24 November 2015

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

AUDITED PRELIMINARY RESULTS 2014/15 AND NOTICE OF AGM

Strong results and continuing delivery of strategy

Cambria, the franchised motor retailer, announces its audited preliminary results for the year to 31 August 2015.

Financial Highlights

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

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

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

Operational Highlights

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

Mark Lavery, Chief Executive Officer of Cambria said:

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

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

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 14 January 2016 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 2015 (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.

Enquiries:

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Chairman's statement

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

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

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

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

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

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

Group overview

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

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

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

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

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

Dividend

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

Outlook

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

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

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

Philip Swatman
Chairman

<u>Chief Executive's review</u>

Introduction

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

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

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

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

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

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

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

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

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

Brand partnerships

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

Our current portfolio of Brand Partners and dealerships comprises:

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

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

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

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

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

Operations

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

New vehicle sales

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

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

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

The Group's sale of new vehicles to private individuals was 9.2% higher year-on-year at 9,693 units, and the average profit per retail unit sold increased to £1,476 per unit (up 12.6%). Commercial and fleet vehicle sales by the Group increased by 11.6% to 1,090 units and by 0.8% to 605 units respectively; these sales are transacted at lower margins hence the dilutive effect on overall new car gross margin.

Used vehicle sales

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

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

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

Aftersales

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

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

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

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

Group strategy

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

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

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

Acquisition

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

Integration

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

Operation

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

Cambria Academy

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

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

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

Outlook

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

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

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

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

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

Mark Lavery
Chief Executive

<u>Finance Director's report</u>

Overview

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

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

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

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

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

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

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

Taxation

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

Financial position

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

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

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

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

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

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

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

Cash flow and capital expenditure

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

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

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

Shareholders' funds

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

Pension schemes

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

Financial instruments

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

Dividends

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

James Mullins
Finance Director

Consolidated statement of comprehensive income
for year ended 31 August 2015

	Note	2015 £000	2014 £000
Revenue		**523,812**	450,148
Cost of sales		**(461,746)**	(394,930)
Gross profit	*3*	**62,066**	55,218
Administrative expenses		**(53,672)**	(49,415)
Results from operating activities	*3*	**8,394**	5,803
Finance income	*6*	**66**	72
Finance expenses		**(805)**	(564)
Net finance expenses		**(739)**	*(492)*
Profit before tax from operations before non-recurring expenses, and acquisitions		**7,505**	5,412
Trading profit/(loss) from branch acquired in year		**07**	(20)
		7,712	5,392
Non-recurring expenses		**(57)**	(81)
Profit before tax	*3*	**7,655**	5,311
Taxation	*7*	**(1,625)**	(1,158)
Profit and total comprehensive income for the period		**6,030**	4,153
Basic and diluted earnings per share	*5*	**6.03p**	4.15p

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

Consolidated statement of changes in equity
for year ended 31 August 2015

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

Consolidated statement of financial position
at 31 August 2015

	Note		
Non-current assets			
Property, plant and equipment	*8*		
Intangible assets			
Deferred tax asset			
Current assets			
Inventories			
Trade and other receivables			
Cash and cash equivalents			
		[illegible]	
Total assets		[illegible]	[illegible]
Current liabilities			
Other interest-bearing loans and borrowings	*9*		
Trade and other payables		[illegible]	
Taxation			
Provisions			
		[illegible]	[illegible]
Non-current liabilities			
Other interest-bearing loans and borrowings	*9*		
Other payables			
		[illegible]	
Total liabilities		[illegible]	[illegible]
Net assets			
Equity attributable to equity holders of the parent			
Share capital			
Share premium			
Retained earnings			
Total equity			

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

M J J Lavery
Director

Company registered number: 05754547

Consolidated cash flow statement
for year ended 31 August 2015

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

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 2015 or 2014 but is derived from those accounts. Statutory accounts for 2014 have been delivered to the registrar of companies, and those for 2015 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 2015

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

	Pre-acquisition carrying amount and Fair Value **£000**
Acquiree's net assets at the acquisition date:	
Freehold land and buildings	**2,250**
Plant and equipment	**71**
Stocks	**2,482**
Trade and other creditors	**(242)**
Net and identifiable assets and liabilities	**4,561**
Goodwill on acquisition (The goodwill arising on acquisition is attributable to Expanding our geographical base for the Land Rover brand, and the anticipated profitability from the sale of vehicles from the Swindon dealership)	**3,000**
Consideration paid (note that transaction and set up costs of £57k were written off to administrative expenses in 2015), satisfied in cash	**7,561**

It is estimated that in the year before acquisition, the business generated £30m of revenue and a pre-tax profit of £0.7m. The results attributable to the branch acquired during the financial year and included in the group results were as follows:

Turnover	**9,045**
Profit before tax	**207**

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	
Stocks	
Trade and other creditors	
Prepayments	
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)

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.

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

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

		2014
		£000
Profit Before Tax		5,311
Non-recurring expenses *(note 5)*		81
Underlying Profit Before Tax		5,392
Net finance expense		492
Depreciation and amortization		1,542
Underlying EBITDA		7,426
Non-recurring expenses		(81)
EBITDA		7,345

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

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

The aggregate payroll costs of these persons were as follows:

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

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.

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

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

6 Finance income and expense

Recognised in the income statement

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

7 Taxation

Recognised in the income statement

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

	308	155
Total tax expense	**1,625**	1,158

Reconciliation of total tax

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

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

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

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

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 2013	23,324	5,058	4,352	2,807	6,566	42,107
Additions	6,514	-	104	159	761	7,538
Branch acquisitions	3,750	-	104	112	245	4,211
Disposals	-	-	(8)	(171)	(482)	(661)
Transfer	941	(941)	-	-	-	
Balance at 1 September 2014	34,529	4,117	4,552	2,907	7,090	53,195
Additions	144	-	-	338	376	858

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

As at 31 August 2015 there are no capital commitments *(2014: £nil).*

The directors have considered the property portfolio for impairment by comparing the carrying amount to the higher of value in use or market value and have concluded that no impairment is required.

Security
The title of all freehold and long leasehold properties have been pledged as security to the bank loans

Property, plant and equipment under construction

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

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.

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

Terms and debt repayment schedule

All debt is in GBP currency

	Nominal interest rate	Year of Maturity	Face Value and Carrying	Face Value and Carrying Amount

			Amount 2015 £000	2014 £000
Loan 31/07/2006	Bank of England Base Rate +1.25%	2019	**1,122**	1,409
Loan 01/08/2007	Bank of England Base Rate +1.25%	2020	**363**	435
Loan 31/12/2007	LIBOR +1.75%	2020	**4,261**	5,047
Loan 01/03/2010	LIBOR +3.00%	2017	**1,545**	1,751
Loan 01/02/2013	LIBOR +1.95%	2018	**1,485**	1,683
Loan 03/02/2014	LIBOR +1.95%	2019	**2,210**	2,470
Loan 07/07/2014	LIBOR +1.95%	2019	**1,843**	2,100
Loan 01/05/2015	LIBOR + 1.95%	2018	**1,562**	-
			14,391	14,895

10 Operating leases

Non-cancellable operating lease rentals are payable as follows:

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

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

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

11 Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at 10am on 14 January 2016 at Grange Aston Martin, Great North Road, Welwyn Garden City, AL8 7TQ.