22 November 2016

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

AUDITED PRELIMINARY RESULTS 2015/16 AND NOTICE OF AGM

Strong results in Group's 10th year of trading, continued strategic progress

Cambria, the franchised motor retailer, announces its audited preliminary results for the year to 31 August 2016.

Financial Highlights

Year ended 31 August	**2016**	2015	
	£m	£m	Change
Revenue	**614.2**	523.8	17.3%
Underlying EBITDA*	**13.1**	10.2	28.4%
Underlying operating profit*	**11.2**	8.5	31.8%
Underlying profit before tax*	**10.6**	7.7	37.7%
Underlying profit before tax margin*	**1.7%**	1.5%	20bps
Non-recurring income/ (expenses)	**1.16**	(0.1)	
Underlying earnings per share*	**8.33p**	6.08p	37.0%
Operating profit	**12.4**	8.4	47.6%
Profit before tax	**11.8**	7.7	53.2%
Earnings per share	**9.26p**	6.03p	53.6%
Dividend per share	**0.9p**	0.75p	20%

** These items exclude non-recurring income / (expenses) of £1.16m (2015: (£0.1m))*

- Strong balance sheet – net assets £42.1m (2014/15: £33.7m)
- Strong operational cash flows, cash position of £19.8m (2014/15: £15.4m)
- Net cash of £0.4m (2014/15: net cash £1.0m) after significant investment in acquisitions and property during year
- Underlying Return on Equity at 21.98% (2014/15: 19.6%)
- Proposed final dividend of 0.7p, full year up by 20% to 0.9p per share (2014/15: 0.75p)
- New £37.0m, 5 year banking facilities arranged in November 2015, including a £22m revolving credit facility, providing suitable funding capacity

Operational Highlights

- New vehicle sales up 9.9% with a 13.2% increase in profit per unit
- Used vehicle sales up 5.2% with an 8.1% improvement in profit per unit and continued evolution of the Group's focus on "Velocity" to drive return on investment
- Aftersales Revenue increased 8.1% with an increase of 3.7% in service and bodyshop hours sold
- In line with the strategy of the Group and of Jaguar Land Rover:
    - Acquisition of Welwyn Garden City Land Rover for £10.8m, integration progressing well
    - Disposal of Exeter Jaguar and Croydon Jaguar
    - Acquisition of Woodford Jaguar and Land Rover dealership for £2.1m, integration progressing well

- Opening of third Aston Martin business in Birmingham and closure of Exeter Aston Martin in line with the Aston Martin global second century network restructure
- Continuing investment in the Freehold portfolio; to meet the franchising standards of the brand partners and maximise operational potential and increase used car and aftersales capacity
- Barnet Jaguar Land Rover development progressing well, other Brand led corporate identity developments initiated

Mark Lavery, Chief Executive Officer of Cambria said:

"The Group has delivered a strong set of full year results in its 10th year of trading. From a starting Share Capital base of £10.8m with no further issuance in 10 years, we have delivered underlying Profit Before Tax of £10.6m in the period, up from £7.7m in the previous year, a 37.7% increase. Over the 10 year period we have acquired a freehold and long leasehold property portfolio in excess of £41m. In the year we have made a number of strategic acquisitions and disposals and significantly progressed our investment programme to meet the requirements of our manufacturer partners franchise standards. Our sales exceeded £600m for the first time, and the acquisitions that we have made will contribute to revenue growth in the next financial year. The businesses acquired are directly in line with the strategy we laid out in 2013 which was to acquire earnings accretive businesses that strengthen our premium and high luxury portfolio in focused geographical areas and deliver enhanced shareholder returns. I am pleased with the investments that we have made during the course of the year.

"It remains too early to assess the full implications of the UK electorate's decision to leave the EU, however we appreciate that the UK economy is in a period of uncertainty post the EU referendum vote in June 2016. At the time of writing the Sterling exchange rate has been very volatile and in recent weeks reached its low point equivalent to summer 2011. In the years following 2011 we have seen significant year on year growth in UK new car registrations as Sterling has strengthened relative to the Euro. The current volatility in Sterling could impact the strategy adopted by the manufacturers that we represent. The latest SMMT forecasts for new car registrations in 2017 show a 5% reduction on the 2016 closing forecast. From April 2016 to October 2016 there has been a 2.7% year on year reduction in the Private segment of the new car market.

"Post the period end, trading in the important plate change month of September was in line with expectations, however October trading showed some softening in new car margins.

"The Board remains confident that Cambria's resilient business model is well positioned to take advantage of any opportunities that the current economic uncertainty could provide. The Board has set its focus for the new financial year on delivery of the important integrations of the acquired businesses along with the property investments that are needed to bring those businesses up to manufacturer standards, increase capacity and provide our Guests with a superior experience."

Notice of AGM and posting of report and accounts

The Company also gives notice that the Annual General Meeting of the Company will be held at 10am on 4th January 2017 at Grange Aston Martin, Great North Road, Welwyn Garden City, AL8 7TQ (the "AGM").

The annual report and financial statement for the year ended 31 August 2016 (the "Report and Accounts") will shortly be posted to shareholders together with a notice of its AGM.

Copies of the Reports and Accounts and the AGM notice will be made available shortly from the Company's website, www.cambriaautomobilesplc.com, in accordance with AIM Rule 20.

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Chairman's statement

I am pleased to report that Cambria has delivered a strong set of results for the year ended 31 August 2016, which again shows continued improvement in the Group's operational and financial performance and successful delivery of its stated growth strategy. With the strategic acquisitions delivered over the past two financial years we have made a step change in the profile of the Group's franchised dealership portfolio and its underlying earnings capacity which has doubled in the past two years. These acquisitions have been focused on adding premium and high luxury franchises to balance the Group's portfolio and secure the long term relationships with Jaguar Land Rover and Aston Martin as a core part of the Group's future.

The UK motor retail industry has continued to demonstrate year-on-year growth in 2016 with the new car market reporting buoyant registration data. However there has been a clear softening in private registrations during Q2 and Q3 of 2016.

The Group reported significant operational improvements in the past two financial years and these have continued into the 2015/16 financial year. The Group generated gross profit growth across all core elements of the business, New Vehicles, Used Vehicles and Aftersales, as well as delivering growth through the acquisitions of Welwyn Garden City Land Rover, Woodford Jaguar Land Rover and the opening of a new site in Birmingham for Aston Martin.

Revenue increased by 17.3% to £614.2m (2014/15: £523.8m). Underlying profit before tax rose by 37.7% to £10.6m (2014/15: £7.7m). Profit before tax also improved by 53.2% to £11.8m (2014/15: £7.7m) and the Group delivered underlying earnings per share of 8.33p (2014/15: 6.08p) - an increase of 37.0%.

The Group closed the year with net cash of £0.4m (2014/15: net cash £1.0m) and net assets of £42.1m (2014/15: £33.7m), underpinned by the ownership of £41.3m (2014/15: £37.6m) of freehold and long leasehold properties.

Our capacity for making acquisitions, and the facilities development programme, have been enhanced in the year with a new set of banking facilities of £37m arranged in November 2015. These facilities refinance the existing term loans of £14.4m and make available a further £22.0m of Revolving Credit Facility.

I am also pleased to report that in September 2016, Tim Duckers accepted our invitation to join the Board of Directors as Managing Director of the motor division. Tim has worked in the Group since 2008 and has been heavily involved in its development to date. We look forward to Tim's continued involvement and wish him all the success in his new role.

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 last two 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 line with this strategy, in 2014 the Group announced the acquisition of the Jaguar and Land Rover dealership in Barnet. Following on from this successful acquisition, on 30 April 2015 the Group completed the acquisition of Swindon Land Rover for a total consideration of £7.6m including £2.3m of freehold property. In January 2016, the Group acquired the Welwyn Garden City Land Rover business for £10.8m, adding the Land Rover franchise in the territory where the Group previously operated the Jaguar franchise therefore securing the territory for the Group under Jaguar Land Rover's stated strategy for common ownership of dealerships in a given territory. In May 2016, the Group opened a new dealership for Aston Martin in Birmingham in a temporary facility. The Group was then afforded the opportunity to acquire the Jaguar Land Rover dealership in Woodford, North London in July 2016 for £2.1m.

To support the acquisitions and developments outlined above the Group agreed to divest of the Exeter Jaguar business in January 2016, to close the Exeter Aston Martin dealership which shared a facility with Jaguar and to dispose of the Croydon Jaguar franchise in March 2016 which shared a facility alongside the Groups Volvo franchise for Croydon.

Following the acquisitions, and the closure of the Group's only Citroen new car sales franchise in Swindon, the Group now comprises 31 dealerships, representing 46 franchises and 17 brands, a well balanced brand portfolio spanning the high luxury, premium and volume segments.

I would like to thank all our Cambria Associates, who continue to strive to provide a world class Guest experience. 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 truly exceptional Guest experience.

Dividend

The Board is pleased to propose a final dividend of 0.7p per share (2014/15: 0.6 p), subject to shareholder approval, resulting in a total dividend for the year of 0.9p per share (2014/15: 0.75p) - an increase of 20%. It remains the Board's intention to maintain a progressive dividend policy as the Group grows earnings.

Outlook

The UK economy is in a period of uncertainty while the ramifications of leaving the EU are worked through. There is a lack of clarity on how any free trade agreements will be negotiated and there are major implications for the Sterling exchange rate and other fiscal levers. At the time of writing we are unclear as to how these factors will impact the UK motor trade. That said, we are continuing to invest for future growth as we consider that the Group is in a strong financial position and will be able to adapt as required. Moreover, Cambria's robust balance sheet, industry leading Return on Investment and proven management team leave it well positioned to manage any uncertainty.

We are actively looking to deliver on our commitments to the manufacturer partners that we represent with the investment programme to enhance our property portfolio, while maintaining our aim to produce superior returns on Shareholders' funds, which reached 21.98% (note 5) in the year under review (2014/15: 19.6%).

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

Philip Swatman
Chairman

Chief Executive's review

Introduction

I am pleased to report that the Group has delivered a strong set of results for the 2016 financial year. The operational and financial performance improvements delivered in the 2015 financial year through to H1 2016 continued into the second half with underlying profit before tax rising to £10.6m, a 37.7% increase on the previous year.

It is pleasing that the results again 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.

During the year, the like-for- like businesses contributed a £9.1m profit before tax, a 28% year on year increase.

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

Year ended 31 August	**2016**	2015
	£m	£m
Revenue	614.2	523.8
Underlying EBITDA*	13.1	10.2
Underlying operating profit*	11.2	8.5
Underlying profit before tax*	10.6	7.7
Underlying profit before tax margin*	1.7%	1.5%
EBITDA	14.2	10.1
Operating profit	12.4	8.4
Profit before tax	11.8	7.7
Non-recurring income/ (expenses)	1.2	(0.1)
Net Assets	42.1	33.7
Profit before tax margin	1.9%	1.5%
Underlying earnings per share*	8.33p	6.08p
Earnings per share	9.26p	6.03p

** These items exclude non-recurring income/ (expenses) of £1.16m (2014/15: (£0.1m))*

The Group celebrated its 10th anniversary in July 2016. During those 10 years the Group has grown from one site with three new car franchises to 31 locations representing 46 new car franchises and 17 different Brand Partners. The Group has utilised a total of £10.8m of Share Capital to grow and has delivered an underlying Profit before Tax of £10.6m in its 10th year of trading. During the year, the Group delivered a return on shareholder funds of 21.98%. The Group has consistently delivered strong operational cash flows and has built a net asset position of £42.1m underpinned by over £41m of freehold and long leasehold property. The development that has taken place over the Group's formative 10 years has laid the foundations for Cambria to evolve into its next phase of growth.

Total revenue for the Group exceeded £600m through a combination of operational improvements and strategic acquisitions.

Brand partnerships

In line with our buy-and-build strategy, management has continued to work 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. The core like-for-like businesses have shown continued improvements during the year and we are pleased with the performances delivered.

Our current portfolio of Brand Partners and dealerships comprises:

High Luxury / Premium		**Volume**		**Motorcycle**	
Aston Martin	3	Abarth	1	Triumph	2
Alfa Romeo	2	Dacia	1		
Jaguar	5	Fiat	5		
Jeep	2	Ford	5		
Land Rover	4	Honda	2		
Volvo	5	Mazda	4		
		Nissan	1		
		Renault	1		
		Seat	1		
		Vauxhall	2		
Total	**21**		**23**		**2**

In January 2016 the Group acquired the Welwyn Garden City ("WGC") Land Rover business for a total consideration of £10.8m including £0.1m of fixed assets and net working capital of £0.7m resulting in £10m of goodwill. The business currently operates from leasehold premises under a short lease agreed with the vendor of the business. The Groups existing Jaguar and Aston Martin businesses in WGC are located two miles from the Land Rover dealership. In line with the strategy to combine the Jaguar and Land Rover dealerships into the new Arch concept facilities, the Group has identified and agreed terms to acquire a 4.3acre freehold plot of land in the territory to build a new facility for JLR and Aston Martin. The anticipated capital cost of the newly developed facility for the three franchises is £16m, and will be completed in Q2 2018. The acquisition and development of the land will be funded through a combination of the existing RCF facilities and new term debt secured against the freehold property.

In May 2016, the Group opened the Aston Martin dealership in Solihull operating from a temporary facility filling an open point for the Brand. In order to secure the franchise for the territory, the Group acquired a freehold property and invested in a refurbishment of the facility to accommodate the Aston Martin franchise while the permanent location is procured and built. The temporary facility has incurred a total spend of £1.6m and is enabling the Group to establish a representation point, build a database and serve the Aston Martin car parc for the territory. The Group is in advanced negotiations to secure some freehold land to build a new facility for Aston Martin over the next 24 months. It is anticipated that the total freehold investment in the permanent facility will be c.£4.5m, and again will be funded through a combination of existing facilities and new term debt. On relocation of the business to the new facility the Group intends to sell the temporary freehold property.

In July 2016, the Group acquired the Jaguar and Land Rover business in Woodford, North London for a total consideration of £2.1m including £0.1m of fixed assets, a net working capital of £nil resulting in acquired goodwill of £2.0m. As part of the deal the existing leasehold facilities were fully sublet from the vendor to the Group. On assessment of the lease liability associated with the showroom premises in Woodford, the Board has made a fair value provision against the property liability of £1.0m, therefore increasing the goodwill attributable to the acquisition to £3.0m in total.

During the 2015 financial 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 the Groups intention to fully re-develop its Swindon Motor Park location to provide a new JLR facility in line with the new Arch design concept for JLR facilities. It is anticipated that the development will be completed in Q4 2017 and the planning and design processes are progressing well. Once the new development is complete, we will relocate the Land Rover business from the existing dealership property in Royal Wootton Bassett. The anticipated investment in the site is £6m, and this will be funded from the facilities arranged in November 2015.

When the Group acquired the Barnet Jaguar Land Rover dealership in the 2013/14 financial year it committed to develop the freehold site to provide a Jaguar Land Rover Arch concept facility on that location. At the time of writing we are well progressed with the build project and have operated the business through very difficult operational logistics on the site. The site should be complete in Q1 2017 and will be a superb representation point for JLR in a strong demographic area for the Brands. During the course of the 2015/16 financial year the Group has incurred £2.8m of the capital investment on the site and has a further £4.1m to completion of the building. Against this development, the Group is able to draw down up to £3.5m of the property RCF for funding.

Whilst the investments outlined above are significant, the Board believes that the investment in the facilities for JLR and Aston Martin are core to the future potential of the businesses acquired and the investment in the property portfolio in strategic, high profile locations will hold the Group in good stead to provide exceptional representation for its brand partners and a world class Guest experience.

During the course of the year and in line with the strategy to grow the overall JLR partnership, the Group sold the Exeter Jaguar and Croydon Jaguar businesses to the Land Rover franchise holder in each of those territories realising a non-recurring income of £1.95m. These businesses were well regarded and positive earnings contributors to the Groups underlying performance in previous years.

As part of the Groups IT infrastructure development, across the year we implemented a complete change of the Groups' dealer management system. The Group is now fully operational on the Pinewood Pinnacle DMS. Whilst the impact of a system change of this magnitude should not be underestimated, our Associates have embraced the changes and we are now refining our processes to fully benefit from the system.

Post Period end in late October 2016, the Group's WGC Jaguar dealership workshop suffered fire damage. We are in the process of dealing with the aftermath of the fire which will impact the trading of the site for approximately four months while it is rebuilt and refurbished. The team of Associates are doing all that they can to maintain service facilities for our Guests and are working closely with fellow Associates located at the WGC Land Rover site to provide these services. We are of course working closely with our insurers to mitigate the financial impact on the Group and do not currently anticipate that these will be material.

Operations

	2016				2015			
	Revenue £m	**Revenue mix %**	**Gross Profit £m**	**Margin %**	Revenue £m	Revenue mix %	Gross Profit £m	Margin %
New vehicles	297.4	48.4	19.3	6.5	238.4	45.5	15.5	6.5
Used vehicles	264.2	43.0	23.7	9.0	235.9	45.0	20.8	8.8
Aftersales	65.5	10.7	26.6	40.7	60.6	11.6	25.8	42.5
Internal sales	(12.9)	(2.1)	-	-	(11.1)	(2.1)	-	-
Total	614.2	100.0	69.6	11.3	523.8	100.0	62.1	11.9
Administrative expenses			(58.4)				(53.6)	
Operating profit before non-recurring expenses			11.2				8.5	
Non-recurring income/ (expenses)			1.2				(0.1)	
Operating profit			12.4				8.4	

New vehicle sales

	2016	2015	**Year on year growth**
New units	**12,516**	11,388	**9.9%**

New vehicle revenue increased from £238.4m to £297.4m with total new vehicle sales volumes up 9.9%. Excluding the impact of the acquisitions and disposals, our new volumes rose by 2.9% on a like-for-like basis. Gross profit also increased by £3.8m (24.5%) in total and £1.5m 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 3.9% in new UK car registrations in the 12 month period to 31 August 2016. New car registrations for the rolling 12 months hit 2.68m in this period up from 2.58m in the prior period. It is anticipated that in the calendar year 2016 total registrations will be 2.678m, setting a new record level of registrations. The private registrations element of the new car market increased 1.7% year-on-year.

The Group's sale of new vehicles to private individuals was 7.6% higher year-on-year at 10,425 units. Fleet car and Commercial Vehicle sales by the Group increased by 6.9% to 647 units and by 32.5% to 1,444 units respectively; these sales are transacted at lower margins hence the dilutive effect on overall new car gross margin.

The new vehicle department made up a larger proportion of the Revenue at 48.4% of the mix, up from 45.5% in the prior year. The new car department accounted for 27.7% of the Group's gross profit in the year, up from 24.9% in the prior year. Whilst the margin was maintained at 6.5%, the new vehicle department operates at a lower margin than the used car and aftersales departments so overall this increase will be dilutive on the Group's total gross profit margin.

Used vehicle sales

	2016	2015	**Year on year growth**
Used units	**15,729**	14,945	**5.2%**

We have delivered another strong performance in used vehicle sales. Revenues increased from £235.9m to £264.2m and the number of units sold rose by 5.2%. Like-for-like volumes were up 3.4%. The gross profit generated increased by £2.9m (13.9%) in total and £2.5m on a like-for-like basis.

As outlined in my report last year, 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 3 years, 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 £1,508 per unit (2015: £1,395 per unit) (up 8.1%). 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 147% up from 137% in 2015 and 122% in 2014. Cambria has therefore further distanced itself from the industry average used car Return on investment of 75%.

The used vehicle department showed good growth, increased margin and stronger profit per unit sold. Overall the used car department contributed 43.0% of the Group's revenue and 34.1% of the Group's gross profit.

Aftersales

	2016	2015	**Year on year growth**
Service and bodyshop hours	354,193	341,611	**3.7%**

The combined aftersales revenue increased 8.1% year on year from £60.6m to £65.5m. Overall, the service and bodyshop elements of the business increased the number of hours sold by 3.7% and the total aftersales gross profit by £0.8m (3.1%) to £26.6m. The LFL aftersales revenues were 1.9% higher year on year, with gross profit consistent at 23.5m.

The aftersales departments contributed 10.7% of the Group's Revenue, and 38.2% of the Group's overall gross profit. The aftersales margin was slightly diluted in the year as the parts component of the aftersales revenue increased in mix terms. The margin in the parts element is smaller than that generated by service and bodyshop labour sales.

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 Group continues to focus on the sale of service plans and its unique warranty-4-life product to enhance Guest retention.

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.

Total underlying administrative expenses remained well controlled during the year and as a percentage of revenue reduced to 9.5% from 10.2% in the previous year demonstrating good overhead recovery and strong capital disciplines as the Group continues to grow.

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 three years of the Barnet, Swindon, WGC, and Woodford businesses are firmly in line with this strategy and the opportunity to develop our relationship and representation with Jaguar Land Rover fits our brand portfolio aspirations perfectly. The Birmingham Aston Martin business opening creates a future opportunity for the Group once it has established in a permanent facility and has developed a database, however, it will be earnings dilutive whilst it is established.

We have now completed 13 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 the JLR acquisitions, 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 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 car market in 2016 will see another record year for registrations in the UK, with current SMMT forecast at 2.678m. Much of this momentum was delivered in the first half of the calendar year, prior to the EU referendum vote. With the current weakening in the sterling exchange rate, there will undoubtedly be downward pressure on the number of cars registered in the UK through 2017 as the manufacturer landed cost of imported cars and components increases. The SMMT is currently forecasting a 5% reduction in new car registrations for 2017.

Whilst the 2016 financial year ended well, because of the uncertainty in the economic outlook, the Board is cautious about trading in the coming year. Post the period end, September trading was in line with expectation, however October trading showed some softening in new car margins

The formative 10 years of the Group have laid solid foundations with an extremely capable management team and high quality digitised data systems. In uncertain times, the quality of people and systems is absolutely critical and the Board is confident that Cambria is well placed to take advantage of any opportunities afforded to the Group.

We intend to continue the process of enhancing the existing businesses and focusing on integrating and optimising the businesses acquired over the past three years to reap the full potential of those acquisitions. There will be a continued focus on driving strong returns on shareholder funds from the foundations that we have put in place over the past 10 years.

Mark Lavery
Chief Executive

Finance Director's report

Overview

Total revenues in the period increased 17.3% to £614.2m from £523.8m in the prior year. New vehicle unit volumes were up 9.9% and new vehicle revenues were up 24.7%. Used car unit sales and revenues increased by 5.2% and 12.0% respectively. Revenues from the aftersales businesses increased by 8.1%, compared with the previous year.

Total gross profit increased by £7.5m (12.1%) from £62.1m to £69.6m in the year. Gross profit margin across the Group reduced from 11.9% to 11.3%, 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 38.2% of the total gross profit for the Group, compared to 41.5% in the previous period, the reduction in proportion being a result of the significant increases in new and used gross profit contribution. The gross profit contribution made by the used car and aftersales components of the business accounted for 72.3% of the Groups total gross profit mix.

During the year, the Group generated a non-recurring net income of £1.16m which was a combination of £1.95m of non-recurring income from the sale of Exeter Jaguar and Croydon Jaguar and non-recurring expenses totalling £0.79m in relation to the transaction and set up costs associated with the acquisitions made in the year and the write off of certain assets as a result of the acquisitions.

Underlying EBITDA increased by 28.4% in the period to £13.1m from £10.2m in the previous year. Underlying operating profit improved 31.8% to £11.2m, compared with £8.5m in the previous year, resulting in an underlying operating margin of 1.8% (2014/15: 1.6%).

Net finance expenses reduced to £0.6m (2014/15: £0.7m) as a result of the savings in the mortgage interest following the refinancing in November 2015.

The Group's underlying profit before tax rose by 37.7% to £10.6m, in comparison with £7.7m in the previous year.

Underlying earnings per share were 8.33p (2014/15: 6.08p). Basic earnings per share were 9.26p (2014/15: 6.03p) and the Group's underlying return on shareholders' funds for the year was 21.98% (2014/15: 19.6%).

Taxation

The Group tax charge was £2.5m (2014/15: £1.6m) representing an effective rate of tax of 21.3% (2014/15: 21.2%) on a profit before tax of £11.8m (2014/15: £7.7m). 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 £42.1m underpinned by £41.3m 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. At the balance sheet date there was also £5m of the group's RCF drawn. This has been repaid subsequent to the year end.

As at the balance sheet date, and as a result of the banking facility arranged 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.

During the year the Group comfortably met the Bank Covenants attached to the banking facilities.

The net cash position of the Group as at 31 August 2016 was £0.4m (2014/15: net cash £1.0m), reflecting a cash position of £19.8m (2014/15: £15.4m). This is after the £12.9m 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 September 2017. At the balance sheet date, the Group had a £22.0m Revolving Credit Facility, (RCF) available for use for acquisitions and property investment and development in the Group's operating facilities.

Cash flow and capital expenditure

The Group generated an operating cash inflow of £20.8m with working capital reducing by £6m 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 supporting the increased new car orders for September delivery. Total funds invested in business acquisitions and capital expenditure were £18.6m, of which £12.9m related to the acquisition of the WGC Land Rover and Woodford Jaguar Land Rover business. The Aston Martin Solihull dealership incurred £1.6m of investment in the freehold property and refurbishment. During the year £2.8m of the Barnet JLR facility investment was completed, with a further £4.1m to be completed in the 2017 financial year. The net funds realised as a result of the sales of the Exeter and Croydon Jaguar businesses was £2.1m.

During the year, and as a result of the Group banking refinance, all of the previous loans of £14.4m were repaid, and a new drawdown of £15m in term debt was drawn. The RCF was utilised for the acquisition of the WGC Land Rover business through a drawdown of £10m which was then repaid. To fund the Woodford acquisition, £5m of the RCF was drawn down, and at the balance sheet date this remained drawn. The fixed capital repayments from the £15m term loan moving forward will be £1m per annum.

As a result of the net cash inflow of £4.4m, the gross cash position was £19.8m with gross debt of £19.45m, overall net cash of £0.4m after significant investment, compared with net cash at 31 August 2015 of £1.0m.

Capital expenditure commitments

As outlined in the Chief Executives report, the Group has committed to delivering certain property solutions to facilitate the acquired businesses complying with the franchise standards for its Brand partners. Over the coming 24 months the group intends to complete the following major freehold investments; Barnet JLR redevelopment with a remaining £4.1m through to completion, Swindon JLR development forecast at c.£6m, WGC JLR and Aston Martin c.£16m and Solihull Aston Martin c.£4.5m. The total freehold new build investment being in the order of £31m. The Barnet and Swindon developments will be funded through a drawdown of £7m from the Property RCF already arranged as part of the refinancing in November 2015. The WGC purchase and development and Solihull land purchase and development will be funded partly through the existing RCF facility, and use of new term loans on normal Loan to Value security against each development which the Board forecasts at 70% of the land purchase and development cost.

The Board is committed to these investments and anticipates that by making the investments it will position the Group well for realising the full operational potential of the businesses acquired over the past 3 years.

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 £0.4m (2014/15: £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 2016 of 0.7p per share in addition to the interim dividend of 0.2p per share paid in May 2016. If approved by the shareholders at the Annual General Meeting to be held on 4 January 2017, the dividend will be payable on 20 January 2017 to those shareholders registered on 30 December 2016, with an ex-dividend date of 29 December 2016. 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 2016

	Note	**2016 £000**	2015 £000
Revenue		614,218	523,812
Cost of sales		(544,614)	(461,746)
Gross profit	*3*	69,604	62,066
Administrative expenses		(59,158)	(53,672)
Other operating profit		1,950	-
Results from operating activities	*3*	12,396	8,394
Finance income	*7*	133	66
Finance expenses	*7*	(761)	(805)
Net finance expenses		(628)	(739)
Profit before tax from operations before non-recurring income/ (expenses)		10,605	7,712
Non-recurring income and expenses	*5*	1,163	(57)
Profit before tax	*3*	11,768	7,655
Taxation	*8*	(2,508)	(1,625)
Profit and total comprehensive income for the period		9,260	6,030
Basic and diluted earnings per share	*6*	9.26p	6.03p

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

Consolidated statement of changes in equity

for year ended 31 August 2016

	Note	**Share capital £000**	**Share premium £000**	**Retained earnings £000**	**Total equity £000**
Balance at 31August 2014		10,000	799	17,487	28,286
Profit for the year		-	-	6,030	6,030
Dividend paid		-	-	(650)	(650)
Balance at 31 August 2015		10,000	799	22,867	33,666
Profit for the year		-	-	9,260	9,260
Dividend paid		-	-	(800)	(800)
Balance at 31 August 2016		10,000	799	31,327	42,126

Consolidated statement of financial position

at 31 August 2016

	Note	**2016**	2015
		£000	£000
Non-current assets			
Property, plant and equipment	*9*	43,949	40,040
Intangible assets		21,391	8,393
Deferred tax asset		13	155
		65,353	48,588
Current assets			
Inventories		95,068	87,051
Trade and other receivables		13,314	13,200
Cash and cash equivalents		19,817	15,395
		128,199	115,646
Total assets		193,552	164,234
Current liabilities			
Other interest-bearing loans and borrowings	*10*	(6,000)	(2,070)
Trade and other payables	*11*	(129,731)	(115,227)
Taxation		(1,245)	(950)
		(136,976)	(118,247)
Non-current liabilities			
Other interest-bearing loans and borrowings	*10*	(13,450)	(12,321)
Other payables		-	-
Provisions		(1,000)	-
		(14,450)	(12,321)
Total liabilities		(151,426)	(130,568)
Net assets		42,126	33,666
Equity attributable to equity holders of the parent			
Share capital		10,000	10,000
Share premium		799	799
Retained earnings		31,327	22,867
Total equity		42,126	33,666

These financial statements were approved by the board of directors on 2016 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 2016

	Notes	**2016**	2015
		£000	£000
Cash flows from operating activities			
Profit for the year		9,260	6,030
Adjustments for:			
Depreciation, amortisation and impairment	*9*	1,837	1,715
Financial income	*7*	(133)	(66)
Financial expense	*7*	761	805
Profit on sale of branches		(1,950)	-
Taxation	*8*	2,508	1,625
Non-recurring expenses	*5*	787	57
		13,070	10,166
Change in trade and other receivables		(131)	(2,842)
Change in inventories		(6,827)	(7,469)
Change in trade and other payables		12,956	16,855
Change in provisions		1,000	(11)
		20,068	16,699
Interest paid		(460)	(444)
Tax paid		(2,075)	(1,153)
Non-recurring expenses	*5*	(787)	(57)
Net cash from operating activities		16,746	15,045
Cash flows from investing activities			
Interest received		133	66
Proceeds from sale of plant and equipment		95	-
Acquisition of branch net of cash acquired	*2*	(12,946)	(5,311)
Acquisition of land and property with branch acquired	*2*	-	(2,250)
Disposal of branches by trade and asset sale		2,058	
Purchase of property, plant and equipment and software		(5,622)	(891)
Net cash from investing activities		(16,282)	(8,386)
Cash flows from financing activities			
Proceeds from new loan		29,950	1,575
Interest paid		(301)	(361)
Repayment of borrowings		(24,891)	(2,079)
Dividend paid		(800)	(650)
Net cash from financing activities		3,958	(1,515)
Net increase/(decrease) in cash and cash equivalents		4,422	5,144
Cash and cash equivalents at 1 September 2015		15,395	10,251
Cash and cash equivalents at 31 August 2016		19,817	15,395

Notes
(forming part of the financial statements)

1 Accounting policies

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 August 2016 or 2015 but is derived from those accounts. Statutory accounts for 2015 have been delivered to the registrar of companies, and those for 2016 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

On 11 January 2016, the company completed the acquisition of the Land Rover dealership in Welwyn Garden City from Jardine Motor Group.

	Pre-acquisition carrying amount and Fair Value **£000**
Acquiree's net assets at the acquisition date:	
Plant and equipment	87
Stocks	1,066
Trade and other payables	(331)
Net and identifiable assets and liabilities	822
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 WGC dealership)	10,000
Consideration paid, in cash	10,822

On 6 July 2016, the company completed the acquisition of the Jaguar and Land Rover dealership in Woodford, North London from Pendragon PLC.

	Pre-acquisition carrying amount and Fair Value £000
Acquiree's net assets at the acquisition date:	
Plant and equipment	132
Stocks	301
FV adjustment for lease acquired on unfavourable terms	(1,000)
Trade and other payables	(309)
Net and identifiable assets and liabilities	(876)
Goodwill on acquisition (The goodwill arising on acquisition is attributable to expanding our geographical base for the Jaguar Land Rover brand, and the anticipated profitability from the sale of vehicles from the Woodford dealership)	3,000
Consideration paid, in cash	2,124

The results attributable to the branches acquired during 2016 were as follows:

	2016 £000
Turnover	**36,338**
Profit before tax	**631**

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**

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. Dealerships operate a number of different business streams such as new vehicle sales, used vehicle sales and after sales operations. Management is organised based on the dealership operations as a whole rather than the specific business streams. Dealerships are considered to have similar economic characteristics and offer similar products and services which appeal to a similar customer base. As such the results of each dealership have been aggregated to form one reportable operating segment.

All segment revenue, profit before tax, assets and liabilities are attributable to the principal activity of the group being the provision of car vehicle sales, vehicle servicing and related services. Therefore to increase transparency, the group has included below additional voluntary disclosure analysing revenue and gross margins within the reportable segment.

	2016 Revenue	**2016 Revenue mix**	**2016 Gross profit**	**2016 Margin**	2015 Revenue	2015 Revenue mix	2015 Gross profit	2015 Margin
	£m	**%**	**£m**	**%**	£m	%	£m	%
New Car	297.4	48.4	19.3	6.5	238.4	45.5	15.5	6.5
Used Car	264.2	43.0	23.7	9.0	235.9	45.0	20.8	8.8
Aftersales	65.5	10.7	26.6	40.7	60.6	11.6	25.8	42.5
Internal sales	(12.9)	(2.1)	-	-	(11.1)	(2.1)	-	-
Total	614.2	100.0	69.6	11.3	523.8	100.0	62.1	11.9
Administrative expenses			(58.4)				(53.6)	
Operating profit before non-recurring expenses			11.2				8.5	
Non-recurring income/ (expenses)			1.2				(0.1)	
Operating profit			12.4	1.8%			8.4	1.6%

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.

	2016	2015
	£000	£000
Profit Before Tax	11,768	7,655
Other operating profit	(1,950)	-
Non-recurring expenses *(note 5)*	787	57
Underlying Profit Before Tax	10,605	7,712
Net finance expense	628	739
Depreciation and amortisation	1,837	1,715
Underlying EBITDA	13,070	10,166
Other operating profit	1,950	-
Non-recurring expenses	(787)	(57)
EBITDA	14,233	10,109

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	
	2016	2015
Sales	374	377
Service	451	394
Parts	105	102
Administration	245	222
	1,175	1,095

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	34,639	31,861
Social security costs	3,685	3,395
Expenses related to defined contribution plans	362	342
Share based payments expense	32	16
	38,718	35,614

5 Non-recurring Income/ (expenses)

Non-recurring income and 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.

	2016	2015
	£000	£000
Income from sale of businesses	1,950	-
Relocation costs – relating to asset write off	(498)	
Restructuring costs	(28)	-
Transaction costs	(261)	(57)
	1,163	**(57)**

6. 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.

The Underlying Return on Equity number has been calculated as the Adjusted profit attributable to equity shareholders divided by the unweighted average shareholder funds taking the average of the opening and closing shareholders equity from the statement of financial position. The calculation is therefore £8,329,000 divided by £37,896,000 giving 21.98%.

	2016	2015
	£000	£000
Profit attributable to shareholders	9,260	6,030
Non recurring (income)/ expenses (Note 5)	(1,163)	57
Tax on adjustments (at 20% *(2015: 20.58%)*)	232	(12)
Adjusted profit attributable to equity shareholders	8,329	6,075
Number of shares in issue (‘000)	100,000	100,000
Basic earnings per share	9.26p	6.03p
Adjusted earnings per share	8.33p	6.08p

7 Finance income and expense

Recognised in the income statement

	2016	2015
	£000	£000
Finance income		
Rent deposit interest	2	2
Interest receivable	131	64
Total finance income	133	66
Finance expense		
Interest payable on bank borrowings	301	361
Consignment and vehicle stocking interest	460	444
Total finance expense	761	805
Total interest expense on financial liabilities held at amortised cost	301	361
Total other interest expense	460	444
	761	805

8 Taxation

Recognised in the income statement

	2016	2015
	£000	£000
Current tax expense		
Current year	2,373	1,341
Adjustment in respect of prior years	(7)	(24)
	2,366	1,317
Deferred tax		
Adjustment in respect of prior years	(1)	22
Origination and reversal of temporary differences	143	286
	142	308
Total tax expense	2,508	1,625

	2016	2015
	£000	£000
Profit for the year	9,260	6,030
Total tax expense	2,508	1,625
Profit excluding taxation	11,768	7,655
Tax using the UK corporation tax rate of 20% (*2015: 20.58%)*	2,354	1,575
Non-deductible expenses	124	29
Accounting deprecation for which no tax relief is due	152	134
Utilisation of brought forward losses	(83)	(34)
Change in tax rate	2	(8)
Adjustments in respect of prior years	(8)	(2)
Change in deferred tax in respect of property	(33)	(69)
Total tax expense	2,508	1,625

The applicable tax rate for the current year is 20% *(2015: 20.58%)* 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. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

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

9 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 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 1 September 2015	36,923	4,117	4,552	3,060	7,317	55,969
Additions	4,396	-	9	509	687	5,601
Branch acquisitions	-	-	-	97	121	218
Disposals	-	-	(17)	(505)	(1,686)	(2,208)
Balance at 31 August 2016	**41,319**	**4,117**	**4,544**	**3,161**	**6,439**	**59,580**
Depreciation						
Balance at 1 September 2014	2,490	497	3,659	2,439	5,539	14,624
Charge for the year	411	105	287	266	636	1,705
Disposals	-	-	-	(202)	(198)	(400)
Transfer						
Balance at 1 September 2015	2,901	602	3,946	2,503	5,977	15,929
Depreciation charge for the year	506	104	247	305	651	1,813
Disposals	-	-	(17)	(455)	(1,639)	(2,111)
Balance at 31 August 2016	**3,407**	**706**	**4,176**	**2,353**	**4,989**	**15,631**
Net book value						
At 31 August 2015	34,022	3,515	606	557	1,340	40,040
At 31 August 2016	**37,912**	**3,411**	**368**	**808**	**1,450**	**43,949**

As at 31 August 2016 the group was partially through the building project relating to its Jaguar Land Rover dealership in Barnet. There was a further £4.1m of contract sum payments to be made under the terms of the agreement with the main contractor *(2015: £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 with the exception of the freehold property acquired in the year for the Aston Martin dealership in Solihull.

Property, plant and equipment under construction

At 31 August 2016 the Barnet Jaguar Land Rover dealership was under construction, included in Freehold land and buildings is an amount of £2.8m *(2015: £nil).*

10 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.

	2016 £000	2015 £000
Non-current liabilities		
Secured bank loans	13,450	12,321
Current liabilities		
Secured bank loans	6,000	2,070

Terms and debt repayment schedule

All debt is in GBP currency

	Nominal interest rate	**Year of Maturity**	**Face Value and Carrying Amount 2016 £000**	Face Value and Carrying Amount 2015 £000
Loan 31/07/2006	Bank of England Base Rate +1.25%	2019	-	1,122
Loan 01/08/2007	Bank of England Base Rate +1.25%	2020	-	363
Loan 31/12/2007	LIBOR +1.75%	2020	-	4,261
Loan 01/03/2010	LIBOR +3.00%	2017	-	1,545
Loan 01/02/2013	LIBOR +1.95%	2018	-	1,485
Loan 03/02/2014	LIBOR +1.95%	2019	-	2,210
Loan 07/07/2014	LIBOR +1.95%	2019	-	1,843
Loan 01/05/2015	LIBOR + 1.95%	2018	-	1,562
Loan 31/12/2015	LIBOR +1.20%*	2020	14,450	-
			14,450	14,391

*The Facilities arranged in November 2015 have different margin bandings that are dependant on the net debt: EBITDA ratio for the previous quarter. The margin is 1.2% where the ratio is below 1 times, increasing to 2% where the ratio is in excess of 2.5 times.

11 Trade and other payables

	2016 £000	2015 £000
Current		
Vehicle consignment creditor	74,308	69,888
Other trade payables	10,313	10,081
Non-trade payables and accrued expenses	18,303	13,318
Vehicle funding	26,807	21,940
	129,731	115,227

Included within trade and other payables is £nil *(2015: £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.

12. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2016	2015
	£000	£000
Less than one year	2,824	2,402
Between one and five years	9,426	9,229
More than five years	14,465	18,667
	26,715	30,298

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 £2,710,000 was recognised as an expense in the income statement in respect of operating leases *(2015: £2,620,000).*

13 Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at 10am on 4th January 2017 at Grange Aston Martin, Great North Road, Welwyn Garden City, AL8 7TQ.