25 November 2014

Cambria Automobiles plc
("Cambria" or the "Group")
(AIM: CAMB)

Audited Preliminary Results 2014

Cambria, the franchised motor retailer, is pleased to announce its audited preliminary results for the year ended 31 August 2014, which show continued improvement in the Group's operational and financial performance.

Financial highlights:

- Revenue of £450.1m (2013: £395.8m) - up 14%
- Underlying profit before tax of £5.4m (2013: £4.1m) up 32%
- Profit before tax of £5.3m (2013: £4.0m) - up 33%
- Earnings per share of 4.15p (2013: 3.49p) - up 19%
- £10.5m acquisition of Jaguar and Land Rover business in Barnet in July 2014 including £3.75m of freehold property
- Further £6.5m invested in freehold property estate
- Strong balance sheet - net debt of £4.6m and net assets £28.3m
- Proposed final dividend of 0.5p per share, giving total dividend per share for the year of 0.6p (2013: 0.5p) - up 20%
- Improvement in underlying return on shareholders' funds to 15.9% (2013: 15.5%)

Operational highlights:

- Growth in new vehicle sales of 16.7% - 6.1% ahead of the market at 10.6%
- Brand portfolio mix further improved with the acquisition of the Group's first Land Rover dealership and sixth Jaguar dealership; additional Jeep franchise secured in Oldham
- Increase in used vehicle unit sales of 2% with profit per unit improving
- Increase in service and bodyshop hours sold of 3.4%
- Motor Trader "Dealer Group of the Year 2014"

Mark Lavery, Chief Executive of Cambria, said:

"The new financial year has started strongly with the Group's performance in the first two months being both ahead of our business plan and significantly ahead of the year under review. I am pleased with the progress that we are making across our established businesses; I am excited by the potential of the newly acquired Jaguar Land Rover business in Barnet; and I am confident that Cambria can maintain this momentum and deliver further improved performances across all it departments in the current financial year."

- End –

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About Cambria - www.cambriaautomobilesplc.com

Cambria Automobiles ("Cambria") was established in March 2006 with the aim of creating a balanced independent UK motor retail group through a self funded "buy and build" strategy, focused on turnaround opportunities.

Working in close cooperation with its manufacturer partners, the Group has built a balanced portfolio of 28 luxury, premium and volume dealerships, representing 45 franchises and 18 brands, with geographical representation spanning from the North West to the South East in Kent and South West in Exeter. These businesses are autonomous and trade under local brand names, including, Dees, Doves, Grange, Invicta, Motorparks and Pure Triumph.

Cambria's brand portfolio currently comprises Abarth, Alfa Romeo, Aston Martin, Citroen, Dacia, Ford, Fiat, Honda, Jaguar, Jeep, Land Rover, Mazda, Nissan, Renault, Seat, Triumph, Vauxhall and Volvo.

The management's success in turning around under-performing dealerships has allowed Cambria to build a strong balance sheet. As a result, the Group is in a position to acquire valuable premium operations, like the recently acquired Jaguar Land Rover business in Barnet, which are immediately earnings enhancing and directly in line with the Group's strategy to further enhance the brand portfolio.

The Group's medium term ambition is to create a £1 billion turnover business producing attractive returns on both capital and equity invested.

CHAIRMAN'S STATEMENT

I am very pleased to report that Cambria has delivered a good set of results for the year ended 31 August 2014, which show continued improvement in the Group's operational and financial performance.

The UK motor retail industry continued to strengthen during the period under review. Building on our improved financial performance in 2012/2013, the Group generated gross profit growth across all core elements of the business, New Vehicles, Used Vehicles and Aftersales, as well as delivering a significant premium brand acquisition in line with our evolving strategy for growth.

Revenue increased by 14% to £450.1m *(2013: £395.8m)*. Underlying profit before tax rose by 32% to £5.4m *(2013: £4.1m)*. Profit before tax also improved by 32% to £5.3m *(2013: £4.0m)*, giving earnings per share of 4.15p *(2013: 3.49p)* - an increase of 19%.

The Group closed the year with net debt of £4.6m *(2013: net cash £2.9m)* and net assets of £28.3m *(2013: £24.6m)*, underpinned by the ownership of £35.7m *(2013: £25.8m)* of freehold and long leasehold properties. Resources remain high with total facilities available to the Group, including cash reserves, of £19.3m *(2013: £23.8 m)*.

Group overview

Cambria was established in 2006 with a strategy to build a balanced motor retail group through close cooperation with our manufacturer partners and the self funded acquisition and turnaround of underperforming businesses.

In last year's report, I stated that the Group had worked hard to develop a strong financial position, which would allow us to expand our acquisition strategy to include businesses that were immediately earnings enhancing. We actively delivered on this strategy during the year, announcing the acquisition of the Jaguar and Land Rover dealership in Barnet on 8 July 2014 for a total consideration of £10.5m, including £3.75m of freehold land and property.

The strength of the Group's balance sheet now allows us to target the right acquisitions, using self-generated funds, to purchase earnings enhancing businesses, like Barnet, which fit our brand balance ambitions and financial return criteria.

Following the acquisition and with the addition of the Jeep franchise to the Group's existing site in Oldham, the Group now comprises 28 dealerships, representing 45 franchises and 18 brands resulting in a well balanced portfolio spanning the high luxury, premium and volume segments.

The Group enhanced its freehold property portfolio during the year, securing the freehold interests of both the Warrington site, where we represent Fiat and Nissan, and our Croydon site, where we represent Ford.

The management team has done an exceptional job in producing strong returns from underperforming businesses through its focus on developing and implementing industry leading digital systems, delivering a world class Guest (customer) experience and maintaining tight management of costs, coupled with lean operating procedures. During the period, the Group was awarded the Motor Trader "Dealer Group of the Year" award. This is testament to the quality of the Cambria Associates (our employees) who have helped build the Group over the last eight years.

Our relationship with the manufacturers that 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. The addition of Land Rover, as well as a further Jaguar and Jeep business, has expanded our brand representation during the year and strengthened the foundations for further development.

I would also like to thank the 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 their ability to provide a world class Guest experience.

Dividend

The Board is pleased to announce a final dividend of 0.5p per share *(2013: 0.4p)*, resulting in a total dividend for the year of 0.6p per share *(2013: 0.5p)* - an increase of 20%. 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 32 consecutive months of year-on-year growth in new car registrations to October 2014. The economic pressures affecting the mainland European new car markets remain and the UK continues to be well placed to continue with the current positive new car market for the foreseeable future.

I am pleased to report that Cambria has maintained its growth momentum in the first two months of the new financial year, delivering results ahead of our business plan and substantially ahead of the comparable period of the year under review. We have a number of opportunities under review and continue to be active in our acquisition strategy, whilst maintaining our aim to produce superior returns on shareholders' funds, which reached 15.9% in the year under review *(2013: 15.5%)*.

The Board believes that there are significant opportunities for further growth and is confident of making strong progress in 2014/15.

Philip Swatman
Chairman

CHIEF EXECUTIVE'S REVIEW

Introduction

I am pleased to report that the operational and financial performance improvements delivered in H1 2014 continued into the second half and the Group delivered a good set of results for the full year to 31 August 2014 with underlying profit before tax rising to £5.4m, a 32% increase in profits on the previous year.

The financial year under review coincided with another year of strong growth in the UK motor retail market. Up to and including the October 2014 registration data, the UK has enjoyed 32 consecutive months of year on year growth in new car registrations albeit from a low base in Q4 2011.

In line with our revised acquisition strategy set out last year, we completed the purchase of the Jaguar and Land Rover dealership in Barnet in July 2014, adding our sixth Jaguar and first Land Rover dealership to the Group. The integration of this business is progressing well and the business has operated in line with our expectations during the first seven weeks of ownership.

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

Year ended 31 August	**2014**	2013
	£m	£m
Revenue	**450.1**	395.8
Underlying EBITDA*	**7.4**	6.1
Underlying operating profit*	**5.9**	4.6
Underlying profit before tax*	**5.4**	4.1
Underlying net profit margin*	**1.2%**	1.0%
EBITDA	**7.3**	6.0
Operating profit	**5.8**	4.5
Profit before tax	**5.3**	4.0

Non-recurring expenses	**0.1**	0.1
Net Assets	**28.3**	24.6
Net profit margin	**1.2%**	1.0%
Underlying earnings per share*	**4.22p**	3.57p
Earnings per share	**4.15p**	3.49p

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

I am pleased to report that the Group has again generated strong operating cashflow during the year, which enabled us to acquire the Barnet business and enhance our operating freehold properties. The Group's cash position remains strong and we have significant facilities available for continued expansion. Accordingly, we have continued to invest resource in identifying acquisition opportunities, whilst also investing in our existing franchise outlets to ensure that they remain compliant with franchise standards and secure a long term future for the Group with its respective brand partners. It is very important for Cambria to continue to strengthen the mix of its brand portfolio, maintaining a good balance of high luxury, premium and volume brands as the Group grows.

Brand partnerships

In line with our buy-and-build strategy, the 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 as well as in the property infrastructure.

Our current portfolio of Brand Partners and dealerships comprises:

High Luxury / Premium		**Volume**		**Motorcycle**	
Aston Martin	3	Abarth	1	Triumph	2
Alfa Romeo	2	Citroen	1		
Honda	2	Jeep	2		
Jaguar	6	Dacia	1		
Land Rover	1	Fiat	5		
Volvo	5	Ford	5		
		Mazda	4		
		Nissan	1		
		Renault	1		
		Seat	1		
		Vauxhall	2		
Total	**19**		**24**		**2**

The Group acquired the Barnet Jaguar Land Rover business for a total consideration of £10.5m, which included £3.75m of freehold land and property, £0.46m of fixed assets and £1.26m of net working capital assets resulting in £5m of goodwill. We have agreed to develop the freehold land fully and build a new Jaguar Land Rover dealership at Barnet over the next 18 months at an estimated investment cost of around £5m. This facility will be a state of the art dealership, which will contribute to a significantly enhanced Guest experience and make the business much more efficient.

When we announced our H1 results, I was able to report that we had invested £6.3m in the Group's freehold property estate securing the freeholds of our Warrington Fiat and Nissan dealership and our

Croydon Ford dealership, plus additional land for franchise enhancements in Croydon. The investment in these freeholds is in line with our strategy to secure strategic freeholds where the opportunity arises and also reduces the external rent payable by £0.3m. In addition to the major freehold purchases, we invested £0.2m in the re-development of our Oldham dealership to add the Jeep franchise and to bring the site up to current corporate standards for Fiat. We also invested £0.3m across our Ford dealerships in line with franchise standards requirements.

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.

When making acquisitions, the Board understands that the integration and maturing of the dealerships takes time and management investment. The integration of businesses from distressed sales typically takes longer.

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 the Barnet acquisition, the business was re-branded as "Grange".

Operations

	2014				2013			
	Revenue	**Revenue mix**	**Gross Profit**	**Margin**	Revenue	Revenue mix	Gross Profit	Margin
	£m	**%**	**£m**	**%**	£m	%	£m	%
New Vehicles	**195.2**	**43.4**	**12.3**	**6.3**	159.8	40.4	10.6	6.7
Used Vehicles	**208.9**	**46.4**	**19.0**	**9.1**	188.8	47.7	17.5	9.3
Aftersales	**55.8**	**12.4**	**23.9**	**42.9**	56.6	14.3	23.1	40.8
Internal sales	**(9.8)**	**(2.2)**	**-**	**-**	(9.4)	(2.4)	-	-
Total	**450.1**	**100.0**	**55.2**	**12.3**	395.8	100.0	51.2	12.9
Administrative expenses			**(49.3)**				(46.6)	
Operating profit before non- recurring expenses			**5.9**				4.6	
Non-recurring expenses			**(0.1)**				(0.1)	
Operating profit			**5.8**	**1.3**			4.5	1.1

New vehicle sales

	2014	2013	**Year on year growth**
New units	**10,451**	8,957	**16.7%**

New vehicle revenue increased from £159.8m to £195.2m with total new vehicle and motorcycle sales volume up 16.7%. Excluding the impact of Barnet, our new volumes rose by 16.1%, outperforming the market by 5.5%. Gross profit also increased by £1.7m with an improvement in the gross profit per retail unit sold.

This strong performance was delivered against an overall year-on-year increase of 10.6% in new UK car registrations in the 12 month period to 31 August 2014. New car registrations for the rolling 12 months exceeded 2.4m in this period for the first time since 2007. The private registrations element of the new car market increased 12.5% year-on-year. The Group's sale of new vehicles to private individuals was also ahead of the market - 14.1% higher year-on-year at 8,874 units. Commercial and fleet vehicle sales by the Group increased by 54.6% to 977 units and by 8.9% to 600 units respectively; these sales are transacted at lower margins hence the dilutive effect on overall new car gross margin.

Used vehicle sales

	2014	2013	**Year on year growth**
Used units	14,320	14,036	**2%**

We have delivered another reasonable performance in used vehicle sales. Revenues increased from £188.8m to £208.9m and the number of units sold rose by 2%. Excluding the impact of Barnet, volumes were up 1.9%. The gross profit generated increased by £1.5m to £19.0m. Pleasingly, the average gross profit on each unit retailed increased year on year. The Group has also concentrated on tight management of its used vehicle inventories, closely monitoring stock turn and used car Return On Investment which achieved 122% in the year.

Aftersales

	2014	2013	**Year on year growth**
Service and Bodyshop hours	316,963	306,611	**3.4%**

Overall, the service and bodyshop elements of the business increased the number of hours sold by 3.4% and the total aftersales gross profit by £0.8m to £23.9m. The combined aftersales revenue decreased 1.4% year on year from £56.6m to £55.8m, as a result of a £3.5m year on year variance in the parts business which was attributable to one specific trade customer. The other areas of aftersales increased their revenue. The aftersales margin increased from 40.8% to 42.9%, due to the reduced mix of Parts revenue relative to Service revenue. The aftersales departments contributed 43.3% 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.

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. The earnings enhancing acquisition of the Barnet business was firmly in line with our revised strategy and the opportunity to develop our relationship with Jaguar and begin a new one with Land Rover fits our brand portfolio aspirations perfectly.

Following any acquisition, the Cambria management team implements new financial, 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. 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 have now completed ten separate transactions since our incorporation.

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. Prior to the Barnet transaction, the Group balance sheet showed that only £0.3m of goodwill had been generated across the nine acquisitions. 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 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, we will undoubtedly have to pay a premium but we will still focus on ensuring that the Group delivers strong and consistent returns on equity.

Integration

The integration process 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. A training needs analysis 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.

Acknowledgments

We are delighted that Cambria, in addition to the "Motorparks.co.uk" website being voted the best franchised dealer website in the industry in the Auto Retail Network report 2013, has also won the Motor Trader "Dealer Group of the Year" award for 2014. This is testament to the success of the growth and development of the Group over eight years of acquiring and improving underperforming dealerships.

We were also pleased to be awarded (for the second time) the Platinum Award for Charitable Donations to the industry's only dedicated charity, BEN, the motor trade benevolent fund. The award results from the combined support of BEN by Cambria Associates, through a payroll giving scheme, and specific support from the Group. Cambria is one of only two motor trade organisations in the UK to be given the award and we are delighted to continue to support BEN in the outstanding work that they carry out for members of the motor trade and their families.

Cambria Academy

The Group has continued to develop the Cambria Academy, a training Academy for the Group's Associates, which was established during the previous financial year. Whilst still in the developmental phase, this is proving to have a positive impact and it will be critically important as the Group embarks on the next exciting period of its expansion.

The Academy has been established to enhance the Cambria Guest Experience with the following 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 with the Group's performance in the first two months being both ahead of our business plan and significantly ahead of the comparable period of the year under review. I am pleased with the progress that we are making across our established businesses; I am excited by the potential of the newly acquired Jaguar Land Rover business in Barnet; and I am confident that Cambria can maintain this momentum and deliver further improved performances across all it departments in the current financial year.

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

Whilst there has been 32 consecutive months of year-on-year growth in new car registrations in the UK, we do not believe that the market is yet at its peak. Vehicle manufacturers continue to deliver strong consumer offers, which represent attractive propositions for our Guests to acquire new cars and the level of cars sold on PCP related product has increased significantly over the past three 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.

Exchange rates also remain favourable and, whilst Sterling is strong relative to the Euro and the European car market remains relatively weak, the UK will be a natural place for the manufacturers to target registrations. Whilst maintaining double digit growth is unlikely, as prior year comparatives harden, we expect the new car market in the UK to stay buoyant, as long as vehicle availability and strong consumer offers are readily available.

Mark Lavery
Chief Executive

FINANCE DIRECTOR'S REPORT

Overview

Total revenues in the period increased 13.7% to £450.1m from £395.8m in the prior year. New vehicle unit volumes were up 16.7% and new vehicle revenues were up 22.1%. Used car unit sales and revenues increased by 2% and 10.6% respectively. Revenues from the aftersales businesses reduced by 1.4%, compared with the previous year as a result of a reduction in sales to one specific parts trade customer.

Total gross profit increased by £4m (7.8%) from £51.2m to £55.2m in the year. Gross profit margin across the Group reduced from 12.9% to 12.3%, reflecting the change in revenue mix following the increase in new car sales in total 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 retail new and used unit that we sold. The aftersales operations contributed 43.3% of the total gross profit for the Group, compared to 45.1% in the previous period, at a gross profit margin of 42.9%, improved from 40.8% in the previous year.

During the year, the Group incurred non-recurring expenses of £81,000 in relation to transaction and set up costs associated with the business acquisition.

Underlying EBITDA increased by 21.3% in the period to £7.4m from £6.1m in the previous year. Underlying operating profit improved 28.3% to £5.9m, compared to £4.6m in the previous year, resulting in an underlying operating margin of 1.3% *(2013: 1.1%)*.

Net finance expenses were consistent with prior year at £0.5m.

The Group's underlying profit before tax rose by 32% to £5.4m, in comparison with £4.1m in the previous year. The acquisition accounted for a loss of £20,000 in the year, in line with our budget.

Underlying earnings per share were 4.22p (2013: 3.57p). Basic earnings per share were 4.15p (2013: 3.49p) and the Group's underlying return on shareholders' funds for the year was 15.9% (2013: 15.5%).

Taxation

The Group tax charge was £1.16m (2013: £0.5m) representing an effective rate of tax of 21.8% (2013: 13.3%) on a profit before tax of £5.3m (2013: £4.0m). As outlined in last years report, it was anticipated that the tax rate would revert to a more normal effective tax rate compared with the prior year, which had a one off benefit from a specific capital allowances claim that impacted prior years. It is anticipated that tax charge for 2015 will continue to track the normal effective tax rate for the Group.

Financial position

The Group has a robust balance sheet with a net asset position of £28.3m underpinned by £35.7m of freehold and long leasehold property. Secured against the freehold and long leasehold property are mortgages amounting to £14.9m. Each of the loans has different repayment profiles between five and thirteen 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.

The net debt position of the Group as at 31 August 2014 was £4.6m *(2013: net cash £2.9m)*, reflecting a cash position of £10.3m *(2013: £14.8m)*. This is after the £18m investment in acquired businesses and freehold land and property in the year.

The Group 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 £4m overdraft facility which is used to manage seasonal fluctuations in working capital. The overdraft facilities are renewable annually and are next due in February 2015. The Group has a £5m Revolving Credit Facility, which is available for draw down against new business acquisitions and freehold property purchases. This additional funding facility gives us significant liquidity to identify and approach acquisition targets. Total facilities available including cash reserves equate to £19.3m *(2013: £23.8 m)*.

Cash flow and capital expenditure

The Group generated an operating cash inflow of £11.3m with working capital reducing by £4.7m through efficient management of the vehicle inventory and the stocking lines associated with that inventory. Total funds invested in business acquisitions and capital expenditure were £18m, of which £6.7m related to the acquisition of the Barnet business and £11.3m was freehold property, plant and equipment, including the Barnet freehold property. We have drawn down two new term loans totalling £4.7m against the freehold purchase of the Croydon and Barnet properties acquired.

During the year, capital repayments of £1.67m were made against the total term loans outstanding. The capital repayments due in the financial year to 31 August 2015 total £2.02m.

As a result of the net cash outflow of £4.5m, the gross cash position was £10.3m with gross debt increasing by £3m to £14.9m and overall net debt increasing from a net cash position of £2.9m in 2013 to a net debt position of £4.6m.

Shareholders' funds

There are 100,000,000 ordinary shares of 10p each with a resulting share premium 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 £0.33m (2013: £0.15m) to defined contributions schemes for certain employees. The Group's staging date for Pensions Auto-Enrolment was October 2013 and this has increased the Group's pension costs for the 2014 financial year by £0.18m.

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 announce that it will make a final dividend payment in respect of the financial year to 31 August 2014 of 0.5p per share in addition to the interim dividend of 0.1p per share paid in May 2014. If approved by the shareholders at the Annual General Meeting to be held on 15 January 2015, the dividend will be payable on 22 January 2015 to those shareholders registered on 30 December 2014. 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

Consolidated statement of comprehensive income

For year ended 31 August 2014

	Note	**201** **£000**	2013 £000
Revenue	*3*	**450,148**	395,776
Cost of sales		**(394,930)**	(344,550)
Gross Profit	*3*	**55,218**	51,226
Administrative expenses		**(49,415)**	(46,680)
Results from operating activities	*3*	**5,803**	4,546
Finance income	*6*	**72**	60
Finance expenses	*6*	**(564)**	(580)
Net finance expenses		**(492)**	(520)
Profit before tax from operations before non-recurring expenses, and acquisitions		**5,412**	4,111
Trading (loss)/profit from branch acquired in year		**(20)**	17
		5,392	4,128
Non-recurring expenses	*2*	**(81)**	(102)
Profit before tax		**5,311**	4,026
Taxation	*7*	**(1,158)**	(534)
Profit and total comprehensive income for the period		**4,153**	3,492
Basic and diluted earnings per share	*5*	**4.15p**	3.49p

All comprehensive income is attributable to owners of the parent company

Consolidated statement of changes in equity

For year ended 31 August 2014

	Note	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
Balance at 31August 2012		10,000	799	10,742	21,541
Profit for the year		-	-	3,492	3,492
Dividend paid		-	-	(400)	(400)
Balance at 31 August 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**

Consolidated statement of financial position

At 31 August 2014

	Note	**2014** £000	2013 £000
Non-current assets			
Property, plant and equipment	*8*	**38,571**	28,353
Intangible assets		**5,370**	356
Deferred tax asset		**463**	618
		44,404	29,327
Current assets			
Inventories		**77,100**	66,248
Trade and other receivables		**10,358**	8,038
Cash and cash equivalents		**10,251**	14,754
		97,709	89,040
Total assets		**142,113**	118,367
Current liabilities			
Other interest-bearing loans and borrowings	*9*	**(2,020)**	(1,550)
Trade and other payables		**(97,972)**	(81,126)
Taxation		**(785)**	(251)
Provisions		**(11)**	(41)

		(100,788)	(82,968)
Non-current liabilities			
Other interest-bearing loans and borrowings	*9*	**(12,875)**	(10,317)
Provisions		**-**	(10)
Other payables		**(164)**	(439)
		(13,039)	(10,766)
Total liabilities		**(113,827)**	(93,734)
Net assets		**28,286**	24,633
Equity attributable to equity holders of the parent			
Share capital		**10,000**	10,000
Share premium		**799**	799
Retained earnings		**17,487**	13,834
Total equity		**28,286**	24,633

These financial statements were approved by the board of directors on 24 November 2014 and were signed on its behalf by:

M J J Lavery
Director

Company registered number: 05754547

Consolidated cash flow statement

For year ended 31 August 2014

	Notes	**2014**	2013
		£000	£000
Cash flows from operating activities			
Profit for the year		**4,153**	3,492
Adjustments for:			
Depreciation, amortisation and impairment	*8*	**1,542**	1,429
Financial income	*6*	**(72)**	(60)
Financial expense	*6*	**564**	580
Loss on sale of property, plant and equipment		**-**	1
Taxation	*7*	**1,158**	534
Non recurring expenses	*2*	**81**	102
		7,426	6,078
Change in trade and other receivables		**(2,275)**	(915)
Change in inventories		**(9,071)**	(8,806)
Change in trade and other payables		**16,096**	13,215
Change in provisions		**(40)**	(44)
		12,136	9,528
Interest paid		**(246)**	(287)
Tax paid		**(559)**	(735)
Non recurring expenses	*2*	**(81)**	(102)
Net cash from operating activities		**11,250**	8,404

Cash flows from investing activities			
Interest received		**72**	60
Acquisition of branch net of cash acquired	*2*	**(6,721)**	(1,209)
Acquisition of land and property with branch acquired		**(3,750)**	(3,017)
Purchase of property, plant and equipment and software		**(7,564)**	(789)
Net cash from investing activities		**(17,963)**	(4,955)
Cash flows from financing activities			
Proceeds from new loan		**4,700**	1,980
Interest paid		**(318)**	(293)
Repayment of borrowings		**(1,672)**	(1,485)
Dividend paid		**(500)**	(400)
Net cash from financing activities		**2,210**	(198)
Net (decrease)/increase in cash and cash equivalents		**(4,503)**	3,251
Cash and cash equivalents at 1 September		**14,754**	11,503
Cash and cash equivalents at 31 August		**10,251**	14,754

Notes to the Accounts

1 Note

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 August 2014 or 2013 but is derived from those accounts. Statutory accounts for 2013 have been delivered to the registrar of companies, and those for 2014 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

2 Acquisitions 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:

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

Notes to the Accounts *(continued)*

2 Acquisitions of trading branches continued

Effect of acquisition in 2013

On 31 January 2013, the Group acquired the trade and assets of the Vauxhall, Alfa Romeo, Chrysler and Jeep dealership in Chelmsford from County Holdings (Chelmsford) Limited and its subsidiary companies.

	Recognised values on acquisition and Fair Value **£000**
Acquiree's net assets at the acquisition date:	
Freehold land & buildings	**3,017**
Plant and equipment	**191**
Stocks	**1,100**
Trade and other creditors	**(82)**
Net and identifiable assets and liabilities	**4,226**
Goodwill on acquisition	**-**
Consideration paid (note that transaction costs of £67k were written off to administrative expenses in 2013), satisfied in cash	**4,226**

The results attributable to the branch acquired during the 2013 financial year were as follows:

	2013 **£000**
Turnover	**11,670**
Profit before tax	**17**

Notes to the Accounts *(continued)*

3 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.

	2014 Revenue	2014 Revenue mix	2014 Gross Profit	2014 Margin	2013 Revenue	2013 Revenue mix	2013 Gross Profit	2013 Margin
	£m	%	£m	%	£m	%	£m	%
New Car	**195.2**	**43.4**	**12.3**	**6.3**	159.8	40.4	10.6	6.7
Used Car	**208.9**	**46.4**	**19.0**	**9.1**	188.8	47.7	17.5	9.3
Aftersales	**55.8**	**12.4**	**23.9**	**42.9**	56.6	14.3	23.1	40.8
Internal sales	**(9.8)**	**(2.2)**	**-**	**-**	(9.4)	(2.4)	-	-
Total	**450.1**	**100.0**	**55.2**	**12.3**	395.8	100.0	51.2	12.9
Administrative expenses			**(49.3)**				(46.6)	
Operating profit before non-recurring expenses			**5.9**				4.6	
Non-recurring expenses			**(0.1)**				(0.1)	
Operating profit			**5.8**	**1.3**			4.5	1.1

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.

	2014	2013
	£000	£000
Profit Before Tax	**5,311**	4,026
Non-recurring expenses *(note 2)*	**81**	102
Underlying Profit Before Tax	**5,392**	4,128
Net finance expense	**492**	520
Depreciation and amortisation	**1,542**	1,429
Underlying EBITDA	**7,426**	6,077
Non-recurring expenses	**(81)**	(102)
EBITDA	**7,345**	5,975

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

Notes to the Accounts *(continued)*

4 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	
	2014	2013

Sales	**343**	317
Service	**362**	378
Parts	**109**	109
Administration	**210**	213
	1,024	1,017

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	**28,545**	27,047
Social security costs	**3,128**	2,984
Expenses related to defined contribution plans	**326**	152
	31,999	30,183

5 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.

There are no dilutive share options in issue.

	2014 £000	2013 £000
Profit attributable to shareholders	**4,153**	3,492
Non-recurring expenses (Note 2)	**81**	102
Tax on adjustments (at 22.16% *(2013:23.58%)*)	**(18)**	(24)
Adjusted profit attributable to equity shareholders	**4,216**	3,570
Number of shares in issue ('000)	**100,000**	100,000
Basic earnings per share	**4.15p**	3.49p
Adjusted earnings per share	**4.22p**	3.57p

Notes to the Accounts *(continued)*

6 Finance income and expense

Recognised in the income statement

	2014 £000	2013 £000
Finance income		
Rent deposit interest	**2**	3
Interest receivable	**70**	57
Total finance income	**72**	60

Finance expense

Interest payable on bank borrowings	**318**	293
Consignment and vehicle stocking interest	**246**	287
Total finance expense	**564**	580
Total interest expense on financial liabilities held at amortised cost	**318**	293
Total other interest expense	**246**	287
	564	580

7 Taxation

Recognised in the income statement

	2014	2013
	£000	£000
Current tax expense		
Current year	**1,013**	854
Adjustment in respect of prior years	**(10)**	7
Adjustment in respect of prior years – capital allowances claim	**-**	(335)
	1,003	526
Deferred tax		
Utilisation of tax losses paid to previous owner of subsidiary undertaking	**-**	162
Adjustment in respect of prior years	**3**	(257)
Origination and reversal of temporary differences	**152**	103
	155	8
Total tax expense	**1,158**	534

Notes to the Accounts *(continued)*

7 Taxation *(continued)*

Reconciliation of total tax

	2014	2013
	£000	£000
Profit for the year	**4,153**	3,492
Total tax expense	**1,158**	534
Profit excluding taxation	**5,311**	4,026
Tax using the UK corporation tax rate of 22.16% (2013: 23.58%)	**1,177**	949
Non-deductible expenses	**44**	35
Accounting deprecation for which no tax relief is due	**132**	125
Utilisation of brought forward losses	**(92)**	(162)
Tax payment due to previous owners of subsidiary in relation to utilisation of pre-acquisition losses	**-**	162
Change in tax rate	**(6)**	68
Adjustments in respect of prior years	**(7)**	(585)

Change in deferred tax in respect of property	**(90)**	(58)
Total tax expense	**1,158**	534

The applicable tax rate for the current year is 22.16% *(2013: 23.58%)* following the reduction in the main rate of UK corporation tax from 23% to 21% with effect from 1 April 2014.

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.

This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 August 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Notes to the Accounts *(continued)*

8 Property, plant and equipment

	Freehold land & buildings £000	Long leasehold land & buildings £000	Short leasehold improvements £000	Plant & equipment £000	Fixtures, fittings & computer equipment £000	Total £000
Cost						
Balance at 1 September 2012	20,287	5,058	3,931	2,709	6,485	38,470
Additions	20	-	421	114	234	789
Branch acquisitions	3,017	-	-	105	86	3,208
Disposals	-	-	-	(121)	(239)	(360)
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 31 August 2014	34,529	4,117	4,552	2,907	7,090	53,195
Depreciation						
Balance at 1 September 2012	1,613	557	3,095	2,300	5,154	12,719
Charge for the year	300	82	285	207	520	1,394
Disposals	-	-	-	(120)	(239)	(359)
Balance at 1 September 2013	1,913	639	3,380	2,387	5,435	13,754
Depreciation charge for the year	364	71	287	223	586	1,531
Disposals	-	-	(8)	(171)	(482)	(661)
Transfer	213	(213)	-	-	-	-
Balance at 31 August 2014	2,490	497	3,659	2,439	5,539	14,624
Net book value						
At 31 August 2013	21,411	4,419	972	420	1,131	28,353
At 31 August 2014	**32,039**	**3,620**	**893**	**468**	**1,551**	**38,571**

As at 31 August 2014 there are no capital commitments *(2013: £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 9.

Property, plant and equipment under construction

At 31 August 2014 there were no assets in the course of construction *(2013: £nil)*.

Notes to the Accounts *(continued)*

9 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.

	2014	2013
	£000	£000
Non-current liabilities		
Secured bank loans	**12,875**	10,317
Current liabilities		
Secured bank loans	**2,020**	1,550

Terms and debt repayment schedule

All debt is in GBP currency

	Nominal interest rate	**Year of Maturity**	**Face Value and Carrying Amount 2014 £000**	Face Value and Carrying Amount 2013 £000
Loan 31/07/2006	Bank of England Base Rate +1.25%	2019	**1,409**	1,688
Loan 01/08/2007	Bank of England Base Rate +1.25%	2020	**435**	507
Loan 31/12/2007	LIBOR +1.75%	2020	**5,047**	5,834
Loan 01/03/2010	LIBOR +3.00%	2017	**1,751**	1,957
Loan 01/02/2013	LIBOR +1.95%	2018	**1,683**	1,881
Loan 03/02/2014	LIBOR +1.95%	2019	**2,470**	-
Loan 07/07/2014	LIBOR +1.95%	2019	**2,100**	-
			14,895	11,867

10 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2014	2013
	£000	£000
Less than one year	**2,394**	2,409
Between one and five years	**8,775**	7,491
More than five years	**16,153**	20,193
	27,322	30,093

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 £2,440,000 was recognised as an expense in the income statement in respect of operating leases *(2013: £2,644,000).*

11 Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at 10.30am on 15 January 2015 at Grange Aston Martin, Great North Road, Welwyn Garden City, AL8 7TQ.