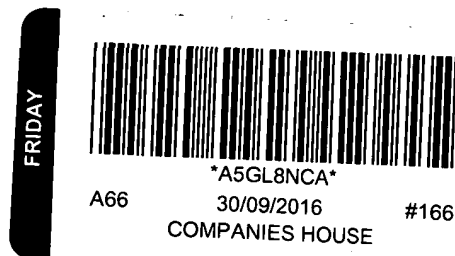


Financial Statements Eden Motor Retail Limited

For the Year Ended 31 December 2015



Registered number: 03198046

Eden Motor Retail Limited
Registered number:03198046

Company Information

Directors	G J Potts N Hadley (appointed 6 October 2013)
Company secretary	N Hadley
Registered number	03198046
Registered office	38-40 Portman Road Reading Berkshire RG30 1JG
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House 202 Silbury Boulevard Milton Keynes MK9 1LW

Eden Motor Retail Limited
Registered number:03198046

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Strategic Report

For the Year Ended 31 December 2015

Introduction

The principal activities of the company during the year were the purchasing, selling and repairing of motor vehicles and other ancillary services.

Business review

Turnover for the year ended 31 December 2015 was £31.4 million, an increase of 39% on last year (2014: £22.5 million). Profit before tax was £59,209, an decrease of 88% from the prior year (2014: £517,415).

During the year, the business expanded through acquisitions of a dealership in Reading. The increase in turnover presented in these financial statements highlights the investment made in growing the business during the year.

The company's trading results for the period and the financial position at the end of the period are shown in the attached financial statements.

The strategy adopted during the period has been to continually build on the market position established by the company, together with a strong manufacturing brand nationally. This strategy is largely based on well established models under the manufacturer brand.

Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors have set out below the principal risk facing the business.

Manufacturer supply of new and improved products

The company is reliant on new vehicle products from the manufacturers. This exposes the company to risks in a number of areas as the company is dependent on its manufacturers/suppliers in respect of:

- (i) availability of new vehicle product
- (ii) quality of new vehicle product
- (iii) pricing of new vehicle product

The directors are confident that future new products from its manufacturers/suppliers will continue to be competitively priced and high quality therefore consider that this "manufacturer risk" is minimal. It is, in any case, mitigated by other core business areas of the company, including used vehicle sales, parts sales and service work.

Economic downturn

The success of the business is reliant on consumer spending. An economic downturn, resulting in a reduction of consumer spending power will have a direct impact of the income achieved by the company.

In response to this risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies are modified to reflect the new market conditions.

Financial key performance indicators

The directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to gross margin and operating profit which are set out in the attached accounts. A key non-financial key performance indicator is new vehicle units which were 1014 (2014: 840) in the year.

Strategic Report (continued)

For the Year Ended 31 December 2015

Other key performance indicators

The company uses various financial instruments which include bank, financial institution and stocking loans, cash and various items, such as consignment stock, trade debtors and trade creditors that arise directly from its operations. Their existence exposes the company to a number of financial risks.

The main risks arising from the financial instruments are interest rate risk, credit risk and liquidity risk. The directors review and agrees policies for managing each of these risks which are summarised below. These policies have remained unchanged from previous years.

Interest rate risk

The company finances its operations through a mixture of bank and other external borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities. The balance sheet includes trade debtors and creditors which do not attract interest and are therefore subject to the fair value interest rate risk. The company policy throughout the period has been to achieve its objective of managing interest rate risk through day to day involvement of management in business decisions rather than through setting maximum or minimum levels for the level of fixed interest rate borrowings.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from trade debtors.

In order to manage credit risk the directors set credit limits for customers based on a combination of payment history and third party credit references. Credit limits for customers are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Liquidity risk

The company seeks to manage risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash asset safely and profitably. The company's policy throughout the period has been to achieve this objective through day to day involvement of business decisions rather than through setting maximum or minimum liquidity ratios.

This report was approved by the board on 29th SEPTEMBER 2016 and signed on its behalf.

G J Potts
Director



Directors' Report

For the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

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'. 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 for the Company financial statements and then apply them consistently;
- make judgments 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 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.

Results and dividends

The profit for the year, after taxation, amounted to £51,073 (2014 - £414,372).

The directors do not recommend a dividend.

Directors

The directors who served during the year were:

G J Potts
N Hadley (appointed 6 October 2013)

Future developments

The directors are confident that the future new products from the manufacturer will be of a continued high quality and that they will continue to invest in the marketing of such new products.

Eden Motor Retail Limited

Directors' Report

For the Year Ended 31 December 2015

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29th September 2016 and signed on its behalf.

G J Potts
Director





Independent Auditor's Report to the Members of Eden Motor Retail Limited

We have audited the financial statements of Eden Motor Retail Limited for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Eden Motor Retail Limited

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Malcolm Gomersall (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Milton Keynes
Date: **29 September 2016**

Statement of Comprehensive Income

For the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	4	31,420,633	22,520,866
Cost of sales		(27,808,815)	(20,047,114)
Gross profit		3,611,818	2,473,752
Administrative expenses		(3,467,818)	(1,906,425)
Operating profit	5	144,000	567,327
Interest payable and expenses	8	(73,143)	(49,912)
Profit before tax		70,857	517,415
Tax on profit	9	(19,784)	(103,043)
Profit and other comprehensive income for the year		51,073	414,372

There were no recognised gains and losses for 2015 or 2014 other than those included in the income statement.

There was no other comprehensive income for 2015 (2014: £NIL).


The notes on pages 11 to 25 form part of these financial statements.

Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	10	1,949,854	1,907,066
Current assets			
Stocks	11	4,097,938	3,083,369
Debtors: amounts falling due within one year	12	1,424,552	853,957
Cash at bank and in hand	13	201,033	-
		<u>5,723,523</u>	<u>3,937,326</u>
Creditors: amounts falling due within one year	14	(5,299,427)	(3,521,515)
Net current assets		<u>424,096</u>	<u>415,811</u>
Total assets less current liabilities		<u>2,373,950</u>	<u>2,322,877</u>
Net assets		<u><u>2,373,950</u></u>	<u><u>2,322,877</u></u>
Capital and reserves			
Called up share capital	17	300,000	300,000
Share premium account	18	62,090	62,090
Revaluation reserve	18	315,050	315,050
Capital redemption reserve	18	25,000	25,000
Profit and loss account	18	1,671,810	1,620,737
		<u>2,373,950</u>	<u>2,322,877</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



G J Potts
Director

29th September 2016.

The notes on pages 11 to 25 form part of these financial statements.

Eden Motor Retail Limited
Registered number:03198046

Statement of Changes in Equity

For the Year Ended 31 December 2015

	Share capital	Share premium	Capital redemption reserve	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 January 2015	300,000	62,090	25,000	315,050	1,620,737	2,322,877
Comprehensive income for the year						
Profit for the year	-	-	-	-	51,073	51,073
Total comprehensive income for the year	-	-	-	-	51,073	51,073
At 31 December 2015	300,000	62,090	25,000	315,050	1,671,810	2,373,950

The notes on pages 11 to 25 form part of these financial statements.

Eden Motor Retail Limited
Registered number:03198046

Statement of Changes in Equity

For the Year Ended 31 December 2014

	Share capital	Share premium	Capital redemption reserve	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 January 2014	300,000	62,090	25,000	315,050	1,206,365	1,908,505
Comprehensive income for the year						
Profit for the year	-	-	-	-	414,372	414,372
Total comprehensive income for the year	-	-	-	-	414,372	414,372
At 31 December 2014	300,000	62,090	25,000	315,050	1,620,737	2,322,877

The notes on pages 11 to 25 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. General information

The company is registered in England and details of the registered office and number can be found on the company information page. The company was incorporated 14 May 1996.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first time adoption of FRS102 is given in note 21.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. In considering going concern, management review the financial information of the company for a period of at least 12 months from the date of approval of the accounts. Having reviewed this information, management has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This statement is made having considered budgeted trading performance, committed financing facilities available and support available from other group entities. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraph 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraph 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Eden Automotive Investments Limited as at 31 December 2015 and these financial statements can be obtained from Companies House.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.4 Revenue

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 or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of motor vehicles and accessories are recognised upon delivery to the customer together with the associated manufacturer vehicle bonus income. Any other manufacturer income in relation to achieving targets is recognised on an accruals basis within cost of sales. Servicing revenue is recognised on the completion of the agreed work.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are 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 statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% per annum
Motor vehicles	- 10% to 20% per annum
Fixtures and fittings	- 10% to 20% 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 Statement of comprehensive income.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is based on estimated selling price less costs to complete and sell.

Under supply agreements with the manufacturer, the company has access to 'consignment stock' during a consignment period. Where the nature of these supply agreements transfers risks and rewards to the company, which in substance gives the company control over stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with an equivalent liability.

Where supply agreements do not provide risks and rewards to the company until such time as legal title actually passes at the end of the consignment period, these stock are not included in the balance sheet. Both the terms under which stocks are held and the financial commitment in respect of these stocks are disclosed in the notes to the financial statements.

Stock is often purchased using vehicle stocking loans. Such loans are included within trade creditors (see Note 14).

2.8 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.

2.9 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 from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest 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.

2.13 Pensions

Defined contribution pension plan

The Company operates 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 payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Borrowing costs

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.16 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 tax 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.

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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements

For the Year Ended 31 December 2015

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

3.1 Critical management judgment in applying accounting policies

In the process of applying the company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

Distinguishing operating and finance leases

The company has entered into various lease agreements. Judgment was exercised by management to distinguish the lease agreements as either operating or finance leases by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreement. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

3.2 Key sources of estimation

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Determining net realisable value of inventories

In determining the net realisable value of inventories, management takes into account the most reliable evidence available at the dates the estimates are made. The company's core business is continuously subject to rapid technology changes which may cause inventory obsolescence. Moreover, future realisation of the carrying amounts of inventories is affected by price changes in different market segments. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the company's inventories within the next financial reporting period.

(b) Estimating useful lives of property, plant and equipment

The company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of assets.

Based on management's assessment as at 31 December 2015, there is no change in estimated useful lives of those assets during the year. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(c) Estimating fair value of freehold and leasehold property

The company's land and buildings are carried at re-valued amount at the end of the reporting period. In determining the fair value of these assets, the company engages the services of professional and independent appraisers applying the relevant valuation methodologies as discussed in Note 10.

For assets with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

Notes to the Financial Statements

For the Year Ended 31 December 2015

4. Analysis of turnover

The whole of the turnover is attributable to the company's principal activity, which is that of a motor trader. All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets	68,099	56,291
	<u>68,099</u>	<u>56,291</u>

During the year, no director received any emoluments (2014 - £NIL).

6. Auditor's remuneration

	2015	2014
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	4,500	3,000
	<u>4,500</u>	<u>3,000</u>

Fees payable to the Company's auditor and its associates in respect of:

Other services relating to taxation	3,000	2,500
	<u>3,000</u>	<u>2,500</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

7. Employees

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	1,721,876	1,233,458
Social security costs	175,215	127,976
Cost of defined contribution scheme	50	22,212
	<u>1,897,141</u>	<u>1,383,646</u>

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

	2015	2014
	No.	No.
Sales	26	14
Aftersales	30	23
Admin	10	4
	<u>66</u>	<u>41</u>

8. Interest payable and similar charges

	2015	2014
	£	£
Bank interest payable	-	3,912
Other loan interest payable	73,143	46,000
	<u>73,143</u>	<u>49,912</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

9. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	21,758	30,572
Adjustments in respect of previous periods	987	(703)
	<u>22,745</u>	<u>29,869</u>
Total current tax	<u>22,745</u>	<u>29,869</u>
Deferred tax		
Origination and reversal of timing differences	(723)	76,756
Adjustment in respect of prior periods	-	(3,582)
Effect of tax rate change on opening balance	(2,238)	-
	<u>(2,961)</u>	<u>73,174</u>
Total deferred tax	<u>(2,961)</u>	<u>73,174</u>
Taxation on profit on ordinary activities	<u>19,784</u>	<u>103,043</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>70,857</u>	<u>517,415</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	14,349	103,483
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,931	3,845
Depreciation in excess of capital allowances	-	(1,368)
Utilisation of tax losses	-	(75,388)
Adjustments to tax charge in respect of prior periods	987	(703)
Adjustment in respect of deferred tax	-	73,174
Deferred tax (charged)/credited directly to equity	2,516	-
Other differences leading to an increase (decrease) in the tax charge	(1,835)	-
Marginal relief	(164)	-
Total tax charge for the year	<u>19,784</u>	<u>103,043</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

9. Taxation (continued)**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

10. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 January 2015	1,884,553	-	-	187,911	156,560	2,229,024
Additions	1,560	37,162	12,246	23,044	36,875	110,887
Disposals	-	-	-	(5,608)	-	(5,608)
Transfers between classes	-	21,213	-	(21,213)	-	-
At 31 December 2015	<u>1,886,113</u>	<u>58,375</u>	<u>12,246</u>	<u>184,134</u>	<u>193,435</u>	<u>2,334,303</u>
Depreciation						
At 1 January 2015	41,445	-	-	145,573	134,940	321,958
Charge owned for the period	19,242	6,947	3,742	14,442	23,726	68,099
Disposals	-	-	-	(5,608)	-	(5,608)
Transfers between classes	-	4,761	-	(4,761)	-	-
At 31 December 2015	<u>60,687</u>	<u>11,708</u>	<u>3,742</u>	<u>149,646</u>	<u>158,666</u>	<u>384,449</u>
Net book value						
At 31 December 2015	<u>1,825,426</u>	<u>46,667</u>	<u>8,504</u>	<u>34,488</u>	<u>34,769</u>	<u>1,949,854</u>
At 31 December 2014	<u>1,843,108</u>	<u>-</u>	<u>-</u>	<u>42,338</u>	<u>21,620</u>	<u>1,907,066</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

10. Tangible fixed assets (continued)

The net book value of land and building may be further analysed as follows:

	2015 £	2014 £
Freehold	1,825,426	1,843,108
	<u>1,825,426</u>	<u>1,843,108</u>

The Old Basing site was valued on 10 June 2011 by Clare & Co, independent property valuers. The valuation was prepared in accordance with the Royal Institution of Chartered Surveyors' Valuation Standards. The basis of valuation was open market value of the freehold interest, with vacant possession. No allowance has been made for purchaser's or seller's costs. The Old Basing total valuation figure was £2,300,000 at June 2011. At 31 December 2013, the Directors assessed the carrying value of the property and concluded that £1,860,489 was a more appropriate valuation at that date.

The carrying value of freehold land and buildings as at 31 December 2015, if the assets had been carried at historical cost less depreciation, would have been £1,402,119 (2014: £1,422,413).

Included in land and buildings is freehold land at carrying value of £1,080,000 (2014: £1,080,000) which is not depreciated.

11. Stocks

	2015 £	2014 £
Vehicles, parts and other stock	4,097,938	3,083,369
	<u>4,097,938</u>	<u>3,083,369</u>

Vehicle stock includes all new vehicles that are not consignment to the company from the vehicle manufacturers. The corresponding liability to pay for the vehicles is included in stocking loans within creditors falling due within one year.

12. Debtors

	2015 £	2014 £
Trade debtors	468,322	206,072
Amounts owed by group undertakings	578,018	465,865
Other debtors	111,740	8,551
Prepayments and accrued income	263,511	170,646
Deferred taxation	2,961	2,823
	<u>1,424,552</u>	<u>853,957</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

12. Debtors (continued)**13. Cash and cash equivalents**

	2015 £	2014 £
Cash at bank and in hand	201,033	-
Less: bank overdrafts	(91,238)	(27,800)
	<u>109,795</u>	<u>(27,800)</u>

14. Creditors: Amounts falling due within one year

	2015 £	2014 £
Bank overdrafts	91,238	27,800
Trade creditors	1,477,208	184,640
Corporation tax	22,745	30,572
Taxation and social security	245,413	195,051
Other creditors	3,318,905	3,026,747
Accruals and deferred income	143,918	56,705
	<u>5,299,427</u>	<u>3,521,515</u>

15. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets measured at fair value through profit or loss	201,033	-
Financial assets that are debt instruments measured at amortised cost	1,158,080	680,488
	<u>1,359,113</u>	<u>680,488</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(5,031,269)	(3,295,892)
	<u>(5,031,269)</u>	<u>(3,295,892)</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

16. Deferred taxation

	Deferred tax £
At 1 January 2015	2,823
Charged to the profit or loss	138
At 31 December 2015	2,961

The deferred tax asset is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	-	2,823
Origination and reversal of timing differences	723	-
Effect of tax rate change on opening balance	2,238	-
	<u>2,961</u>	<u>2,823</u>

17. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
300,000 Ordinary shares of £1 each shares of £1 each	<u>300,000</u>	<u>300,000</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

18. Reserves

Share premium

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve

Represents the surplus or deficit arising on the valuation of assets.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit and loss account

Includes all current and prior period retained profit and losses.

Called up share capital

Represents the nominal value of shares that have been issued.

19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £50 (2014: £22,212).

20. Controlling party

The directors consider that the ultimate parent undertaking of this company is Eden Automotive Investments Limited.

21. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.