dorcan Way, Swindon, Wiltshire, SN3 3RA.

In the opinion of the directors, the distribution of the ordinary shares and the rights attributing themselves to them means that there is no overall controlling party of the Company.