Company Registration No. 01983517 (England and Wales)

WARRINGTON GARAGES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2017

WARRINGTON GARAGES LIMITED

COMPANY INFORMATION

Directors	Mr G S Williams Mr J S Williams Snr
Secretary	Mr J S Williams Jnr
Company number	01983517
Registered office	Hatfields Calder Island Way Denby Dale Road Wakefield
Auditor	Barlow Andrews LLP Carlyle House 78 Chorley New Road Bolton
Bankers	NatWest Bank Plc 5 Ormskirk Street St Helens

WARRINGTON GARAGES LIMITED

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WARRINGTON GARAGES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2017

The directors present the strategic report for the year ended 31 January 2017.

Fair review of the business

On 3 February 2016 the company acquired 100% of the issued share capital of Shrewsbury Land Rover Limited which traded as a subsidiary within the group for a short period before the trade and assets were hived up into the company.

The key financial and other performance indicators during the year were as follows:

	2017	2016	+/- (%)
Vehicle sales	£218.5m	£165.2m	32.3%
Units sold	7,537	5,668	33.0%
After sales	£17.8m	£13.6m	30.9%
Service hours sold	79,552	62,280	27.7%
Gross profit margin	6.51%	6.34%	0.17 pts
Profit before tax	£8.0m	£5.3m	49.0%
Net margin	3.37%	2.98%	0.39 pts

Vehicle sales increased by £53.3m (32.3%) during the year of which £28.7m can be attributed to the aforementioned acquisition of Shrewsbury Land Rover Limited. The remaining £24.6m increase is primarily due to the launch of the Jaguar F-Pace in April 2016. The number of units sold has increased by 1,869 (33.0%) of which 928 was due to the acquisition and a large proportion of the remaining increase due to new F-Pace sales and increased used car sales at the Jaguar dealerships.

After sales have also increased during the year by £4.2m (30.9%) of which £1.7m can be attributed to the acquisition. The organic growth within after sales was driven by increased vehicle sales and quantity of vehicles in the Parc. The number of service hours sold has increased by 27.7% which is lower than the increase in revenue due to service hours being sold at a higher rate per hour on average.

In addition to strong sales in the year we have also seen increased profit before tax which has risen by £2.7m (49.0%) driven by increased gross profit margin and controlling expenditure which has only increased by 23.7%.

The total net assets of the company have increased by £6.3m (65.6%) from £9.6m to £15.9m.

Principal risks and uncertainties
The principal risks and uncertainties facing the company are as follows:

Operational risk
The company's ability to supply quality vehicles at the right price for sale to the public is largely reliant on the vehicle manufacturers. Any failure in the supply chain would present a risk to the company's ability to meet customer requirements and financial goals. Risk is managed through regular and proactive dialogue with suppliers to ensure customer demand is met through reliable delivery of vehicles and associated products.

Market and strategic risks
The company's profitability and cash flow are affected by changes in market conditions and the company's ability to accurately predict these in advance. In a challenging economic environment, the company places increasing emphasis on the careful management of used vehicle activity, both in terms of ensuring appropriate stock levels and values attributed to used and traded vehicles. This provides the company with protection against any shortfall in new vehicle demand.

Competitive risk
The market place continues to be competitive but the business is well placed to benefit from its leading reputation in the regions in which it operates. The company aims to mitigate the risk by ensuring it offers competitively priced products and delivers a high standard of service to all its customers.

Regulatory compliance risk
The company is subject to regulatory compliance risk being failure to comply with laws, regulations and codes set by the Health and Safety Executive, Financial Conduct Authority and local authorities. Non-compliance could lead to fines, public reprimand or the suspension from selling general insurance and consumer credit products.

Management risk
The company is dependent on the members of its senior management team and the loss of such individuals could have an adverse effect on the business. Furthermore, failure to attract, develop and retain staff of a sufficient calibre could affect the ability of the business to grow.
Information risk

The company is dependent on the continuous operation of its information technology and computer systems which are vulnerable to damage, failure and sabotage. Whilst safeguards, such as insurance, anti-virus software and employee awareness, are in place such a disaster could have a detrimental effect on the business.

Financial risk management objectives and policies
The company is funded by retained profits. It is not therefore exposed to the level and types of borrowing that in the event of anticipated interest rate rises, would significantly affect the stability of the business nor is it subject to the risks of extending unacceptable amounts of credit to customers.

On behalf of the board

Mr G S Williams
Director
24 May 2017

WARRINGTON GARAGES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2017

The directors present their annual report and financial statements for the year ended 31 January 2017.

Principal activities
The principal activity of the company is that of garage proprietors.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr G S Williams
Mr J S Williams Jnr (Resigned 19 July 2016)
Mr J S Williams Snr

Results and dividends
The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement
The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Future developments
The directors intend that the group continues to evaluate each opportunity to grow the business. The geographical location being the logical driver.

Auditor
In accordance with the company's articles, a resolution proposing that Barlow Andrews LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr G S Williams
Director
24 May 2017

WARRINGTON GARAGES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2017

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

WARRINGTON GARAGES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WARRINGTON GARAGES LIMITED

We have audited the financial statements of Warrington Garages Limited for the year ended 31 January 2017 set out on pages 7 to 21. 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 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. 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 January 2017 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, 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, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

James Barden (Senior Statutory Auditor)
for and on behalf of Barlow Andrews LLP

24 May 2017

Chartered Accountants
Statutory Auditor

Carlyle House
78 Chorley New Road
Bolton

WARRINGTON GARAGES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2017

	Notes	2017 £	2016 £
Turnover	3	236,253,445	178,734,087
Cost of sales		(220,882,486)	(167,399,860)
Gross profit		15,370,959	11,334,227
Administrative expenses		(7,419,307)	(5,999,180)
Profit before taxation		7,951,652	5,335,047
Taxation	6	(1,586,043)	(1,065,317)
Profit for the financial year		6,365,609	4,269,730

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There is no other comprehensive income for the year. The total comprehensive income is the profit for the financial year shown above.

WARRINGTON GARAGES LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Goodwill	8		4,470,000		270,000
Tangible assets	9		758,410		649,811
			5,228,410		919,811
Current assets					
Stocks	11	38,614,590		37,094,713	
Debtors	12	6,635,985		3,153,175	
Cash at bank and in hand		3,863,767		5,517,998	
		49,114,342		45,765,886	
Creditors: amounts falling due within one year	13	(38,409,179)		(37,117,733)	
Net current assets			10,705,163		8,648,153
Total assets less current liabilities			15,933,573		9,567,964
Capital and reserves					
Called up share capital	15		100		100
Profit and loss reserves			15,933,473		9,567,864
Total equity			15,933,573		9,567,964

The financial statements were approved by the board of directors and authorised for issue on 24 May 2017 and are signed on its behalf by:

Mr G S Williams
Director

Company Registration No. 01983517

WARRINGTON GARAGES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2017

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 February 2015		100	6,298,134	6,298,234
Year ended 31 January 2016:				
Profit and total comprehensive income for the year		-	4,269,730	4,269,730
Dividends	7	-	(1,000,000)	(1,000,000)
Balance at 31 January 2016		100	9,567,864	9,567,964
Year ended 31 January 2017:				
Profit and total comprehensive income for the year		-	6,365,609	6,365,609
Balance at 31 January 2017		100	15,933,473	15,933,573

1 Accounting policies

Company information

Warrington Garages Limited is a private company limited by shares incorporated in England and Wales. The registered office is Hatfields, Calder Island Way, Denby Dale Road, Wakefield.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Warrington Garages Limited is a wholly owned subsidiary of McLean & Appleton Limited which in turn is a wholly owned subsidiary of McLean and Appleton (Holdings) Limited and the results of Warrington Garages Limited are included in the consolidated financial statements of McLean & Appleton (Holdings) Limited which are available from its registered office, Hatfields, Calder Island Way, Denby Dale Road, Wakefield.

1.2 Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Accounting policies **(Continued)**

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (when the vehicle or parts have been supplied to the customer) and from services is recognised when the service has been completed. For both goods and services recognition of revenue also required that the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed assets - goodwill

Purchased goodwill has been capitalised and is amortised on the straight line bases over its estimated useful economic life. Each acquisition is individually assessed for its useful economic life. These currently range between five and ten years.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1 Accounting policies **(Continued)**

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

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

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

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
Turnover		
Garage proprietors	236,253,445	178,734,087

Turnover analysed by geographical market

	2017	2016
	£	£
United Kingdom	236,253,445	178,734,087

4 Operating profit

Operating profit for the year is stated after charging/(crediting):	2017 £	2016 £
Fees payable to the company's auditor for the audit of the company's financial statements	50,000	40,000
Depreciation of owned tangible fixed assets	267,962	258,015
Profit on disposal of tangible fixed assets	(6,950)	(8,924)
Amortisation of intangible assets	102,957	135,000
Cost of stocks recognised as an expense	209,260,656	158,475,191
Operating lease charges	322,375	118,000

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Sales	189	140
After sales	123	111
Administration	38	36
	350	287

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	9,173,613	7,075,374
Social security costs	913,800	677,200
Pension costs	134,070	23,072
	10,221,483	7,775,646

6 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	1,600,000	1,040,000
Adjustments in respect of prior periods	(13,957)	25,317
Total current tax	1,586,043	1,065,317

6 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Profit before taxation	7,951,652	5,335,047
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	1,590,330	1,067,009
Adjustments in respect of prior years	(13,957)	25,317
Depreciation add back	53,592	56,103
Capital allowances	(63,941)	(64,987)
Other tax adjustments	20,019	(18,125)
Taxation charge for the year	1,586,043	1,065,317

7 Dividends

	2017	2016
	£	£
Interim paid	-	1,000,000

8 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 February 2016	1,592,000
Additions - separately acquired	4,302,957
At 31 January 2017	5,894,957
Amortisation and impairment	
At 1 February 2016	1,322,000
Amortisation charged for the year	102,957
At 31 January 2017	1,424,957
Carrying amount	
At 31 January 2017	4,470,000
At 31 January 2016	270,000

8 Intangible fixed assets (Continued)

The above goodwill acquired in the year is goodwill generated on the hive up of trade and assets of Shrewsbury Land Rover Limited, a subsidiary acquisition which underwent a hive up in the year.

Of the amortisation charged, £2,957 has been charged in respect of this acquisition. The goodwill has been reviewed and deemed not to be impaired at the reporting date.

No other business combinations or disposals occurred in the year.

9 Tangible fixed assets

	Plant and machinery
	£
Cost	
At 1 February 2016	1,797,468
Additions	387,006
Disposals	(44,076)
Fully depreciated assets written off	(42,224)
At 31 January 2017	2,098,174
Depreciation and impairment	
At 1 February 2016	1,147,657
Depreciation charged in the year	267,962
Eliminated in respect of disposals	(33,631)
Fully depreciated assets written off	(42,224)
At 31 January 2017	1,339,764
Carrying amount	
At 31 January 2017	758,410
At 31 January 2016	649,811

10 Fixed asset investments

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 February 2016	-
Additions	4,720,000
Hive up of trade and assets	(4,720,000)
At 31 January 2017	-
Carrying amount	
At 31 January 2017	-
At 31 January 2016	-

During the year, the company undertook the purchase of 100% of the ordinary share capital of Shrewsbury Land Rover Limited, which operated as a garage proprietors. After a short period with the company as a subsidiary, the directors felt that it would be more strategically advantageous to hive up the trade and assets from Shrewsbury Land Rover Limited into the company to continue as one single entity.

On this hive up, the investment in shares was removed, and all net assets of Shrewsbury Land Rover were added into the company. The excess of the investment cost over and above the fair value of net assets acquired on the hive up has been recognised as goodwill. Details of this goodwill are included in note 8.

11 Stocks

	2017 £	2016 £
Finished goods and goods for resale	38,614,590	37,094,713

12 Debtors

Amounts falling due within one year:	2017 £	2016 £
Trade debtors	4,859,746	2,962,993
Amounts due from fellow group undertakings	1,473,394	-
Prepayments and accrued income	302,845	190,182
	6,635,985	3,153,175

13 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	35,078,102	34,168,616
Amount due to parent undertaking	-	415,076
Amounts due to fellow group undertakings	17,391	22,915
Corporation tax	1,086,978	667,342
Other taxation and social security	1,495,088	1,342,345
Accruals and deferred income	731,620	501,439
	38,409,179	37,117,733

Included within trade creditors is £29.51m which is secured by a charge on Jaguar and Land Rover vehicle stocks.

14 Retirement benefit schemes

	2017	2016
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	134,070	23,072

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

16 Acquisition of a business

On 3 February 2016 the company acquired 100% of the issued share capital of Shrewsbury Land Rover Limited. Shrewsbury Land Rover Limited traded as a subsidiary within the group for a short period before the trade and assets were hived up into Warrington Garages Limited

	Book Value	Adjustments	Fair Value
	£	£	£
Property, plant and equipment	24,428	-	24,428
Inventories	671,874	-	671,874
Trade and other receivables	10,093	-	10,093
Trade and other payables	(194,664)	-	(194,664)
Total identifiable net assets	511,731	-	511,731
Goodwill			4,302,957
Total consideration			4,814,688

Satisfied by:	£
Cash	4,814,688

Contribution by the acquired business for the reporting period since acquisition:	£
Turnover	30,546,799
Profit after tax	800,037

The goodwill arising on the acquisition of the business is attributable to the purchase price paid on the anticipated profitability of the distribution of the company's products and the future operating synergies from the combination.

17 Financial commitments, guarantees and contingent liabilities

The company is party to composite guarantees given to its bankers in respect of overdrafts and loans granted to its parent company and fellow subsidiaries. The maximum involved under these guarantees at 31 January 2017 was £7.3m (2016: £5.5m).

The company is also party to composite guarantees in respect of the directors' and other loan accounts included within McLean & Appleton Limited. The maximum involved under these guarantees at 31 January 2017 was £4.9m (2016: £5.3m).

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	350,960	118,047
Between two and five years	695,056	472,188
In over five years	150,631	314,005
	1,196,647	904,240

19 Related party transactions

A family trust owns certain properties which are occupied by the company. Rent of £291,192 was charged for the year of which £156k was outstanding at the year end (2016: £95k).

20 Controlling party

The company's immediate parent is McLean and Appleton Limited.

Its ultimate parent undertaking is McLean and Appleton (Holdings) Limited and it is under the ultimate control of Mr G S Williams.

The company is included in the consolidated accounts of McLean and Appleton (Holdings) Limited.