Cambria Automobiles plc

Annual report and financial statements

Registered number 05754547

31 August 2015


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Automobiles plc
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Contents


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Mazda CX-5
Mazda CX-3


MUSTANG

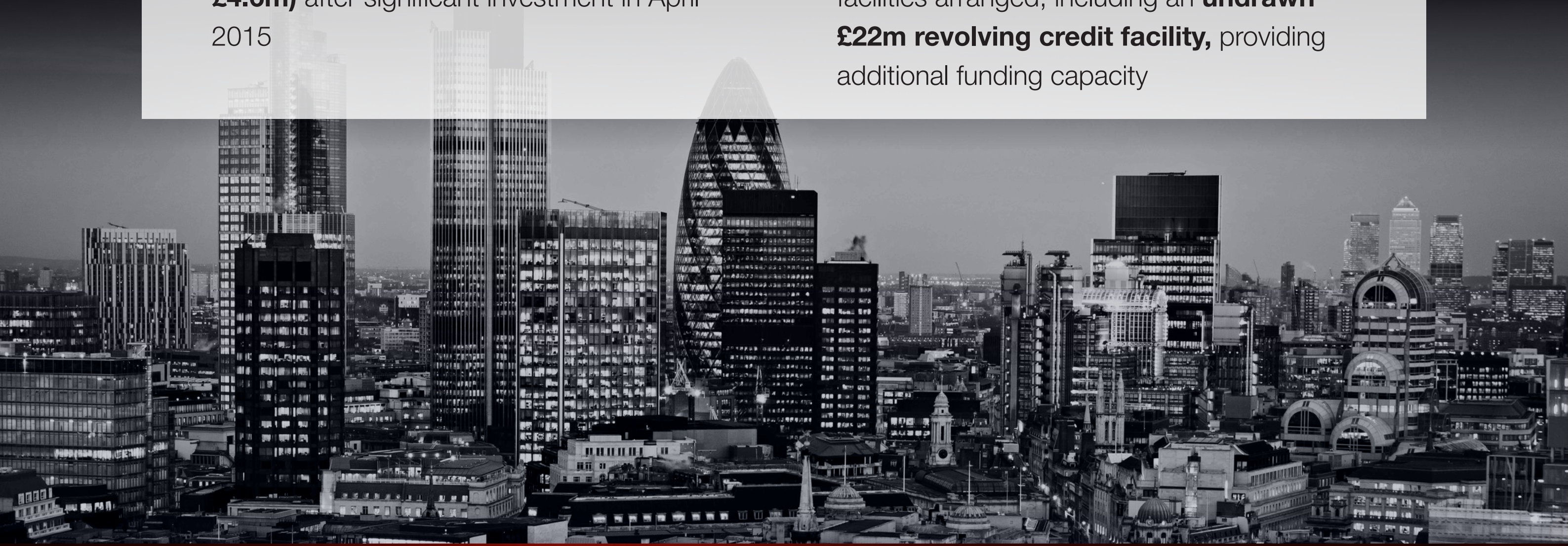
Cambria Automobiles plc

Financial Highlights

Year ended 31 August	2015	2014	
	£m	£m	Change
Revenue	**523.8**	450.1	16.4%
Underlying EBITDA*	**10.2**	7.4	37.8%
Underlying operating profit*	**8.5**	5.9	44.1%
Underlying profit before tax*	**7.7**	5.4	42.6%
Underlying profit before tax margin*	**1.5%**	1.2%	30bps
Non-recurring expenses	**0.1**	0.1	
Underlying earnings per share*	**6.08p**	4.22p	44.1%
Earnings per share	**6.03p**	4.15p	45.3%
Dividend per share	**0.75p**	0.6p	25.0%

** These items exclude non-recurring expenses of £0.1m (2014: £0.1m)*

- ✔ **Strong balance sheet** - net assets **£33.7m**
- ✔ **Strong operational cash flows**, cash position **of £15.4m (2013/14: £10.3m)**
- ✔ **Net cash** of **£1.0m (2013/14: net debt £4.6m)** after significant investment in April 2015
- ✔ **Return on Equity** at **19.6%** (2013/14: 15.9%)
- ✔ Proposed final **dividend** of 0.6p, full year up by **25.0% to 0.75p per share** (2013/14: 0.6p)
- ✔ Post year-end, **new £37.0m**, 5 year banking facilities arranged, including an **undrawn £22m revolving credit facility,** providing additional funding capacity



Operational Highlights

- ✔ **Growth** in new vehicle sales of **9.0%**
- ✔ New retail profit per unit **increased** by **12.6%**
- ✔ Increase in **used vehicle** unit sales of **4.4%**
- ✔ Used car profit per unit **increased** by **5.3%**
- ✔ Increase of **7.8%** in service and bodyshop hours sold
- ✔ **Barnet Jaguar Land Rover** acquisition from June 2014 integrating well with **profit contribution** in line with expectations
- ✔ **Swindon Land Rover** acquired on **30 April 2015** for **£7.6m,** integrating well and contributed in line with expectations

Mark Lavery, Chief Executive Officer of Cambria said:

"The Group has delivered a strong set of full year results, with our sales exceeding £500m for the first time. Along with the growth in our underlying profitability, this milestone reflects the continued progress that has been made across our businesses as we take advantage of the UK economic recovery by identifying the right acquisition opportunities and strengthening our position in high luxury and premium brands. The acquisitions of the Jaguar Land Rover business in Barnet and the Land Rover business in Swindon fully align with this strategy and I am pleased to report that both businesses have integrated well.

"Post the period end, the Group's growth momentum has continued in the first two months of the new financial year with results substantially ahead of the comparable period. We have also successfully agreed a new set of 5 year banking facilities, which, combined with our strong cash reserves, have boosted our acquisition capacity. The Board remains focused on strengthening its brand portfolio by actively delivering on our stated acquisition strategy to enhance shareholder value. We are well placed to continue our growth in the current financial year."

Chairman's statement

I am very pleased to report that Cambria has delivered a strong set of results for the year ended 31 August 2015, which show continued improvement in the Group's operational and financial performance and successful delivery of its stated growth strategy.

The UK motor retail industry has continued to demonstrate year-on-year growth with the new car market reporting buoyant registration data supported by strong consumer offers and a favourable exchange rate environment.

The Group reported significant operational improvements in the 2013/14 financial year and these have impacted positively the 2014/15 year. The Group generated gross profit growth across all core elements of the business, New Vehicles, Used Vehicles and Aftersales, as well as delivering another significant premium brand acquisition in Land Rover Swindon to add to the major acquisition in the previous year. These earnings accretive acquisitions have been delivered in line with the strategy for growth in the premium and high luxury segment and have achieved our robust investment criteria.

Revenue increased by 16.4% to £523.8m (2013/14: £450.1m). Underlying profit before tax rose by 42.6% to £7.7m (2013/14: £5.4m). Profit before tax also improved by 45.2% to £7.7m (2013/14: £5.3m), giving earnings per share of 6.03p (2013/14: 4.15p) - an increase of 45.3%.

The Group closed the year with net cash of £1.0m (2013/14: net debt £4.6m) and net assets of £33.7m (2013/14: £28.3m), underpinned by the ownership of £37.6m (2013/14: £35.7m) of freehold and long leasehold properties.

Our capacity for making acquisitions, and the facilities development programme, have been enhanced post year end with a new set of banking facilities of £37m. These facilities refinance the existing term loans of £14.4m and make available a further £22.0m of Revolving Credit Facility.

Group overview

Cambria was established in 2006 with a strategy to build a balanced motor retail group through close cooperation with our manufacturer partners to deliver the self-funded acquisition and turnaround of underperforming businesses. In my previous reports, I stated that our strategy had evolved to encompass the acquisition of premium and high luxury businesses located in geographically strategic locations which would be immediately earning enhancing.

In 2014 the Group, in line with this strategy was pleased to be able to announce the acquisition of the Jaguar and Land Rover dealership in Barnet. The Board has been very pleased with the manner in which this business has integrated and is confident that it will continue to deliver results in line with expectations. Following on from this successful acquisition, management has continued to identify and review acquisition opportunities that meet these criteria, and on 30 April 2015 completed the acquisition of Swindon Land Rover for a total consideration of £7.6m including £2.3m of freehold property. In the four months of ownership the Swindon Land Rover business has contributed positively to the Group and is integrating well.

The strength of the Group's balance sheet and new financing resources available allows us to continue our acquisition strategy, realise our brand balance ambitions, while meeting our financial return criteria.

Following the acquisitions, and the closure of the Group's only Citroen new car sales franchise in Swindon, the Group now comprises 29 dealerships, representing 45 franchises and 17 brands, a well balanced brand portfolio spanning the high luxury, premium and volume segments.

Our relationship with the manufacturers which we represent is a core pillar of our business approach. The management team continues to develop and maintain strong working relationships, in which Cambria is seen as an effective and valued business partner. I would also like to thank all our Cambria Associates, who continue to demonstrate commitment to the Group. We believe that our investment in their development, through the Cambria Academy, will increase skill levels in our Guest facing sales force and enhance their ability to provide a world class Guest experience.

Dividend

The Board is pleased to announce a final dividend of 0.6p per share (2013/14: 0.5p), subject to shareholder approval, resulting in a total dividend for the year of 0.75p per share (2013/14: 0.6p) - an increase of 25.0%. It remains the Board's intention to grow dividends in line with earnings.

Outlook

Since the industry lows experienced in Q4 2011, the UK market has enjoyed 43 consecutive months of year-on-year growth in new car registrations to September 2015. This continuous growth trajectory plateaued in October against a strong prior year comparative and a market which is expected to reach a record high in 2015 at over 2.6m new car registrations. We believe that the new car market will remain robust although we do not expect year-on-year growth in new car registrations to continue when the market reaches its natural mid-cycle level.

I am pleased to report that Cambria has maintained its growth momentum in the first two months of the new financial year, delivering results substantially ahead of the comparable period. We are actively looking to deliver on our stated acquisition strategy to further enhance the brand portfolio in strategic areas, whilst maintaining our aim to produce superior returns on Shareholders' funds, which reached 19.6% in the year under review (2013/14: 15.9%).

The Board is pleased with the progress that has been made over the last two financial years and intends to continue to exploit growth opportunities whilst driving the core operation of the existing businesses.

Philip Swatman
Chairman

"A culture of delivering a **World Class Guest Experience** is engrained into the business through the **Cambria Academy training programme**"

Cambria Automobiles plc

Operating and Financial Review

Chief Executive's review

Introduction

I am pleased to report that the Group has delivered a very good set of results for the 2015 financial year. The operational and financial performance improvements delivered in H1 2015 continued into the second half with underlying profit before tax rising to £7.7m, a 42.6% increase on the previous year.

It is pleasing to report that the results reflect both organic growth and profit increases in the like-for-like businesses as well as delivery of the anticipated earnings from the acquisitions made in the current and previous financial year.

In line with our acquisition strategy, we completed the purchase of our second Land Rover dealership in Swindon in April 2015 for £7.6m from existing cash resources and term debt. The integration of this business is progressing well and the business has operated in line with our expectations during the first four months of ownership.

During the year under review, the like-for- like businesses contributed a £6.5m profit before tax, a 20.4% year on year increase, whilst the Barnet and Swindon acquisitions contributed £1.2m profit before tax.

The table below summarises our financial performance, which is detailed in the Finance Director's Report:

Year ended 31 August	2015 £m	2014 £m
Revenue	**523.8**	450.1
Underlying EBITDA*	**10.2**	7.4
Underlying operating profit*	**8.5**	5.9
Underlying profit before tax*	**7.7**	5.4
Underlying profit before tax margin*	**1.5%**	1.2%
EBITDA	**10.1**	7.3
Operating profit	**8.4**	5.8
Profit before tax	**7.7**	5.3
Non-recurring expenses	**0.1**	0.1
Net Assets	**33.7**	28.3
Profit before tax margin	**1.5%**	1.2%
Underlying earnings per share*	**6.08p**	4.22p
Earnings per share	**6.03p**	4.15p

** These items exclude non-recurring expenses of £0.1m (2013/14: £0.1m)*

Total revenue for the Group exceeded £500m for the first time in its history, a milestone in the Group's evolution from its inception in 2006. Through a combination of operational improvements and strategic acquisitions the Group intends to continue to deliver controlled growth and increasing profitability.

The Group also continued to deliver strong operational cashflow during the year which funded the acquisition of the Swindon Land Rover business, and ensures that we have resources available to continue with our acquisition strategy to develop the Group's profitability and franchise mix. During the year we have worked with our banking partner Lloyds Banking Group to structure a new set of banking facilities that will provide a refinancing of the existing £14.4m term loans and make available a £15.0m Revolving Credit Facility for acquisitions and a further development facility of up to £7.0m for the property projects at our Barnet and Swindon dealerships to deliver the new Jaguar Land Rover corporate standard facilities.

Brand partnerships

In line with our buy-and-build strategy, management has continued to work with both existing and potential Brand Partners (manufacturers) with whom the Group may develop Primary Brand Partner relationships (i.e. more than three franchised dealerships). We have worked hard to improve the businesses acquired in previous years and to integrate and develop the ones acquired and established in the year under review, making significant investment in the management of those businesses.

Our current portfolio of Brand Partners and dealerships comprises:

High Luxury / Premium		Volume		Motorcycle	
Aston Martin	3	Abarth	1	Triumph	2
Alfa Romeo	2	Jeep	2		
Honda	2	Dacia	1		
Jaguar	6	Fiat	5		
Land Rover	2	Ford	5		
Volvo	5	Mazda	4		
		Nissan	1		
		Renault	1		
		Seat	1		
		Vauxhall	2		
	20		**23**		**2**

During the year the Group acquired the Swindon Land Rover business for a total consideration of £7.6m, which included £2.3m of freehold land and property, £0.1m of fixed assets and £2.2m of net working capital assets resulting in £3.0m of goodwill. It is our intention to fully re-develop our Swindon Motor Park location to provide a new Jaguar Land Rover (JLR) facility in line with the new Arch design concept for JLR facilities. It is anticipated that the development will be completed by summer 2017 and we are initiating the planning and design process imminently. Once the new development is complete, we will relocate the Land Rover business from the existing dealership property in Royal Wootton Bassett, and will then dispose of the Royal Wootton Bassett facility.

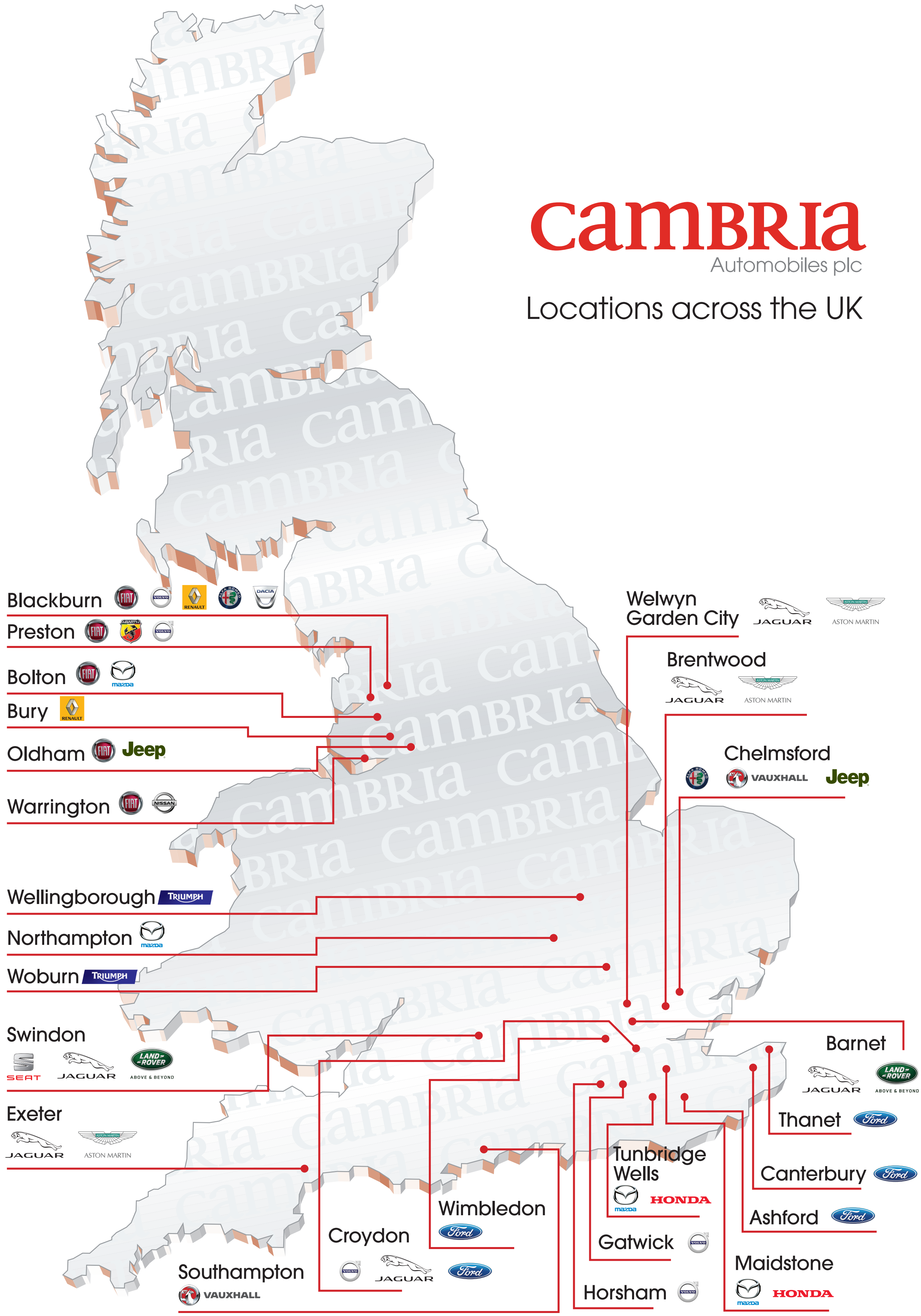
When we acquired the Barnet Jaguar Land Rover dealership in the 2013/14 financial year we committed to develop the freehold site to provide a Jaguar Land Rover Arch concept facility on that location. At the time of writing we have now secured full planning consent and are in the process of finalising the negotiations with contractors for delivery of the site. It is our expectation that the site development will begin in calendar Q1 2016 with completion in calendar Q1 2017. We are excited about this development and are confident that once complete it will provide an exceptional facility from which we can deliver a great Guest Experience and achieve the full potential of the businesses.

Cambria has enjoyed the benefits of a strategically balanced brand portfolio with a strong mix of high luxury, premium and volume businesses and we intend to continue our buy-and-build strategy, acquiring businesses that further improve the brand mix and represent good value for our shareholders.

We continue to promote the philosophy of stand-alone autonomous business units, in which local management teams are empowered via our "Four Pillar Strategy" to run their own business units. Cambria dealerships do not trade under the "Cambria" name but focus on local branding. Our dealerships trade as "Grange", "Doves", "Dees", "Invicta Motors", "County Motor Works", "Pure Triumph" and "Motorparks". When acquiring a business, the Board considers the geographical location of the franchise and then chooses to either adopt a new trading style or retain the existing business name. On completion of both the Barnet and Swindon acquisitions, the businesses were re-branded as "Grange".

cambria
Automobiles plc

Locations across the UK



Operations

	2015 Revenue	2015 Revenue mix	2015 Gross Profit	2015 Margin		2014 Revenue	2014 Revenue mix	2014 Gross Profit	2014 Margin
	£m	**%**	**£m**	**%**		£m	%	£m	%
New Vehicles	**238.4**	**45.5**	**15.5**	**6.5**		195.2	43.4	12.3	6.3
Used Vehicles	**235.9**	**45.0**	**20.8**	**8.8**		208.9	46.4	19.0	9.1
Aftersales	**60.6**	**11.6**	**25.8**	**42.5**		55.8	12.4	23.9	42.9
Internal sales	**(11.1)**	**(2.1)**	**-**	**-**		(9.8)	(2.2)	-	-
Total	523.8	100.0	62.1	11.9		450.1	100.0	55.2	12.3
Administrative expenses			**(53.6)**					(49.3)	
Operating profit before non-recurring expenses			**8.5**					5.9	
Non-recurring expenses			**(0.1)**					(0.1)	
Operating profit			8.4	1.6				5.8	1.3

New Vehicle Sales

	2015	2014	Year on year growth
New units	**11,388**	10,451	9.0%

New vehicle revenue increased from £195.2m to £238.4m with total new vehicle sales volume up 9%. Excluding the impact of Barnet and Swindon acquisitions, our new volumes rose by 1.1% on a like-for-like basis. Gross profit also increased by £3.2m (26.0%) in total and £0.3m on a like-for-like basis with an improvement in the gross profit per unit sold.

This strong performance was delivered against an overall year-on-year increase of 7.2% in new UK car registrations in the 12 month period to 31 August 2015. New car registrations for the rolling 12 months exceeded 2.57m in this period for the first time since 2007, and it is anticipated that in the calendar year 2015 total registrations will exceed 2.6m for the first time. The private registrations element of the new car market increased 4.4% year-on-year. ASE industry data indicates that dealer sales are at a lower level than the SMMT registration data which also includes the impact of self/pre-registrations.

The Group's sale of new vehicles to private individuals was 9.2% higher year-on-year at 9,693 units. Commercial and fleet vehicle sales by the Group increased by 11.6% to 1,090 units and by 0.8% to 605 units respectively; these sales are transacted at lower margins hence the dilutive effect on overall new car gross margin.

Used Vehicle Sales

	2015	2014	Year on year growth
Used units	**14,945**	14,320	**4.4%**

We have delivered a strong performance in used vehicle sales. Revenues increased from £208.9m to £235.9m and the number of units sold rose by 4.4%. Like-for-like volumes were up 1.3%. The gross profit generated increased by £1.8m (9.5%) in total and £0.9m on a like-for-like basis.

The Group continues to place a major focus on managing and driving the used car operation within the business, and pleasingly, the improved controls and trading style that the Group has adopted is delivering results. Over the past 24 months, the Group has adopted a "Velocity" trading strategy which involves applying consistent controls to the level of used car stock being held, the pricing and presentation of the inventory and the penetration of Finance and Insurance products to the sale of used cars. The adoption of this trading style has resulted in the average gross profit on each unit retailed increasing year on year to £1,395 per unit (up 5.3%). The adoption of the Velocity trading strategy means that the Group has also concentrated on tight management of its used vehicle inventories, closely monitoring stock turn and used car Return on Investment with an improvement to 137% in the year from 119% in 2013 and 122% in 2014. Cambria has therefore further distanced itself from the industry average used car Return on investment of 76.5%

Aftersales

	2015	2014	Year on year growth
Service and Bodyshop hours	**341,611**	316,963	**7.8%**

Overall, the service and bodyshop elements of the business increased the number of hours sold by 7.8% and the total aftersales gross profit by £1.9m (7.9%) to £25.8m. The combined aftersales revenue increased 8.6% year on year from £55.8m to £60.6m. The aftersales departments contributed 41.5% of the Group's overall gross profit.

The Group continues to review its processes for ensuring that we engage with all our Guests to maximise the opportunity to interact with them through our Guest Relationship Management Programme. This is our contact strategy involving the sale of service plans and delivery of service and MOT reminders in a structured manner, utilising all forms of digital media and traditional communication methods.

The 0-3 year car parc continues to be replenished, as new car sales increases year on year, and this gives the Group confidence of further progress in Guest relationship and retention and the aftersales business remaining strong.

Group Strategy

Since the Group's incorporation in March 2006, we have continued to apply our focused buy-and-build strategy of acquiring motor dealership assets using internally generated funds and bank facilities. The earnings enhancing acquisitions over the past two years of the Barnet and Swindon businesses are firmly in line with this strategy and the opportunity to develop our relationship with Jaguar Land Rover fits our brand portfolio aspirations perfectly.

We have now completed eleven separate transactions since our incorporation. Following any acquisition, the Cambria management team implements new financial and operational controls and processes in order to rationalise, restructure and develop each individual dealership. A culture of delivering a world class Guest experience is engrained into the business through the Cambria Academy training. This tailored approach ensures the changes made to each dealership are sustainable and create shareholder value through achieving an appropriate contribution for the level of investment.

We will continue with our three step approach to purchasing a new business - acquisition, integration and operation, as outlined below:

Acquisition

When acquiring new businesses, we are diligent in ensuring that none of the contractual obligations taken on upset the integrity of our balance sheet. This includes ensuring that leases reflect market value and that any unusual contractual obligations are addressed prior to acquisition in order to avoid taking on any legacy costs. We do not have any defined benefit pension schemes. We have always taken the approach that Cambria will not acquire any business unless there is a strong underlying business case to do so and our acquisitions have been funded from our own cash resources and banking facilities. Maintaining the Group's balanced brand portfolio will be fundamental to its continued success and development and this will undoubtedly mean that we will acquire and develop more Premium and Luxury businesses. All acquisitions and any related funding requirements are assessed on their individual merits. For compelling acquisition targets, like Barnet and Swindon, where a premium may need to be paid, we will still focus on ensuring that the Group delivers strong and consistent returns on equity.

Integration

The integration process of every new dealership starts with an Associate engagement evening where our senior management present the Cambria "Four Pillar" culture change programme. After this meeting, the Group integration team implements systems, processes and procedures to improve legislator compliance including FCA and Health & Safety. Newly acquired Associates are transferred to Cambria employment contracts with compensation and benefits commensurate with the particular business. An analysis of training needs is conducted, followed by the implementation of training programmes for all relevant Associates in the new business.

Operation

With any new acquisition, the standard financial controls are implemented immediately, ranging from individual cheque signatories to daily reporting of vehicle sales and aftersales revenues, margins and other performance figures. We then implement our two growth strategies (i) "Cambria Digital", which is our internet social networking strategy for vehicle sales coupled with our "Guest Connect" support centre, and (ii) in Aftersales our "Duty of Care Gearbox" and Local Contact Strategy which is designed to supply our Guests with a one stop solution for all their vehicle maintenance needs.

Cambria Academy

The Group has continued to develop the Cambria Academy, a training Academy for the Group's Associates, which was established nearly three years ago. The Academy is evolving consistently in order to support the business and development needs of the Group. The initial training programmes for the sales teams have been supplemented with induction programmes and specific telephone handling courses to ensure that we increase the competency of all our Associates in dealing with Guest enquiries effectively.

The Academy was established to enhance the Cambria Guest Experience with the key strategic objective: "To deliver an outstanding experience making it easy for our Guests to buy, own and maintain their vehicle, ensuring that they will want to do so again and recommend us to others."

We will continue to enhance and refine the Academy to help develop our own talent pool, promote Associate retention and to create our own future management with the overriding objective of enhancing the Guest Experience when interacting with Cambria.

Outlook

The new financial year has started strongly. Group performance in the first two months is significantly ahead of the comparable period of the 2014/15 financial year, and is tracking ahead of current market expectations. I am pleased with the progress that we are making across our established businesses; and I am also pleased with the progress that we are making in both the Barnet and Swindon acquisitions. Whilst there is further work to do in order that those businesses achieve their potential, the opportunity to generate significant returns from these business is substantial. I am confident that through a disciplined approach to managing the used car operation and adhering to the principles of the "Velocity" trading strategy that we have adopted, that Cambria can maintain this momentum and deliver further improved performances across all its departments in the current financial year.

Our continued strong cash generation and new banking facilities leave us well positioned to develop our balanced brand portfolio. We will continue to focus on the development of our high luxury and premium brands and Cambria continues to invest in identifying acquisition opportunities.

Whilst there were 43 consecutive months of year-on-year growth in new car registrations in the UK to September, and a stabilising in October, we believe that at just over 2.6m registrations for the year, the new car market is now mid-cycle and will remain around this level. The UK remains an attractive place for the vehicle manufacturers to register and sell cars given the overall recovery of the economy and the exchange rate benefit that the manufacturers receive if sterling remains strong.

As a result of the exchange rate benefit and the ongoing low interest rate environment, vehicle manufacturers continue to deliver strong consumer offers, which represent attractive propositions for our Guests to acquire new cars. The level of cars sold on Personal Contract Purchase "PCP" related products has increased significantly over the past four years. As a result of the increased penetration of the PCP offers, there becomes a natural change cycle where a Guest is more likely to change a car for another new one during the term of the PCP product. A larger portion of cars sold on PCP gives greater control of the Guest's change cycle and creates an opportunity for us to engage with our Guests.

Cambria remains data driven, digitised and agile which puts us in a good position to capitalise on the opportunities that the market and brand partners present. We intend to continue the process of enhancing the existing businesses and acquiring businesses that fit strategically in terms of brand, location and return on investment.

Mark Lavery
Chief Executive

Finance Director's Report

Overview

Total revenues in the period increased 16.4% to £523.8m from £450.1m in the prior year. New vehicle unit volumes were up 9% and new vehicle revenues were up 22.1%. Used car unit sales and revenues increased by 4.4% and 12.9% respectively. Revenues from the aftersales businesses increased by 8.6%, compared with the previous year.

Total gross profit increased by £6.9m (12.5%) from £55.2m to £62.1m in the year. Gross profit margin across the Group reduced from 12.3% to 11.9%, reflecting the change in revenue mix following the increase in new car sales and the improvement in commercial vehicles and fleet cars. The average selling price of both new and used cars increased year on year, as did the average profit per new and used unit that we sold. The aftersales operations contributed 41.5% of the total gross profit for the Group, compared to 43.3% in the previous period, at a gross profit margin of 42.5%, compared with 42.9% in the previous year.

During the year, the Group incurred non-recurring expenses of £57,000 in relation to transaction and set up costs associated with the acquisition of the Swindon Land Rover business.

Underlying EBITDA increased by 37.8% in the period to £10.2m from £7.4m in the previous year. Underlying operating profit improved 44% to £8.5m, compared to £5.9m in the previous year, resulting in an underlying operating margin of 1.6% (2013/14: 1.3%).

Net finance expenses increased to £0.7m (2013/14: £0.5m) as a result of the additional mortgages against the Barnet and Swindon freehold properties acquired and additional consignment stocking costs relating to the higher level of consignment stock carried across the year.

The Group's underlying profit before tax rose by 42.6% to £7.7m, in comparison with £5.4m in the previous year. The acquisition accounted for a profit of £1.2m in the year, in line with our budget.

Underlying earnings per share were 6.08p (2013/14: 4.22p). Basic earnings per share were 6.03p (2013/14: 4.15p) and the Group's underlying return on shareholders' funds for the year was 19.6% (2013/14: 15.9%).

Taxation

The Group tax charge was £1.6m (2013/14: £1.2m) representing an effective rate of tax of 21.2% (2013/14: 21.8%) on a profit before tax of £7.7m (2013/14: £5.3m). As outlined in last year's report, it is anticipated that the tax rate will continue at a substantially normal effective tax rate.

Financial Position

The Group has a robust balance sheet with a net asset position of £33.7m underpinned by £37.5m of freehold and long leasehold property which are held on a historic cost basis. Secured against the freehold and long leasehold property are mortgages amounting to £14.4m.

As at the balance sheet date, each of the loans has different repayment profiles between three and fifteen years and bear interest at between base plus 1.25% and LIBOR plus 3%. During the year, the Group comfortably met the bank covenants attached to these borrowings.

Post year end, on 23 November 2015, the Group entered into revised banking arrangements with Lloyds Banking Group to refinance the existing £14.4m of term loans into one standardised facility of £15m that has a 5 year term, and 15 year capital repayment profile.

The cost of the facilities is LIBOR plus a margin. The margin attributable to the term loans will be set each quarter and is dependent on the net debt: EBITDA ratio for the Group. The spread of margin chargeable against the facility ranges from 1.2% where the net debt is less than 1 times EBITDA, up to 2% where the net debt is greater than 2.5 times EBITDA.

The Group has also arranged two further Revolving Credit Facilities. The first is a 5 year, £15m RCF available for the acquisition of businesses and property, the second is a 5 year property development facility to be used against the development of Barnet and Swindon properties. The maximum drawdown against this facility is £7m, and it is intended that once the developments are complete that the RCF will be converted into a standard amortising term facility. The margins attributable to these Revolving Credit Facilities mirror those attributable to the revised term loan facilities.

The net cash position of the Group as at 31 August 2015 was £1.0m (2013/14: net debt £4.6m), reflecting a cash position of £15.4m (2013/14: £10.3m). This is after the £7.6m investment in acquired businesses.

The Group typically uses term loan facilities to fund the purchase of freehold and long leasehold properties, stocking loans to fund the acquisition of consignment, demonstrator and used vehicles and has a £5.0m overdraft facility which is used to manage seasonal fluctuations in working capital. The overdraft facilities are renewable annually and are next due in February 2016. At the balance sheet date, the Group had a £5.0m Revolving Credit Facility, (RCF) which has now been replaced with the revised facilities which give us significant liquidity to identify and approach acquisition targets.

Cash Flow and Capital Expenditure

The Group generated an operating cash inflow of £15.0m with working capital reducing by £6.4m through efficient management of the vehicle inventory and the stocking lines associated with that inventory, VAT inflow from increased consignment stock levels and higher levels of new vehicle deposits. Total funds invested in business acquisitions and capital expenditure were £8.4m, of which £7.6m related to the acquisition of the Swindon Land Rover business and £0.9m was fixtures and fittings, plant and equipment and computer equipment. We drew down one new term loan of £1.6m against the freehold purchase of the Swindon Land Rover Property.

During the year, capital repayments of £2.1m were made against the total term loans outstanding. The capital repayments due in the financial year to 31 August 2016 under the old facilities total £2.1m, under the revised facilities will equate to £1.3m in 2016 and £1m each year thereafter.

As a result of the net cash inflow of £5.1m, the gross cash position was £15.4m with gross debt decreasing by £0.5m to £14.4m, overall net debt decreased from a net debt position of £4.6m at 31 August 2014 to a net cash position of £1.0m.

Shareholders' Funds

There are 100,000,000 ordinary shares of 10p each with an associated share premium account of £0.8m. There were no new funds raised during the year; therefore the share capital and share premium account remain at £10.8m consistent with the prior year. All ordinary shares rank pari passu for both voting and dividend rights.

Pension Schemes

The Group does not operate any defined benefit pension schemes and has no liability arising from any such scheme. The Group made contributions amounting to £0.3m (2013/14: £0.3m) to defined contributions schemes for certain employees.

Financial Instruments

The Group does not have any contractual obligation under any financial instruments with respect to the hedging of interest rate risk.

Dividends

The Board is pleased to propose a final dividend payment in respect of the financial year to 31 August 2015 of 0.6p per share in addition to the interim dividend of 0.15p per share paid in May 2015. If approved by the shareholders at the Annual General Meeting to be held on 14 January 2016, the dividend will be payable on 21 January 2016 to those shareholders registered on 29 December 2015, with an ex-dividend date of 24 December 2015. The Board aims to maintain a dividend policy that grows with the Group's earnings but intends to ensure that the payment of dividend does not detract from its primary strategy to continue to buy-and-build and grow the Group.

James Mullins
Finance Director
23 November 2015

Enhanced Business Review

All details required are covered in the Chairman's Statement and the Operating and Financial Review between pages 3 and 13.

Cambria Business Philosophy

Cambria's culture – The Four Pillars

The Group works hard to instil a group culture. This culture is built around four pillars which are:

Pillar One - Associate delight

The Directors believe that Associates are the Company's most important asset and therefore members of the team are not referred to as members of staff or employees, but rather as "Associates". The Directors want all Associates to be proud to be associated with the Group and to be given the autonomy to make decisions that affect the running of "their" business. The Directors promote internal development and foster a culture whereby associates feel they can achieve their career aspirations with Cambria. Equally, Cambria invests in its Associates in order for them to achieve their full potential within the Group.

Pillar Two - Guest delight

Cambria Associates are encouraged to treat all customers at all times, in the way that they would treat a guest visiting their own home. The Directors believe that associate empowerment is key to achieving this goal and the Directors believe that the organisation must be transparent and open at all times generating empathy with the diverse guest base of the Group.

Pillar Three - Brand delight

The Group's goal is to become the retailer of choice for all of the automotive manufacturers that it represents. This pillar focuses on achieving the following goals:

- brand vehicle sales objectives
- brand part sales objectives
- top half placing in brand customer satisfaction surveys
- the development of a trusting relationship with brand personnel from the manufacturer partners

Pillar Four - Stakeholder delight

The Group aims to provide satisfaction to its Stakeholders. It seeks to achieve this through:

- disclosing timely and accurate information providing Stakeholders with a detailed understanding of business performance; and
- communicating openly and transparently.

Primary Risks

The primary risk to the Group 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.

The Group uses a variety of financial instruments including cash, borrowings and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the Group's operations.

The Directors are of the view that the main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, price risk and credit risk. The Directors set and review policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

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.

Through implementing tight controls and building a strong operational Group infrastructure, the Directors believe they are taking all possible steps to protect the business.

By order of the board

James Mullins
Director
23 November 2015

Dorcan Way, Swindon, SN3 3RA

Directors' report

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

Principal activities

Cambria's principal activities are the sale and servicing of motor vehicles and the provision of ancillary services. The Group operates from 29 sites with a total of 45 dealer franchises.

Proposed dividend

The directors recommend the payment of a final dividend for 2015 of 0.6p per share which equates to £0.6m *(2014: £0.5m)*. If approved at the Annual General Meeting to be held on 14 January 2015, the dividend will be payable on 21 January 2016 to those shareholders registered on 29 December 2015.

Directors

The directors who held office during the year were as follows:
P H Swatman
M J J Lavery
M W Burt
J A Mullins
Sir P A Burt

All directors benefited from qualifying third party indemnity provisions in place during the financial period.

Associates

The Group recognises the benefit of keeping associates informed of group affairs and the views of associates are given full consideration at regular meetings with their representatives.
Full and fair consideration is given to the employment of disabled persons, who are treated no differently from other associates as regards recruiting, training, career development and promotion opportunities. For people who may become disabled, in the course of employment, the Group will make every effort to accommodate them in suitable alternative employment.

Political and charitable contributions

During the year, the Company made a £10,000 charitable donation to support BEN, the Motor And Allied Trades Benevolent Fund. The Group and its Associates also support BEN through a payroll giving scheme.
Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year *(2014: £nil)*.

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

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

James Mullins
Director
23 November 2015

Dorcan Way, Swindon, SN3 3RA

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 group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. As required by the AIM rules of the London Stock Exchange they are required to prepare the group financial statements and Operating and Financial Review in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period.

In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- for the group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU
- for the parent company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Cambria Automobiles plc

We have audited the financial statements of Cambria Automobiles plc for the year ended 31 August 2015 which comprise the Group Statement of Financial Position and Parent Company Balance Sheet, the Group Statement of Comprehensive Income, the Group Statement of Changes in Equity, the Group Statement of Cash Flow, the Parent Company Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 17, 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 group's and of the parent company's affairs as at 31 August 2015 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- the financial statements 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 Operating and financial review, Chairman's statement, Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following. Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

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

23 November 2015


RANGE ROVER
LAND ROVER

Consolidated statement of comprehensive income

for year ended 31 August 2015

	Note	2015	2014
		£000	£000
Revenue	3	523,812	450,148
Cost of sales		(461,746)	(394,930)
Gross profit	4	62,066	55,218
Administrative expenses		(53,672)	(49,415)
Results from operating activities	4	8,394	5,803
Finance income	9	66	72
Finance expenses	9	(805)	(564)
Net finance expenses		(739)	(492)
Profit before tax from operations before non-recurring expenses, and acquisitions		7,505	5,412
Trading profit/(loss) from branch acquired in year		207	(20)
		7,712	5,392
Non-recurring expenses	5	(57)	(81)
Profit before tax	4	7,655	5,311
Taxation	10	(1,625)	(1,158)
Profit and total comprehensive income for the period		6,030	4,153
Basic and diluted earnings per share	8	6.03p	4.15p

All comprehensive income is attributable to owners of the parent company.

Consolidated statement of changes in equity

for year ended 31 August 2015

	Note	Share capital	Share premium	Retained earnings	Total equity
		£000	£000	£000	£000
Balance at 31August 2013		10,000	799	13,834	24,633
Profit for the year		-	-	4,153	4,153
Dividend paid		-	-	(500)	(500)
Balance at 31 August 2014		10,000	799	17,487	28,286
Profit for the year		-	-	6,030	6,030
Dividend paid	21	-	-	(650)	(650)
Balance at 31 August 2015		**10,000**	**799**	**22,867**	**33,666**

Consolidated statement of financial position

at 31 August 2015

	Note	2015	2014
		£000	£000
Non-current assets			
Property, plant and equipment	11	**40,040**	38,571
Intangible assets	12	**8,393**	5,370
Deferred tax asset	13	**155**	463
		48,588	44,404
Current assets			
Inventories	14	**87,051**	77,100
Trade and other receivables	15	**13,200**	10,358
Cash and cash equivalents	16	**15,395**	10,251
		115,646	97,709
Total assets		**164,234**	142,113
Current liabilities			
Other interest-bearing loans and borrowings	17	**(2,070)**	(2,020)
Trade and other payables	18	**(115,227)**	(97,972)
Taxation		**(950)**	(785)
Provisions	20	**-**	(11)
		(118,247)	(100,788)
Non-current liabilities			
Other interest-bearing loans and borrowings	17	**(12,321)**	(12,875)
Other payables	13	**-**	(164)
		(12,321)	(13,039)
Total liabilities		**(130,568)**	(113,827)
Net assets		**33,666**	28,286
Equity attributable to equity holders of the parent			
Share capital	21	**10,000**	10,000
Share premium		**799**	799
Retained earnings		**22,867**	17,487
Total equity		**33,666**	28,286

These financial statements were approved by the board of directors on 23 November 2015 and were signed on its behalf by:

Mark Lavery
Director

Company registered number: 05754547

Consolidated cash flow statement

for year ended 31 August 2015

	Notes	2015	2014
		£000	£000
Cash flows from operating activities			
Profit for the year		**6,030**	4,153
Adjustments for:			
Depreciation, amortisation and impairment	11/12	**1,715**	1,542
Financial income	9	**(66)**	(72)
Financial expense	9	**805**	564
Loss on sale of property, plant and equipment		**-**	-
Taxation	10	**1,625**	1,158
Non-recurring expenses	5	**57**	81
		10,166	7,426
Change in trade and other receivables		**(2,842)**	(2,275)
Change in inventories		**(7,469)**	(9,071)
Change in trade and other payables		**16,855**	16,096
Change in provisions		**(11)**	(40)
		16,699	12,136
Interest paid		**(444)**	(246)
Tax paid		**(1,153)**	(559)
Non-recurring expenses	5	**(57)**	(81)
Net cash from operating activities		**15,045**	11,250
Cash flows from investing activities			
Interest received		**66**	72
Acquisition of branch net of cash acquired	2	**(5,311)**	(6,721)
Acquisition of land and property with branch acquired	2	**(2,250)**	(3,750)
Purchase of property, plant and equipment and software		**(891)**	(7,564)
Net cash from investing activities		**(8,386)**	(17,963)
Cash flows from financing activities			
Proceeds from new loan		**1,575**	4,700
Interest paid		**(361)**	(318)
Repayment of borrowings		**(2,079)**	(1,672)
Dividend paid	21	**(650)**	(500)
Net cash from financing activities		**(1,515)**	2,210
Net increase/(decrease) in cash and cash equivalents		**5,144**	(4,503)
Cash and cash equivalents at 1 September 2014	16	**10,251**	14,754
Cash and cash equivalents at 31 August 2015	16	**15,395**	10,251

1 Accounting policies

Cambria Automobiles plc is a company which is quoted on the AIM Market of the London Stock Exchange plc and is incorporated and domiciled in the United Kingdom. The address of the registered office is Swindon Motor Park, Dorcan Way, Swindon, SN3 3RA. The registered number of the company is 05754547.

These financial statements as at 31 August 2015 consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group.

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"). The Company has elected to prepare its parent company financial statements in accordance with UK GAAP; and these are presented on pages 54 to 62.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the financial statements.
Judgements made by the directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed at the end of this note.

Basis of preparation

The financial statements are prepared under the historical cost convention.

The directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook
Despite the group having net current liabilities of £2,601,000, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

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 and Directors' report on pages 14 to 16.

Basis of consolidation

The financial statements consolidate the financial statements of the Company together with its subsidiary companies.

Subsidiaries
Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial information of subsidiaries is included from the date that control commences until the date that control ceases.

All business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.
For acquisitions prior to 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss. Transaction costs, other than those associated with the

issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of acquisition.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated on consolidation.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

All revenue generated and non-current assets held are attributable to UK operations only.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and VAT.

Sales of motor vehicles, parts and accessories are recognised when the significant risks and rewards of ownership have been transferred to the buyer. In general this occurs when vehicles or parts are delivered to the customer and title has passed. Manufacturer incentives are recognised as revenue when earned. Servicing and bodyshop sales, including warranty work, are recognised on completion of the agreed work. Finance commission revenue is recognised as the related vehicles are sold.

Deposits received from customers

Deposits received from customers prior to the completion of a sale (delivery of vehicle) are included in the accounts as creditors falling due within one year.

Financing income and expenses

Financing expenses comprise interest payable, stocking interest charge on consignment and used vehicles and finance leases. Financing income comprises interest receivable on funds invested and interest credits received from manufacturers on stock management.

Borrowing costs are recognised in the period in which they are incurred.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Operating profit

Operating profit relates to profit before finance income, finance expense and income tax expense.

Intangible assets

Goodwill
Goodwill represents the excess between the cost of an acquisition of a subsidiary compared to the net fair value of the identifiable assets, liabilities and contingent liabilities, and recognition of identifiable intangibles at the date of acquisition. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.
Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units of the acquiree which represent the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is not amortised but is tested annually for impairment. Any impairment is recognised immediately in the statement of comprehensive income and is not subsequently reversed.

1 Accounting policies *(continued)*

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised as an expense as incurred.
Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is charged on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each year. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Computer software	3 – 5 years

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- freehold buildings — 50 years
- leasehold properties — over the lifetime of the lease
- plant and machinery — 5 to 10 years
- fixtures and fittings — 5 to 10 years
- computer equipment — 3 to 5 years

Depreciation methods, useful lives, residual values and possible impairments have been reviewed at the year end. As a result of this review, no impairment charge has been deemed necessary for the period.

Impairment of assets excluding inventories

The carrying amounts of the Group's assets, are reviewed at each year end to determine whether there is any indication of impairment; an asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each year end.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in income.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment
An impairment loss in respect of trade and other receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of goodwill is not reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. In determining the cost of motor vehicles, the actual amount paid and payable to date for each vehicle is used, for spare parts and service items cost is based on the first-in first-out principle. An appropriate provision is made for obsolete or slow moving items.

New vehicles on consignment from manufacturers are included in the Statement of Financial Position with a corresponding liability in creditors due within one year. This stock is considered to be under the control of the Group as it is considered that the Group bears all the risks and rewards or ownership, even though legal title has not yet passed.

Consignment stock is held for a maximum period (which varies between manufacturers) before becoming due for payment. Part of the consignment period is interest free and the remaining periods are interest bearing (periods and charges vary between manufacturers but interest is generally linked to LIBOR).

Used motor vehicles are stated at the lower of cost or net realisable value, by reference to Glass's Guide or CAP data.
Demonstrator vehicles are held within inventories at the lower of cost and net realisable value.

Vehicle funding and stocking loans form part of the Group's working capital and are recognised at the fair value of the amount due to the facility provider.

1 Accounting policies *(continued)*

Financial Instruments

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in the historical financial information for called up share capital and share premium account exclude amounts in relation to those shares.

Non-derivative financial instruments

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

Trade and other receivables
Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

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.

Taxation

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

Current tax is the expected tax payable on the taxable income 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.

1 Accounting policies *(continued)*

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense as incurred.

Share Based Payments

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value so determined has been expensed on a straight line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured using a Black-Scholes-Merton option pricing model. The key assumptions used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Leasing

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Operating lease payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Provisions

A provision is recognised in the Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation.

IFRS not yet applied

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early and their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

• IAS 36

When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 to require disclosures about the recoverable amount of impaired assets. The amendments clarify the IASB's original intention: that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs to sell.

IFRS not yet applied *(continued)*

- **IAS 16 and IAS 38**
  - The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- **IAS 32 Offsetting Financial Assets and Financial Liabilities** – The amendments clarify the offsetting criteria, specifically:
  - when an entity currently has a legal right of set off; and
  - when gross settlement is equivalent to net settlement.

Amendments not yet endorsed by the EU

Annual improvements 2010 – 2012 and Annual improvements 2011 – 2013. The amendments to IFRSs from the two improvement cycles were issued in Q4 of 2013. The IASB effective date for these amendments is 1 July 2014.

Disclosure initiative (amendments to IAS 1). Designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements.

Annual improvements 2012 – 2014. Amendments to IFRSs from the 2012 – 2014 cycle were issued in September 2014. The IASB effective date is 1 January 2016.

Critical accounting judgements in applying the Group's accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Certain critical accounting judgements in applying the Group's accounting policies are described below:

Goodwill and property portfolio impairment

The carrying values of goodwill and property are tested annually for impairment, for goodwill by using cash flow projections for each cash generating unit, and for property by comparing the carrying value to the higher of value in use or market value.

Intangible assets

On Business combinations the directors consider separately identifiable intangible assets that are pertinent to the motor business. This includes consideration of franchise rights, brand, and other intangible assets. The directors have concluded that intangibles arising on subsequent acquisitions are immaterial or have not arisen.

Consignment inventories

Consignment vehicles are regarded as being effectively under the control of the Group and are included within inventories in the Statement of Financial Position as the Group has the significant risks and rewards of ownership even though legal title has not yet passed, if the vehicles are not sold in the consignment period, the Group has the obligation to purchase. The corresponding liability is included in trade and other payables.

Deferred tax

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

Non-recurring expenses

Non-recurring expenses are items which derive from events or transactions that are outside the normal course of business, and do not directly relate to the on-going operations, therefore have been separately disclosed in order for the financial statements to present a true and fair view.

2 Acquisitions of trading branches

Effect of acquisition in 2015

On 1 May 2015, the company completed the acquisition of the Land Rover dealership in Royal Wootton Bassett from T H White Ltd.

	Pre-acquisition carrying amount and Fair Value
	£000
Acquiree's net assets at the acquisition date:	
Freehold land and buildings	2,250
Plant and equipment	71
Stocks	2,482
Trade and other creditors	(242)
Net and identifiable assets and liabilities	4,561
Goodwill on acquisition (The goodwill arising on acquisition is attributable to expanding our geographical base for the Land Rover brand, and the anticipated profitability from the sale of vehicles from the Swindon dealership)	3,000
Consideration paid (note that transaction and set up costs of £57k were written off to administrative expenses in 2015), satisfied in cash	7,561
It is estimated that in the year before acquisition, the business generated £30m of revenue and a pre-tax profit of £0.7m. The results attributable to the branch acquired during the financial year and included in the group results were as follows:	
Turnover	9,045
Profit before tax	207

2 Acquisitions and disposals of trading branches

Effect of acquisition in 2014

On 7 July 2014, the company completed the acquisition of the Jaguar and Land Rover dealership in Barnet from Lookers PLC

	Recognised values on acquisition and Fair Value
	£000
Acquiree's net assets at the acquisition date:	
Freehold land and buildings	3,750
Plant and equipment	461
Stocks	1,781
Trade and other creditors	(566)
Prepayments	45
Net and identifiable assets and liabilities	5,471
Goodwill on acquisition (The goodwill arising on acquisition is attributable to expanding our geographical base for Jaguar, adding the Land Rover brand to our business, and the anticipated profitability from the sale of vehicles from the Barnet dealership)	5,000
Consideration paid (note that transaction and set up costs of £81k were written off to administrative expenses in 2014), satisfied in cash	10,471

It is estimated that in the year before acquisition, the business generated £46m of revenue and a pre-tax profit of £0.7m. The results attributable to the branch acquired during the financial year and included in the group results were as follows:

Effect of acquisition in 2014 *(continued)*

	2014
	£000
Turnover	4,755
Loss before tax	(20)

2 Acquisitions of trading branches *(continued)*

3 Revenue

	2015	2014
	£000	£000
Sale of goods	474,316	404,129
Aftersales services	49,496	46,019
Total revenues	523,812	450,148

4 Segmental reporting

The Group has adopted IFRS 8 'Operating Segments' which determines and presents operating segments based on information presented to the Group's Chief Operating Decision Maker ("CODM"), the Chief Executive Officer. The Group is operated and managed on a Dealership by Dealership basis. The CODM receives information both on a dealership basis and by revenue stream (New, Used, Aftersales). Given the number of dealerships, it was deemed most appropriate to present the information by revenue stream for the purposes of segmental analysis.

	2015 Revenue	2015 Revenue mix	2015 Gross Profit	2015 Margin	2014 Revenue	2014 Revenue mix	2014 Gross Profit	2014 Margin
	£m	%	£m	%	£m	%	£m	%
New Car	238.4	45.5	15.5	6.5	195.2	43.4	12.3	6.3
Used Car	235.9	45.0	20.8	8.8	208.9	46.4	19.0	9.1
Aftersales	60.6	11.6	25.8	42.5	55.8	12.4	23.9	42.9
Internal sales	(11.1)	(2.1)	-	-	(9.8)	(2.2)	-	-
Total	523.8	100.0	62.1	11.9	450.1	100.0	55.2	12.3
Administrative expenses			(53.6)				(49.3)	
Operating profit before non-recurring expenses			8.5				5.9	
Non-recurring expenses			(0.1)				(0.1)	
Operating profit			8.4	1.6			5.8	1.3

The CODM reviews the performance of the business in terms of both net profit before tax and EBITDA, as such the following table shows a reconciliation of the Profit before tax to EBITDA.

4 Segmental reporting *(continued)*

	2015	2014
	£000	£000
Profit Before Tax	7,655	5,311
Non-recurring expenses (note 5)	57	81
Underlying Profit Before Tax	7,712	5,392
Net finance expense	739	492
Depreciation and amortisation	1,715	1,542
Underlying EBITDA	10,166	7,426
Non-recurring expenses	(57)	(81)
EBITDA	10,109	7,345

Revenue and non-current assets are attributable to United Kingdom operations only.

5 Non-recurring expenses

	2015	2014
	£000	£000
Transaction costs	57	81

6 Expenses and auditor's remuneration

The result from operating activities is stated after (crediting)/charging the following:

	2015	2014
	£000	£000
Impairment loss/(gain) recognised on other trade receivables and prepayments (note 22(b))	285	(11)

Auditor's remuneration:

	2015	2014
	£000	£000
Audit of these financial statements	26	25
Audit of financial statements of subsidiaries pursuant to legislation	94	91
Other services relating to taxation	41	29
All other services	7	7

7 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2015	2014
Sales	**377**	343
Service	**394**	362
Parts	**102**	109
Administration	**222**	210
	1,095	1,024

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£000	£000
Wages and salaries	**31,861**	28,545
Social security costs	**3,395**	3,128
Expenses related to defined contribution plans	**342**	326
Share based payments expense	**16**	-
	35,614	31,999

8 Earnings per share

Basic earnings per share are calculated by dividing the earnings attributable to equity shareholders by the number of ordinary shares in issue in the year. There is one class of ordinary share with 100,000,000 shares in issue.

The share options are not currently dilutive because the performance conditions are not yet met.

	2015	2014
	£000	£000
Profit attributable to shareholders	**6,030**	4,153
Non underlying costs (Note 5)	**57**	81
Tax on adjustments (at 20.58 % (2014: 22.16%))	**(12)**	(18)
Adjusted profit attributable to equity shareholders	**6,075**	4,216
Number of shares in issue ('000)	**100,000**	100,000
Basic earnings per share	**6.03p**	4.15p
Adjusted earnings per share	**6.08p**	4.22p

9 Finance income and expense

Recognised in the income statement

	2015	2014
	£000	£000
Finance income		
Rent deposit interest	2	2
Interest receivable	64	70
Total finance income	66	72
Finance expense		
Interest payable on bank borrowings	361	318
Consignment and vehicle stocking interest	444	246
Total finance expense	805	564
Total interest expense on financial liabilities held at amortised cost	361	318
Total other interest expense	444	246
	805	564

10 Taxation

Recognised in the income statement

	2015	2014
	£000	£000
Current tax expense		
Current year	1,341	1,013
Adjustment in respect of prior years	(24)	(10)
	1,317	1,003
Deferred tax		
Adjustment in respect of prior years	22	3
Origination and reversal of temporary differences	286	152
	308	155
Total tax expense	1,625	1,158

10 Taxation *(continued)*

Reconciliation of total tax

	2015	2014
	£000	£000
Profit for the year	**6,030**	4,153
Total tax expense	**1,625**	1,158
Profit excluding taxation	**7,655**	5,311
Tax using the UK corporation tax rate of 20.58% (2014: 22.16%)	**1,575**	1,177
Non-deductible expenses	**29**	44
Accounting deprecation for which no tax relief is due	**134**	132
Utilisation of brought forward losses	**(34)**	(92)
Change in tax rate	**(8)**	(6)
Adjustments in respect of prior years	**(2)**	(7)
Change in deferred tax in respect of property	**(69)**	(90)
Total tax expense	**1,625**	1,158

The applicable tax rate for the current year is 20.58% *(2014: 22.16%)* following the reduction in the main rate of UK corporation tax from 21% to 20% with effect from 1 April 2015.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015.

This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 31 August 2015 (which has been calculated based on the rate of 20% substantively enacted at the balance sheet date).

11 Property, plant and equipment

	Freehold land & buildings	Long leasehold land & buildings	Short leasehold improvements	Plant & equipment	Fixtures, fittings & computer equipment	Total
	£000	£000	£000	£000	£000	£000
Cost						
Balance at 1 September 2013	23,324	5,058	4,352	2,807	6,566	42,107
Additions	6,514	-	104	159	761	7,538
Branch acquisitions	3,750	-	104	112	245	4,211
Disposals	-	-	(8)	(171)	(482)	(661)
Transfer	941	(941)	-	-	-	-
Balance at 1 September 2014	34,529	4,117	4,552	2,907	7,090	53,195
Additions	144	-	-	338	376	858
Branch acquisitions	2,250	-	-	20	51	2,321
Disposals	-	-	-	(205)	(200)	(405)
Balance at 31 August 2015	**36,923**	**4,117**	**4,552**	**3,060**	**7,317**	**55,969**
Depreciation						
Balance at 1 September 2013	1,913	639	3,380	2,387	5,435	13,754
Charge for the year	364	71	287	223	586	1,531
Disposals	-	-	(8)	(171)	(482)	(661)
Transfer	213	(213)	-	-	-	-
Balance at 1 September 2014	2,490	497	3,659	2,439	5,539	14,624
Depreciation charge for the year	411	105	287	266	636	1,705
Disposals	-	-	-	(202)	(198)	(400)
Balance at 31 August 2015	**2,901**	**602**	**3,946**	**2,503**	**5,977**	**15,929**
Net book value						
At 31 August 2014	32,039	3,620	893	468	1,551	38,571
At 31 August 2015	**34,022**	**3,515**	**606**	**557**	**1,340**	**40,040**

As at 31 August 2015 there are no capital commitments *(2014: £nil).*
The directors have considered the property portfolio for impairment by comparing the carrying amount to the higher of value in use or market value and have concluded that no impairment is required.

Security

The title of all freehold and long leasehold properties have been pledged as security to the bank loans disclosed in note 17.

Property, plant and equipment under construction

At 31 August 2015 there were no assets in the course of construction *(2014: £nil).*

12 Intangible assets

	Goodwill	Software	Other	Total
	£000	£000	£000	£000
Cost				
Balance at 1 September 2013	346	720	176	1,242
Additions	5,000	25	-	5,025
Balance at 1 September 2014	5,346	745	176	6,267
Additions	3,000	33	-	3,033
Balance at 31 August 2015	8,346	778	176	9,300
Amortisation and impairment				
Balance at 1 September 2013	-	710	176	886
Amortisation	-	11	-	11
Balance at 1 September 2014	-	721	176	897
Amortisation for the year	-	10	-	10
Balance at 31 August 2015	-	731	176	907
Net book value				
At 31 August 2014	5,346	24	-	5,370
At 31 August 2015	**8,346**	**47**	-	**8,393**

The undertakings included in the consolidated Group accounts are as follows:

* Owned directly by Cambria Automobiles Acquisitions Limited

** Owned directly by Cambria Automobiles Group Limited

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

Subsidiary undertakings	Country of incorporation	Principal activity	Class and percentage of shares held
Cambria Automobiles Group Limited	England and Wales	Holding Company	100% Ordinary
Cambria Automobiles Acquisitions Limited **	England and Wales	Investment Company	100% Ordinary
Cambria Automobiles Property Limited **	England and Wales	Property Company	100% Ordinary
Cambria Automobiles (Swindon) Limited *	England and Wales	Motor retailer	100% Ordinary & Preference
Grange Motors (Swindon) Limited *	England and Wales	Motor retailer	100% Ordinary
Thoranmart Limited *	England and Wales	Motor retailer	100% Ordinary
Cambria Vehicle Services Limited*	England and Wales	Motor retailer	100% Ordinary
Cambria Automobiles (South East) Limited*	England and Wales	Motor retailer	100% Ordinary
Grange Motors (Brentwood) Limited***	England and Wales	Motor retailer	100% Ordinary
Invicta Motors Limited***	England and Wales	Motor retailer	100% Ordinary & Preference
Invicta Motors (Maidstone) Limited*	England and Wales	Motor retailer	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

12 Intangible assets *(continued)*

Amortisation charge

The amortisation charge is recognised in the following line items in the income statement:

	2015	2014
	£000	£000
Administrative expenses	10	11

Impairment loss and subsequent reversal

Goodwill and indefinite life intangible assets considered significant in comparison to the Group's total carrying amount of such assets have been allocated to cash generating units or groups of cash generating units as follows:

	Goodwill	
	2015	2014
	£000	£000
Grange Motors (Swindon) Ltd and Cambria Automobiles (Swindon) Ltd	261	261
Thoranmart Ltd	85	85
Grange Barnet dealership	5,000	5,000
Grange Swindon Land Rover dealership	3,000	-
	8,346	5,346

The recoverable amount of each cash generating unit (CGU) has been calculated with reference to its value in use. The calculation for is performed via a review of forecast EBITDA for the CGU for a number of years based on the EBITDA multiples being paid for equivalent businesses in the marketplace. The board reviews transactional information and assesses the businesses earnings capacity in order to ensure that the recoverable amount is in excess of the carrying amount.

The value in use exceeds the above carrying values for each CGU, therefore no impairment is considered necessary.

13 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

The amount of temporary differences, unused tax losses and tax credits for which a deferred tax asset is recognised is set out below, along with the movement in the balance in the year. The asset would be recovered if offset against future taxable profits of the group.

	1 September 2014	Recognised in income	Net 31 August 2015	Deferred tax liabilities	Deferred tax assets
	£000	**£000**	**£000**	**£000**	**£000**
Property, plant and equipment	431	(295)	**136**	**(310)**	**446**
Provisions	5	9	**14**	**-**	**14**
Tax value of loss carry-forward	27	(27)	**-**	**-**	**-**
Share options	-	5	**5**	**-**	**5**
	463	(308)	**155**	**(310)**	**465**

The Group has an arrangement with the vendors of Cambria Automobiles (South East) Limited, which was acquired in the year ended 31 August 2008, under which an amount equal to any tax benefit received by the Group in relation to tax losses that existed at the date of acquisition must be paid to the vendors as additional consideration. At the date of acquisition, the utilisation of tax losses was not probable and therefore no deferred tax asset was recognised as part of the acquisition accounting, and the fair value of the liability for contingent consideration was immaterial. Subsequent to the acquisition the utilisation of pre-acquisition losses became probable and, as a result, a deferred tax asset was recognised. A liability for the contingent consideration payable to the vendors was recognised at its fair value. At the end of the 2014 financial year, the final reconciliation of amounts due to the vendors was calculated and paid over. There is no further liability arising from this agreement.

	2015	2014
	£000	£000
Amount payable to previous owner of subsidiary	**-**	164

Unrecognised deferred tax assets and liabilities

The deferred tax asset in relation to loss carried forward within a subsidiary has not been recognised due to uncertainty over the future profitability of the subsidiary, these losses are locked in to this particular subsidiary and cannot be utilised in the wider Group.

	Assets	
	2015	2014
	£000	£000
Tax value of loss carry-forwards	**624**	657
Unrecognised net tax assets	**624**	657

The applicable tax rate for the current year is 20.58% *(2014: 22.16%)* following the reduction in the main rate of UK corporation tax from 21% to 20% with effect from 1 April 2015.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015.

This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 31 August 2015 (which has been calculated based on the rate of 20% substantively enacted at the balance sheet date).

14 Inventories

	2015	2014
	£000	£000
Vehicle consignment stock	**59,177**	47,132
Motor vehicles	**24,943**	27,392
Parts and other stock	**2,931**	2,576
	87,051	77,100

Included within inventories is £nil *(2014: £nil)* expected to be recovered in more than 12 months.

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £458 million *(2014: £385 million)*.

Details of stock held as security is given in note 18.

15 Trade and other receivables

	2015	2014
	£000	£000
Trade receivables	**9,183**	7,130
Prepayments and other receivables	**4,017**	3,228
	13,200	10,358

Included within trade and other receivables is £nil *(2014: £nil)* expected to be recovered in more than 12 months.

16 Cash and cash equivalents

	2015	2014
	£000	£000
Cash and cash equivalents per balance sheet	**15,395**	10,251
Cash and cash equivalents per cash flow statement	**15,395**	10,251

17 Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate risk, see note 22.

	2015	2014
	£000	£000
Non-current liabilities		
Secured bank loans	**12,321**	12,875
Current liabilities		
Secured bank loans	**2,070**	2,020

Terms and debt repayment schedule

All debt is in GBP currency

	Nominal interest rate	Year of Maturity	Face Value and Carrying Amount	Face Value and Carrying Amount
			2015	2014
Loan 31/07/2006	Bank of England Base Rate +1.25%	2019	**1,122**	1,409
Loan 01/08/2007	Bank of England Base Rate +1.25%	2020	**363**	435
Loan 31/12/2007	LIBOR +1.75%	2020	**4,261**	5,047
Loan 01/03/2010	LIBOR +3.00%	2017	**1,545**	1,751
Loan 01/02/2013	LIBOR +1.95%	2018	**1,485**	1,683
Loan 03/02/2014	LIBOR +1.95%	2019	**2,210**	2,470
Loan 07/07/2014	LIBOR +1.95%	2019	**1,843**	2,100
Loan 01/05/2015	LIBOR + 1.95%	2018	**1,562**	-
			14,391	14,895

18 Trade and other payables

	2015	2014
	£000	£000
Current		
Vehicle consignment creditor	**69,888**	55,419
Other trade payables	**10,081**	10,537
Non-trade payables and accrued expenses	**13,318**	11,306
Vehicle funding	**21,940**	20,710
	115,227	97,972

Included within trade and other payables is £nil *(2014: £nil)* expected to be settled in more than 12 months.

Both the consignment and vehicle funding creditors are secured on the stock to which they relate.

19 Employee benefits

Pension plans

Defined contribution plans

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £342,000 *(2014: £326,000).*

Share-based payments

The Group has a share option scheme open to certain employees at the discretion of the Board. Options are exercisable at a price equal to the higher of the nominal value or market price of the company's shares on the date of grant.

In the scheme the options vest over a ten year period, depending on the terms of the individual grant.

4,750,000 options were granted in the year ended 31 August 2015 (2014: £nil).

The fair values were calculated using a Black-Scholes model. The inputs into the model were as follows:

Date of grant	Share price at option date £	Exercise price £	Volatility	Expected life (years)	Risk free rate
2/3/15	0.47	0.47	17.5%	1 year beyond vesting date	0.5%
1/4/15	0.54	0.54	17.2%	1 year beyond vesting date	0.5%

Expected volatility was determined using as a base the share price movements of the Company recorded over a 52 week period prior to the grant of the options.

The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	2015	**2015**	2014	2014
	£		£	
Outstanding at the beginning of the year	**-**	**-**	-	-
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**-**	**-**	-	-
Granted during the year	**0.48**	**4,750,000**	-	-
Lapsed during the year	**-**	**-**	-	-
Outstanding at the end of the year	**0.48**	**4,750,000**	-	-
Exercisable at the end of the year	**-**	**-**	-	-

The Company recognised an expense of £15,668 *(year ended 31 August 2014: £nil)* in respect of share based payments in the year.

20 Provisions

	Onerous Leases
	£000
Balance at 1 September 2014	11
Provisions used during the year	(11)
Balance at 31 August 2015	-
Current	11
Non-current	-
Balance at 31 August 2014	11
Current	-
Non-current	-
Balance at 31 August 2015	-

The onerous lease provision is being released against the costs incurred on the relevant lease. The provision is now fully released.

21 Capital and reserves

Share capital

	2015	2014
	£000	£000
Authorised		
100,000,000 Ordinary shares of 10 pence each	**10,000**	10,000
Allotted, called up and fully paid		
100,000,000 Ordinary shares of 10 pence each	**10,000**	10,000
Shares classified in shareholders' funds	**10,000**	10,000

All of the shares rank pari passu, and no shareholder enjoys different or enhanced voting rights from any other shareholder. All shares are eligible for dividends and rank equally for dividend payments.

Dividends

The following dividends were paid by the company in the year ended 31 August.

	2015	2014
	£000	£000
0.5p per ordinary share – prior year final *(2014: 0.4p)*	**500**	400
0.15p per ordinary share – current year interim *(2014: 0.1p)*	**150**	100
	650	500

After the end of the reporting period, the following dividends were proposed by the directors. The dividends have not been provided for and there are no tax consequences.

	2015	2014
	£000	£000
0.6 p per ordinary share – current year final (2014: 0.5p)	**600**	500

22 Financial instruments

22 (a) Fair values of financial instruments

Trade and other receivables
The fair value of trade and other receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Trade and other payables
The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Cash and cash equivalents
The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Interest-bearing borrowings
Fair value, which after initial recognition is determined for disclosure purposes only, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

The rates used to discount estimated cash flows, where applicable are based on the weighted average cost of capital and were as follows:

	2015	2014
	%	%
Loans and borrowings	**3.5**	3.5

Fair values

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the balance sheet are as follows:

	As at 31 August 2015	As at 31 August 2014
	£000	£000
Financial assets		
Loans and receivables at amortised cost including cash and cash equivalents		
Trade receivables(net) (note 15)	**9,183**	7,130
Other receivables (note 15)	**4,017**	3,228
Cash and cash equivalents	**15,395**	10,251
Total Financial assets	**28,595**	20,609
Financial liabilities		
Financial liabilities at amortised cost		
Other interest-bearing loans and borrowings (note 17)	**14,391**	14,895
Trade and other payables (note 18)	**115,227**	97,972
Total Financial liabilities	**129,618**	112,867

The Directors consider the carrying amount of the Group's financial assets and financial liabilities, as detailed above, approximate their fair value.

22 Financial instruments *(continued)*

22 (b) Credit risk

Credit risk management

The Group is exposed to credit risk primarily in respect of its trade receivables. Trade receivables are stated net of provision for estimated impairment losses. Exposure to credit risk in respect of trade receivables is mitigated by the Group's policy of only granting credit to certain customers after an appropriate evaluation of risk coupled with the findings from external reference agencies. Credit risk arises in respect of amounts due from vehicle manufacturers in relation to bonuses and warranty receivables. This risk is mitigated by the number of manufacturers for which the group holds franchises, procedures to ensure timely collection of debts and management's belief that it does not expect any manufacturer to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Exposure to credit risk

The carrying amount of trade receivables represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was £9,183,000 *(2014: £7,130,000)* being the total of the carrying amount of trade receivables shown in the table below.

The maximum exposure to credit risk for trade receivables at the balance sheet date by geographic region was:

	2015	2014
	£000	£000
United Kingdom	**9,183**	7,130

The maximum exposure to credit risk for trade receivables at the balance sheet date by type of counterparty was:

	2015	2014
	£000	£000
Vehicle debtors	**4,465**	3,359
Non vehicle debtors	**2,755**	2,403
Manufacturer debtors	**1,963**	1,368
	9,183	7,130

Credit quality of financial assets and impairment losses

The ageing of trade receivables at the balance sheet date is given below. The Group's policy is to provide for all debts which are past due. The directors consider the balance to be recoverable based on credit terms and post balance sheet receipts.

	Gross	**Impairment**	Gross	Impairment
	2015	**2015**	2014	2014
	£000	**£000**	£000	£000
Trade receivables not past due	**9,183**	**-**	7,130	-
Trade receivables past due	**156**	**156**	89	89
	9,339	**156**	7,219	89

22 Financial instruments *(continued)*

22 (b) Credit risk *(continued)*

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	£000
Balance at 1 September 2014	89
Impairment loss recognised	285
Allowance for impairment utilised	(218)
Balance at 31 August 2015	**156**

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

22 (c) Liquidity risk

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Liquidity is managed by the Group's central treasury function within policy guidelines set by the Board with prime areas of focus being liquidity and interest rate exposure. The Group is financed primarily by bank loans, vehicle stocking credit lines and operating cash flow. The directors have assessed the future funding requirements of the Group and compared them to the level of committed available borrowing facilities. These committed facilities are maintained at levels in excess of planned requirements and are in addition to short term uncommitted facilities that are also available to the Group. The assessment included a review of financial forecasts, financial instruments and cash flow projections. These forecasts and projections show that the Group, taking account of reasonably possible scenarios, should be able to operate within the level of its borrowing facilities for the foreseeable future.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements: Interest is payable on loans of £1,485,000 *(2014: £1,844,000)* at Bank of England base rate plus 1.25%, loans of £4,261,000 *(2014: £5,047,000)* at LIBOR plus 1.75%, loans of £1,545,000 *(2014: £1,751,000)* at LIBOR plus 3% and on loans of £7,100,000 *(2014: £6,253,000)* at LIBOR plus 1.95%.

	2014					
	Carrying amount	**Contractual cash flows**	**1 year or less**	**1 to <2years**	**2 to <5years**	**5years and over**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Non-derivative financial liabilities						
Secured bank loans	14,895	15,998	2,362	2,314	10,115	1,207
	2015					
	Carrying amount	**Contractual cash flows**	**1 year or less**	**1 to <2years**	**2 to <5years**	**5years and over**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Non-derivative financial liabilities						
Secured bank loans	14,391	15,590	2,517	3,606	9,137	330

22 Financial instruments *(continued)*

22 (d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's income or the value of its holdings of financial instruments.

Market risk - Foreign currency risk

The Group does not have any exposure to foreign currency risk.

Market risk – Interest rate risk

Profile

At the balance sheet date the interest rate profile of the Group's interest-bearing financial instruments was:

	2015	2014
	£000	£000
Variable rate instruments		
Cash and cash equivalents	**15,395**	10,251
Vehicle funding	**(21,940)**	(20,710)
Loans and overdrafts	**(14,391)**	(14,895)
	(20,936)	(25,354)

The objectives of the Group's interest rate policy are to minimise interest costs. The Group does not actively manage cash flow interest risk as the directors believe that the underlying earnings from the retail sector in which the Group operates provides a natural hedge against interest rate movements. Consequently, it is Group policy to borrow on a floating rate basis.

Whilst there are no hedging instruments, the Board reviews its hedging policy on a regular basis.

Sensitivity analysis

An increase of 0.5 basis points in interest rates at the balance sheet date would have decreased equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates, financial instrument at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate swaps. The analysis is performed on the same basis for comparative periods.

	2015	2014
	£000	£000
Equity		
Decrease	**182**	176
Profit or loss		
Decrease	**182**	176

22 Financial instruments *(continued)*

22 (e) Capital management

Prior to each acquisition, the Board considers its funding options and the appropriate mix of secured debt and equity.

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders. The Group must ensure that sufficient capital resources are available for working capital requirements and meeting principal and interest payment obligations as they fall due.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total shareholders' equity.

The gearing ratios for each year are as follows:

	As at 31 August 2015	As at 31 August 2014
	£000	£000
Total borrowings	**14,391**	14,895
Less: cash and cash equivalents	**(15,395)**	(10,251)
Net (surplus)/deficit	**(1,004)**	4,644
Total equity	**33,666**	28,286
Gearing ratio	**(3.0)%**	16.4%

23 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2015	2014
	£000	£000
Less than one year	**2,402**	2,394
Between one and five years	**9,229**	8,775
More than five years	**18,667**	16,153
	30,298	27,322

The Group leases a number of motor dealership sites under operating leases. Land and buildings have been considered separately for lease classification.

During the year £2,620,000 was recognised as an expense in the income statement in respect of operating leases *(2014: £2,440,000).*

24 Contingencies

The Group is jointly and severally liable in respect of value added tax liabilities arising in other group undertakings. The related fellow subsidiary undertakings and the parent company were is a repayment situation at 31 August 2014 and 2015.

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 Limited, Invicta Motors (Maidstone) Limited and Cambria Vehicle Services Limited.

Intra-group guarantees are accounted for as insurance contracts.

25 Related parties

Identity of related parties with which the Group has transacted

Key management personnel are considered to be the board of directors for the purposes of this disclosure.

Transactions with key management personnel

At the year end, the Directors of the Company and their immediate relatives controlled 47.04 % *(2014: 46.96%)* per cent of the voting shares of the Company.
The compensation of key management personnel is as follows:

	2015	2014
	£000	£000
Directors' emoluments		
Salaries and consultancy fees	**664**	655
Annual bonus	**552**	473
Share related awards	**6**	-
	1,222	1,128

The emoluments consist of:

	Salaries	**Bonus**	**Share related awards**	**Total**	**Total**
Directors' emoluments	**2015**	**2015**	**2015**	**2015**	2014
	£000	**£000**	**£000**	**£000**	£000
Philip Swatman	**33**	**-**	**-**	**33**	30
James Mullins	**175**	**147**	**6**	**328**	298
Mark Lavery	**400**	**405**	**-**	**805**	750
Sir Peter Burt	**28**	**-**	**-**	**28**	25
Michael Burt	**28**	**-**	**-**	**28**	25
	664	**552**	**6**	**1,222**	1,128

All directors benefited from qualifying third party indemnity provisions during the financial period.

25 Related parties *(continued)*

During the year Mark Lavery bought 6 vehicles from the Group and sold 6 vehicles back to the Group, James Mullins bought 3 vehicles from the Group and sold 3 vehicles back to the Group. Sir Peter Burt bought 4 vehicles from the Group and sold 4 vehicles back to the Group. Michael Burt bought 3 vehicles from the Group and sold 3 vehicles back to the Group. All transactions were carried out at arm's length and there were no outstanding balances due to the Group at the year end. The average value of each transaction in the year was £50,472.

26 Ultimate parent company and parent company of larger group

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.

27 Post balance sheet events

Dividend

The Board is pleased to announce that it will make a final dividend payment in respect of the financial year to 31 August 2015 of 0.6p *(2014: 0.5p)* per share in addition to the interim payment of 0.15p per share *(2014: 0.1p).*

Refinancing

Post year end, on 23 November 2015, the Group entered into revised banking arrangements with Lloyds Banking Group to refinance the existing £14.4m of term loans into one standardised facility of £15m that has a 5 year term, and 15 year capital repayment profile.

The cost of the facilities is LIBOR plus a margin. The margin attributable to the term loans will be set each quarter and is dependant on the net debt: EBITDA ratio for the Group. The spread of margin chargeable against the facility ranges from 1.2% where the net debt is less than 1 times EBITDA, up to 2% where the net debt is greater than 2.5 times EBITDA.

The Group has also arranged two further Revolving Credit Facilities. The First is a 5 year, £15m RCF available for the acquisition of businesses and property, the second is a 5 year property development facility to be used against the development of Barnet and Swindon properties. The maximum drawdown against this facility is £7m, and it is intended that once the developments are complete that the RCF will be converted into a standard amortising term facility. The margins attributable to these Revolving Credit Facilities mirror those attributable to the revised term loan facilities.

Company Balance Sheet

At 31 August 2015

	Note	2015		2014	
		£000	**£000**	£000	£000
Fixed assets					
Tangible fixed assets	5	**98**		109	
Investments	6	**666**		666	
			764		775
Current assets					
Stock	7	**919**		860	
Debtors	8	**8,499**		4,985	
Cash at bank and in hand		**5,533**		9,445	
		14,951		15,290	
Creditors: amounts falling due within one year	9	**(3,475)**		(2,853)	
Net current assets			**11,476**		12,437
Total assets less current liabilities			**12,240**		13,212
Net assets			**12,240**		13,212
Capital and reserves					
Called up share capital	11		**10,000**		10,000
Share premium account	12		**799**		799
Profit and loss account	12		**1,441**		2,413
Shareholders' funds			**12,240**		13,212

These financial statements were approved by the board of directors on 23 November 2015 and were signed on its behalf by:

M J J Lavery
Director

Company number: 05754547

Company Reconciliation of movements in shareholders' funds

for the year ended 31 August 2015

	Note	**Company**	Company
		2015	2014
		£000	£000
Loss for the financial year	12	**(322)**	(531)
Dividend paid		**(650)**	(500)
Net decrease in shareholders' funds		**(972)**	(1,031)
Opening shareholders' funds		**13,212**	14,243
Closing shareholders' funds		**12,240**	13,212

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

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 have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

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 14.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.
Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the Group financial statements include the Company in its own published consolidated financial statements.

The Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by instalments over their estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- computer equipment 3 to 5 years

Investments

Investments in subsidiary undertakings are stated at cost less amounts written off. Where impairment indicators exist, the carrying value of investments will be reviewed against the value is use based upon the estimated future cash flows of the subsidiary undertaking.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of motor vehicles, the actual amount payable to date for each car is used, for spare parts and service items stocks are valued at invoiced cost on a FIFO basis. An appropriate provision is made for obsolete or slow moving items.

New vehicles on consignment from manufacturers are included in the balance sheet where it is considered that the company bears the risks and rewards or ownership.

Consignment stock is held for a maximum period (which varies between manufacturers) before becoming due for payment. Part of the consignment period is interest free and the remaining period are interest bearing (periods varies between manufacturers).
Notes (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Dividends on shares presented within equity

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.

2 Remuneration of directors

	2015	2014
	£000	£000
Directors' emoluments		
Salaries	**664**	655
Annual bonus	**552**	473
Pension costs	**-**	2
Share related awards	**6**	-
	1,222	1,130

The emoluments in respect of the highest paid director were:

	2015	2014
	£000	£000
Salaries	**400**	400
Annual bonus	**405**	350
	805	750

All directors benefited from qualifying third party indemnity provisions during the financial period.

3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	Company	Company
	2015	2014
Number of employees		
Administration	**55**	49

The aggregate payroll costs of these persons were as follows:

	Company	Company
	2015	2014
	£000	£000
Wages and salaries	**3,897**	3,336
Social security costs	**446**	443
Other pension costs	**21**	28
Share related awards	**16**	-
	4,3780	3,807

4 Dividends

The aggregate amount of dividends paid and received compromises:

	2015	2014
	£000	£000
Aggregate amount of dividends paid in the financial year	**650**	500
Aggregate amount of dividends received in the financial year	**-**	-

The aggregate amount of dividends proposed but not recognised at the year end is £600,000 *(2014: £500,000).*

5 Tangible fixed assets

	Computer equipment	Total
	£000	**£000**
Company		
Cost		
At 1 September 2014	**623**	623
Additions	**52**	52
At 31 August 2015	**675**	675
Depreciation		
At 1 September 2014	**514**	514
Charge for year	**63**	63
At 31 August 2015	**577**	577
Net book value		
At 31 August 2015	**98**	98
At 31 August 2014	**109**	109

6 Fixed asset investments

	Shares in group undertakings
	£000
Company	
Cost and net book value	
At 1 September 2014 and 31 August 2015	666

The directors have considered the investments in subsidiary undertakings for impairment by comparing the carrying amount to the value in use and have concluded that no impairment is required.

The undertakings in which the Company's interest at the year end is more than 20% are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertakings			
Cambria Automobiles Group Limited	England and Wales	Holding Company	100% Ordinary
Cambria Automobiles Acquisitions Limited **	England and Wales	Investment Company	100% Ordinary
Cambria Automobiles Property Limited **	England and Wales	Property Company	100% Ordinary
Cambria Automobiles (Swindon) Limited *	England and Wales	Motor retailer	100% Ordinary & Preference
Grange Motors (Swindon) Limited *	England and Wales	Motor retailer	100% Ordinary
Thoranmart Limited *	England and Wales	Motor retailer	100% Ordinary
Cambria Vehicle Services Limited*	England and Wales	Motor retailer	100% Ordinary
Cambria Automobiles (South East) Limited*	England and Wales	Motor retailer	100% Ordinary
Grange Motors (Brentwood) Limited***	England and Wales	Motor retailer	100% Ordinary
Invicta Motors Limited***	England and Wales	Motor retailer	100% Ordinary & Preference
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
Invicta Motors (Maidstone) Limited*	England and Wales	Motor retailer	100% Ordinary

* Owned directly by Cambria Automobiles Acquisitions Limited
** Owned directly by Cambria Automobiles Group Limited
*** Owned directly by Cambria Automobiles (South East) Limited

7 Stocks

	2015	2014
	£000	£000
Motor vehicles	**919**	860

8 Debtors

	2015	2014
	£000	£000
Trade debtors	**86**	18
Amounts owed by group undertakings	**7,639**	4,458
Prepayments and accrued income	**586**	380
Deferred tax *(note 10)*	**54**	38
Other taxation	**134**	91
	8,499	4,985

9 Creditors: amounts falling due within one year

	2015	2014
	£000	£000
Trade creditors	**392**	339
Vehicle funding	**477**	317
Other taxation and social security	**301**	251
Accruals and deferred income	**-**	-
Corporation tax	**2,305**	1,946
	3,475	2,853

The vehicle funding creditor is secured on the stock to which it relates.

10 Deferred taxation

Deferred taxation asset	£000
At 1 September 2014	38
Movement in period	16
At 31 August 2015	54

The elements of deferred taxation asset are as follows:

	2015	2014
	£000	£000
Difference between accumulated depreciation and capital allowances	**54**	38
Other timing differences	**-**	-
Total deferred tax	**54**	38

11 Called up share capital

	2015	2014
	£000	£000
Authorised		
100,000,000 Ordinary shares of 10 pence each	**10,000**	10,000
Allotted, called up and fully paid		
100,000,000 Ordinary shares of 10 pence each	**10,000**	10,000
Shares classified in shareholder's funds	**10,000**	10,000

All of the shares rank pari passu, and no shareholder enjoys different or enhanced voting rights from any other shareholder. All shares are eligible for dividends and rank equally for dividend payments.

12 Share premium and reserves

	Share premium account	Profit and loss account
	£000	£000
At 1 September 2014	799	2,413
Loss for the year	-	(322)
Dividend paid	-	(650)
At 31 August 2015	**799**	**1,441**

13 Ultimate parent company and parent undertaking of larger group

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.

cambria
Automobiles plc

GRANGE | DOVES | Dees | Invicta Motors | motorparks.co.uk | PURE TRIUMPH | County MOTOR WORKS