22 November 2017

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

AUDITED PRELIMINARY RESULTS 2016/17 AND NOTICE OF AGM

Solid results in Group's 11th year of trading, continued strategic progress

Cambria, the franchised motor retailer, announces its audited preliminary results for the year to 31 August 2017.

Financial Highlights

Year ended 31 August	**2017**	2016	
	£m	£m	Change
Revenue	**644.3**	614.2	4.9%
Underlying EBITDA*	**13.7**	13.1	4.6%
Underlying operating profit*	**11.8**	11.2	5.4%
Underlying profit before tax*	**11.3**	10.6	6.6%
Underlying profit before tax margin*	**1.8%**	1.7%	10bps
Net non-recurring income/ (expenses)	**-**	1.16	
Underlying earnings per share*	**9.19p**	8.33p	10.3%
Operating profit	**11.8**	12.4	-4.8%
Profit before tax	**11.3**	11.8	-4.2%
Earnings per share (basic)	**9.18p**	9.26p	-0.9%
Dividend per share	**1.0p**	0.9p	11.1%

** These items exclude net non-recurring income / (expenses) of £nil (2016: (£1.16m))*

- Strong balance sheet – net assets £50.4m (2015/16: £42.1m)
- Strong operational cash flows, cash position of £23.0m (2015/16: £19.8m)
- Net cash of £6.1m (2015/16: net cash £0.4m) after significant investment in property during year
- Underlying Return on Equity at 19.87% (2015/16: 21.98%)
- Proposed final dividend of 0.75p, up by 11.1% over the full year to 1.0p per share (2015/16: 0.9p)
- Refinancing of the Group's existing debt facilities to provide a new £40.0m, five year Revolving Credit Facility arranged in November 2017

Operational Highlights

- New vehicle sales down 11.7%, with the impact offset by a 25.7% increase in profit per unit
- Used vehicle sales down 6.1% following site closure, offset by a 5.6% improvement in profit per unit
- Aftersales Revenue increased 9%
- Significant development of the Group's franchising strategy with the successful addition of two major High Luxury Segment brand partners:
    - McLaren dealership in Hatfield to be opened in January 2018
    - Two Bentley dealerships to be opened in January 2018
  - Continuing investment in the Freehold portfolio; to increase operational capacity and achieve site potentials and comply with our Brand partners' franchise standards
- Barnet Jaguar Land Rover development completed along with other Brand led corporate identity developments
- Swindon Motor Park, the Group's first business, was closed to make way for the Swindon Jaguar Land Rover dealership development on its site. The demolition and building work began in July and is now progressing well

- Hatfield development site secured with works due to begin in January 2018 for Jaguar, Land Rover, Aston Martin and McLaren

Mark Lavery, Chief Executive Officer of Cambria said:

"The Group has delivered a solid set of results for the full year, with underlying Profit Before Tax of £11.3m, up from £10.6m in the previous year, a 6.6% increase.

The first half of the financial year was strong and we reported significant year on year growth. As flagged in our Interim Results statement on 9 May 2017 and the subsequent Trading Update on 5 September, the Board remains cautious on the overall consumer outlook. As has been well documented, the trading environment in the period post March has been more challenging, particularly in the new car arena which has been impacted by a number of factors. The weakening in the Sterling exchange rate has led to inflation in the landed cost of imported vehicles into the UK which, combined with a level of consumer uncertainty in the market, has led to the anticipated reduction of new car sales.

Our strategy for the 2016/17 financial year was to integrate the acquired businesses from last year and progress the property investments needed to bring those businesses up to manufacturer standards. We have made good progress in this regard during the year, completing Barnet, beginning the build work at Swindon and securing the Hatfield site for development work to begin in January 2018.

Moreover, I am delighted that we have been given the opportunity to develop facilities for such prestigious brands as McLaren and Bentley in addition to our already excellent portfolio of Brand partners. This is an exciting development for the Group and we are looking forward to working with our new partners. The new bank funding also gives us the required flexibility to deliver on the strategic investments that we are making in facilities and new franchise opportunities.

Post the period end, trading in September and October was in line with the Board's expectations, but behind the prior year as a result of the weaker new car market.

The Board remains confident that Cambria's resilient business model, focus on delivering a superior Guest experience and financing arrangements leave it well positioned to take advantage of any opportunities that the current economic uncertainty could provide."

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 4 January 2018 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 2017 (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 another strong set of results for the full year ended 31 August 2017, which again shows continued improvement in the Group's operational and financial performance, along with successful delivery of its stated growth strategy. Whilst the second half of the financial year was more challenging than the first with a shift in the new car market, the Group continued to focus on delivery of used car and aftersales improvements. The Group in its 11th year of trading, hit £11.3m of underlying pre-tax profit, maintaining an excellent return on shareholders' funds.

The strategic acquisitions delivered over the past three financial years have accelerated the Group's growth and have proved to be shrewd investments, giving the Group a broader and enhanced franchised dealership portfolio mix and bolstering its underlying earnings capacity.

The UK motor retail industry has seen a weakening since the March plate change month where it showed record registration figures. As reported in its Interim results, the Group's trading to the end of the half year at the end of February and into the plate change month of March was very strong. However, the period from April to August was weaker year on year as consumer demand softened across the industry and we witnessed a more difficult trading environment with some of our OEM partners being exposed to a weaker foreign exchange position as importers.

The Group has reported operational improvements in the past three financial years and these have continued into the 2016/17 financial year. On a like for like basis, Cambria generated gross profit growth across the used car and aftersales departments with the new car department reducing as a result of the reductions in the second half of the year.

Revenue increased by 4.9% to £644.3m (2015/16: £614.2m). Underlying profit before tax rose by 6.6% to £11.3m (2015/16: £10.6m) and the Group delivered underlying earnings per share of 9.19p (2015/16: 8.33p) - an increase of 10.3%.

The Group closed the year with net cash of £6.1m (2015/16: net cash £0.4m) and net assets of £50.4m (2015/16: £42.1m), underpinned by the ownership of £45.2m (2015/16: £41.3m) of freehold and long leasehold properties.

Our capacity for making acquisitions, and the property development programme, has been enhanced after the year-end with a refinancing and extension of banking facilities to £40m arranged in November 2017. These facilities refinance the existing £37m of total facilities with a £40m Revolving Credit Facility with a five year term available for acquisitions and property purchase and development.

We have also strengthened our Board during the course of the year following the appointments of Tim Duckers as Managing Director of the motor division in September 2016 and then in February 2017 Paul McGill and William Charnley as Non-Executive Directors. Tim has worked in the Group since 2008 and has been heavily involved in its development to date. Paul was most recently Head of Projects at Lloyds Banking Group, where he was responsible for promoting the Black Horse Consumer Finance brand across the Group, leading new business initiatives and recruiting key individuals to the business. William is a solicitor specialising in mergers and acquisitions, capital markets and private equity with over 25 years' experience. All three appointments bring to the Group a vast amount of experience, knowledge and expertise of the motor retail industry which will complement the existing management team.

Group overview

Cambria was established in 2006 with a strategy to build a balanced motor retail group to deliver the self-funded acquisition and turnaround of underperforming businesses. The strategy evolved in 2013 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 the period July 2014 to July 2016, the Group announced the acquisition of the Jaguar and Land Rover dealership in Barnet, the acquisitions of Swindon Land Rover, Welwyn Garden City Land Rover and Woodford Jaguar Land Rover. In May 2016, the Group opened a new dealership for Aston Martin in Birmingham. The Group continues to integrate and develop these businesses.

To support the acquisitions and developments outlined above in the previous year, the Group agreed to divest of its 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 Group's Volvo franchise.

The Group closed its Swindon Motor Park business in January 2016 in order that the site could be cleared ready for the development of the Jaguar Land Rover Arch concept facility on the site.

Following the acquisitions, disposals and the closure of the Group's only SEAT new car sales franchise in Swindon, the Group now comprises 31 dealerships, representing 46 franchises and 16 brands, a well balanced brand portfolio spanning the high luxury, premium and volume segments.

The major property development at Hatfield which is due to start in January 2018 will relocate the Group's Jaguar, Land Rover and Aston Martin dealerships in Welwyn Garden City which currently operate in short leasehold facilities into a purpose built freehold property with the addition of the McLaren franchise which will operate on the same site.

The Group will also be opening two new Bentley dealerships in January 2018 operating from existing Group freehold facilities. The dealership properties are currently undergoing refurbishments to meet the Bentley franchise standard requirements.

These new franchising developments are exciting for the Group and demonstrate its commitment to developing the Premium and High Luxury segment franchises in geographically strategic locations.

Dividend

The Board is pleased to propose a final dividend of 0.75p per share (2015/16: 0.7p), subject to shareholder approval, resulting in a total dividend for the year of 1.0p per share (2015/16: 0.9p) - an increase of 11.1%. It remains the Board's intention to maintain a progressive dividend policy.

Outlook

The UK economy remains 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 continue to be major implications for the Sterling exchange rate and other fiscal levers. As I stated in my report last year, and still at the time of writing we are unclear as to how these factors will impact the UK motor trade although we have seen an industry-wide softening in the new car market from April onwards. That said, we are continuing to invest for future growth as we consider that the Group is in a strong financial position. 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 Brand 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 19.87% in the year under review (2015/16: 21.98%).

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

Philip Swatman
Chairman

Operating and financial review

Chief Executive Officer's review

Introduction

I am pleased to report that the Group has delivered a solid set of results for the 2017 financial year. The operational and financial performance improvements delivered in the 2016 financial year continued through to H1 2017 but declined in the second half. Overall our underlying profit before tax rose to £11.3m from £10.6m, a 6.6% increase on the previous year.

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

Year ended 31 August	**2017**	2016	
	£m	£m	Change
Revenue	**644.3**	614.2	4.9%
Underlying EBITDA*	**13.7**	13.1	4.6%
Underlying operating profit*	**11.8**	11.2	5.4%
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Dividend per share	**1.0p**	0.9p	11.1%

** These items exclude net non-recurring income / (expenses) of £nil (2016: (£1.16m))*

The Group celebrated its 11th anniversary in July 2017. During those 11 years the Group has grown from one site with three new car franchises to 31 locations representing 46 new car franchises and 16 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 £11.3m in its 11th year of trading. During the year, the Group delivered a return on shareholder funds of 19.87%. The Group has consistently delivered strong operational cash flows and has built a net asset position of £50.4m underpinned by over £45.2m of freehold and long leasehold property. The Group has developed an exceptional franchise portfolio which will be enhanced further during 2018 through delivery of the property investments that the Group is making and the addition of the McLaren and Bentley franchises to the Group's brand partnerships.

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 previous year, 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	2	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		
		Vauxhall	2		
Total	**21**		**23**		**2**

The Group's acquisition strategy evolved in 2013 to enhance the Group's Premium and High Luxury mix which immediately focused on participating in the Jaguar Land Rover network restructuring. In January 2016 the Group acquired the Welwyn Garden City Land Rover business. The business currently operates from leasehold premises under a short lease agreed with the vendor of the business. The Group's existing Jaguar and Aston Martin businesses in Welwyn Garden City 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 4.3 acre freehold plot of land in Hatfield to build a new facility for JLR and Aston Martin and we are excited to confirm that McLaren will also be represented on this development.

We have exchanged contracts on the development land with the only condition for completion of the purchase being the receipt of detailed planning permission which we anticipate receiving in mid-December. The tender documents for the development have been issued to contractors and we expect to begin the construction work in January 2018 with expected completion in December 2018. The anticipated capital cost of the newly developed facility for the four franchises is £17m. The acquisition and development of the land will be funded through the Group's existing cash and new RCF facilities secured against the freehold property. In order that the Group can begin to represent McLaren in January 2018 from the Hatfield site, a temporary sales facility will be established. This will enable the Group to begin to build a database and forward orders whilst the development work is ongoing.

In May 2016, the Group opened its Aston Martin dealership in Solihull. 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 is enabling the Group to establish a representation point, build a database and serve the Aston Martin car parc for the territory. The Group has secured a new development site on the A34 in Solihull on a business park named "The Green" for a permanent facility in line with Aston Martin franchise standards. The Group has exchanged contracts and completion is subject to planning permission and the conclusion of extensive highways works to define the site and the new estate road. It is anticipated that the total freehold investment in the permanent facility will be c.£5m, and again will be funded through the Group's existing cash and new RCF facility. It is anticipated that the development will be completed by the end of Q1 2019.

In July 2016, the Group acquired the Jaguar and Land Rover business in Woodford, North London and continues to work towards securing a suitable facility for the relocation of the operation.

During the 2015 financial year the Group acquired the Swindon Land Rover business. The Group is in the process of re-developing its Swindon Motor Park location to provide a new JLR facility in line with the new Arch design concept for JLR facilities. The planning process for the approval of the new JLR facility was significantly extended whilst we obtained Highways and Environment Agency consent for the development which was eventually received at the end of May 2017. The on-site development work began in July 2017 and will be completed by July 2018. Once the new development is complete, we will relocate the Land Rover business from the existing dealership property in Royal Wootton Bassett, and will sell that freehold property. The anticipated investment in the site is £6m, and this will be funded from the group's existing cash and new RCF facilities.

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. During the course of the 2015/16 and 2016/17 financial years the building work was ongoing at the site and we have operated the business through very difficult operational logistics on the site. The development was eventually completed in July 2017 with the total property investment and fees amounting to £7m. The facility now provides the basis for the Group to take advantage of the territory opportunity in Barnet, capitalising on the Jaguar Land Rover product and the strong demographics of the area.

The Group has been given the opportunity to establish two new Bentley dealerships, and is in the process of refurbishing existing Group freehold premises in order that the sites can be operational in January 2018 at a cost of c£1m.

Whilst the investments outlined above are significant, the Board believes that the investment in the facilities for JLR, Aston Martin, McLaren and Bentley are core to the future potential of the Group. The investment into 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.

Operations

	2017				2016			
	Revenue	**Revenue mix**	**Gross Profit**	**Margin**	Revenue	Revenue mix	Gross Profit	Margin
	£m	**%**	**£m**	**%**	£m	%	£m	%

New vehicles	308.7	47.9	21.3	6.9	297.4	48.4	19.3	6.5
Used vehicles	277.3	43.0	23.5	8.5	264.2	43.0	23.7	9.0
Aftersales	71.4	11.1	27.8	38.9	65.5	10.7	26.6	40.7
Internal sales	(13.1)	(2.0)	-	-	(12.9)	(2.1)	-	-
Total	644.3	100.0	72.7	11.3	614.2	100.0	69.6	11.3
Administrative expenses			(60.9)				(58.4)	
Operating profit before non-recurring expenses			11.8				11.2	
Non-recurring income/ (expenses)			-				1.2	
Operating profit			11.8				12.4	

New vehicle sales

	2017	2016	**Year on year growth**
New units	**11,052**	12,516	**(11.7)%**

New vehicle revenue increased from £297.4m to £308.7m with total new vehicle sales volumes down 11.7%. Excluding the impact of the acquisitions and disposals, our new volumes reduced by 17% on a like-for-like basis. Gross profit increased by £2m (10.4%) in total but reduced by £0.2m on a like-for-like basis. The reduced new vehicle volumes were offset by an improvement in the gross profit per unit sold which increased by 25.7%, a combination of like-for-like increase and strengthening mix from the JLR and Aston Martin businesses acquired as this product typically sells at higher price points.

On a like-for-like basis, excluding the impact of the Welwyn Garden City, Woodford and Birmingham acquisitions and Swindon Motor Park closure, our new volumes reduced by 17% with gross profit reducing by £0.2m as profit per unit increased by 19%. The like-for-like volume reduction was partly attributed to the reduction in unit sales from the Barnet JLR site during the disruptive building project, and partly attributable to reductions in unit sales from certain volume manufacturer partners. The achievement of annual new car volume related bonuses for the 2016 calendar year has had a positive impact on the profit per unit and therefore overall gross profit reported in the period.

The Group’s sale of new vehicles to private individuals was 10.2% lower year-on-year at 9,359 units, showing the volume reduction that we anticipated. New commercial vehicle sales reduced by 34% to 953 units in the period. New fleet unit vehicle sales increased by 14.4% to 740 units.

The new vehicle registration data from the Society of Motor Manufacturers & Traders showed total registrations were down 1.0% in the rolling 12 month period to August. The registration of cars to private individuals was down 5.2% for the rolling 12 months, but in the period April to August was down 13.8%. The sale of diesel engine vehicles has been hardest hit as a result of the negative press around diesel engine emissions, and in the period from April to August, the sale of diesels was down 20.2%.

The significant improvement in profit per unit on both a total and like-for-like basis was particularly pleasing in a very competitive new car market where each of the manufacturers are delivering compelling consumer offers and requiring increasing levels of sales from the dealers to meet their own registration requirements.

Used vehicle sales

	2017	2016	**Year on year growth**
Used units	**14,765**	15,729	**(6.1)%**

We have delivered another good performance in used vehicle sales. Revenues increased from £264.2m to £277.3m whilst the number of units sold declined by 6.1% partly driven by the closure of Swindon Motor Park, which was a high volume used car operation. The gross profit on used vehicles decreased by 0.8% (£0.2m) to £23.5m, however the profit per unit sold increased 5.6%.

On a like-for-like basis, excluding the impact of the Welwyn Garden City, Woodford and Birmingham acquisitions and Swindon Motor Park closure whilst volumes were down 2.4% the gross profit generated increased by £0.5m (2.1%) with profit per unit increasing by 4.3%.

We have continued our focused strategy in the used car department to increase the efficiency with which we source, prepare and market our used vehicles in order to drive our Velocity trading principles. This has produced strong results, increasing the like-for-like profitability of the used car department. During the period, this strategy continued to deliver a strong 12 month rolling return on used car investment* of 129%. This level was reduced from the 147% achieved last year, but reflects the increase in the average carrying value of the stock resulting from the higher representation of premium vehicles that are sold through the acquired businesses and removal of the high volume, lower value product sold from the Swindon Motor Park site. The ROI performance at 129% remains significantly ahead of the industry average of 89.8%.

** gross profit from used car operation over 12 months as a proportion of average stock levels for the year*

Aftersales

	2017	2016	**Year on year growth**
Aftersales Revenue	£71.4m	£65.5m	**9%**

The combined aftersales revenue increased 9% year on year from £65.5m to £71.4m and related gross profit increased to £27.8m from £26.6m. Like-for-like aftersales revenues excluding the impact of the Welwyn Garden City, Woodford and Birmingham acquisitions and Swindon Motor Park closure were 2.9% higher year on year, with gross profit improving 1.7% to £24.5m, up £0.4m.

The aftersales departments contributed 11.1% 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 fire that took place in October 2016 at the Group's Jaguar and Aston Martin aftersales workshop in Welwyn Garden City had a significant impact on the profitability of that site, and whilst we have attempted to maintain a service level for our Guests by utilising the Welwyn Garden City Land Rover dealership, the constraint on both operations has been evident. The business interruption insurance claim has now been settled and has been included within the trading figures for the full year. The site reinstatement took significantly longer than first anticipated as a result of the complexity around stakeholders and insurance liability allocation. Whilst this was frustrating the work is now complete and we were able to reoccupy the workshop in July 2017.

Our Associates operating from the site performed incredibly well in mitigating the potentially damaging losses that could have arisen as a result of the fire and we are grateful for their commitment and efforts through a difficult set of circumstances.

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 as well as 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 increase 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 remained at 9.5%, 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, Welwyn Garden City, 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.

We have now completed 14 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 "Cambria Digital", which is our internet social networking strategy for vehicle sales coupled with our "Guest Connect" support centre.

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 Group launched its Leadership Development Programme during the year with the first cohort of Associates working towards achieving a Level 5 Diploma in Management. The aim of the first stage of the LDP is to develop high calibre managers into the Group's future General Managers.

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 2017 will see another strong year for registrations in the UK, with current SMMT forecast at 2.57m, 4.5% down on the record 2.69m registrations of 2016 but nonetheless above the mean average of 2.35m for the past 17 years.

There is little doubt that market sentiment has been impacted since the EU referendum vote in 2016. With the current weakening in the sterling exchange rate, there has been some downward pressure on the number of cars registered in the UK as the manufacturer landed cost of imported cars and components increases. The SMMT is currently forecasting a 2.43m new car market in 2018, a further 5.5% reduction in new car registrations forecast for the 2017 outturn. There has been a downward shift in new car sales in the period from April 2017 onwards as the level of consumer uncertainty increases. Diesel engines have received a significant amount of negative press speculation over the past six months following political positioning in relation to diesel vehicle emissions. The speculation around how diesels will be taxed has impacted the sale of these cars and clarity around the strategy is needed.

Whilst the 2017 financial year delivered a solid set of results, because of the uncertainty in the economic outlook, the Board is cautious about trading in the coming year particularly in the new car arena. Post the period end, September and October trading were in line with expectations but down on the previous year driven by new car volume and bonus achievements impacting new car margins.

The achievements we have made to progress our property portfolio and franchising strategy are pleasing and we are excited about the opportunities with the new Brands that we are adding to the Group in 2018.

The formative 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 remains 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 to reap the full potential of those acquisitions. We will continue our relentless focus on driving strong returns on shareholder funds from the foundations that we have put in place.

Mark Lavery
Chief Executive

Finance Director's report

Overview

Total revenues in the period increased 4.9% to £644.3m from £614.2m in the prior year. New vehicle unit volumes were down 11.7% new vehicle revenues were up 3.8%. Used car unit sales reduced by 6.1% although revenues increased by 5.0%. Revenues from the aftersales businesses increased by 9%, compared with the previous year.

Total gross profit increased by £3.1m (4.5%) from £69.6m to £72.7m in the year. Gross profit margin across the Group remained consistent at 11.3%, reflecting the change in revenue mix with new car margins improving, offsetting the slight reductions in used cars and aftersales margins. The average selling price of both new and used cars increased year on year, as did the average profit per new and used units that we sold. The aftersales operations contributed 38.2% of the total gross profit for the Group. The gross profit contribution made by the used car and aftersales components of the business accounted for 70.6% of the Group's total gross profit mix.

During the year, the Group has non-recurring net expenses of £14,000 only relating to the accounting income and expenses associated with the insurance pay-out relating to the fire at Welwyn Garden City Jaguar. This net £14,000 expense reflects gross income of £0.4m for the replacement of fixed assets which have been capitalised, offset by

£0.4m of impairment and third party expenses due to the fact that we will be relocating the Jaguar and Aston Martin dealership before January 2019 once the Hatfield development is complete. In the prior 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 4.6% in the period to £13.7m, from £13.1m in the previous year. Underlying operating profit improved 5.4% to £11.8m, compared with £11.2m in the previous year, resulting in an underlying operating margin of 1.8% (2015/16: 1.8%).

Net finance expenses reduced to £0.5m (2015/16: £0.6m) as a result of the savings in the mortgage interest following the refinancing in November 2015 and slightly reduced consignment stocking charges.

The Group's underlying profit before tax rose by 6.6% to £11.3m, compared with £10.6m in the previous year.

Underlying earnings per share were 9.19p (2015/16: 8.33p). Basic earnings per share were 9.18p (2015/16: 9.26p) and the Group's underlying return on shareholders' funds for the year was 19.87% (2015/16: 21.98%).

Taxation

The Group tax charge was £2.1m (2015/16: £2.5m) representing an effective rate of tax of 18.4% (2015/16: 21.3%) on a profit before tax of £11.3m (2015/16: £11.8m). 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 £50.4m underpinned by £45.2m of freehold and long leasehold property which are held on a historic cost basis. Secured against the freehold and long leasehold property are mortgages and RCF amounting to £16.9m.

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 term loans into one standardised facility that has a five year term, and 15 year capital repayment profile which amounted to repayments of £1m per annum, and this is disclosed in the balance sheet as due within one year. Post year end, the Group refinanced the Banking facilities and as a result, the revised £40m Revolving Credit Facility has no fixed capital repayment profile throughout its 5 year term.

The loans outstanding at the balance sheet date reflect very similar commercial terms, 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 net cash position of the Group as at 31 August 2017 was £6.1m (2015/16: net cash £0.4m), reflecting a cash position of £23m (2015/16: £19.8m). This is after the £7.9m investment in Capital Expenditure.

The Group typically uses bank 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 2018.

Cash flow and capital expenditure

The Group generated an operating cash inflow of £14.5m with working capital reducing by £3.3m through efficient management of the vehicle inventory and the stocking lines associated with that inventory and higher levels of new vehicle deposits for new car orders for September delivery. Total funds invested in capital expenditure were £7.9m. In the year, the Barnet development incurred £4.5m of capex to complete the project, the Croydon Ford dealership was fully refurbished at a total cost of £0.7m, other smaller site refurbishments totalled £0.6m and the Welwyn Garden City Jaguar workshop is capitalised at a total cost of £0.4m. There were fixtures, fittings plant and machinery additions of £1.5m and computer expenditure of £0.2m.

During the year, and as a result of the Group banking facilities, capital repayment of £1m were made. There was a repayment of the £5m of RCF that was drawn at 31 August 2016. On completion of the Barnet development £3.5m of the property development RCF was drawn.

As a result of the net cash inflow of £3.2m, the gross cash position was £23m with gross debt of £16.9m and overall net cash of £6.1m after significant investment, compared with net cash at 31 August 2016 of £0.4m.

Capital expenditure commitments

As outlined in the Chief Executive's report, the Group has committed to delivering 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; Swindon JLR development forecast at c.£6m, Welwyn Garden City JLR, Aston Martin and McLaren at c.£17m and Solihull Aston Martin at c.£5m and Bentley site refurbishments at c.£1m, the total freehold new build investment being in the order of £29m. The developments will be funded through a drawdown of newly arranged RCF and existing cash. The Board intends to draw down against the RCF 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 three 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 £0.3m (2015/16: £0.4m) 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 2017 of 0.75p per share in addition to the interim dividend of 0.25p per share paid in May 2017. If approved by the shareholders at the Annual General Meeting to be held on 4 January 2018, the dividend will be payable on 21 January 2018 to those shareholders registered on 29 December 2017, with an ex-dividend date of 28 December 2017. 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 2017

	Note	**2017 £000**	2016 £000
Revenue		644,286	614,218
Cost of sales		(571,607)	(544,614)
Gross profit	*2*	72,679	69,604

Administrative expenses		(60,901)	(59,158)
Other operating profit		-	1,950
Results from operating activities	*2*	11,778	12,396
Finance income	*6*	49	133
Finance expenses	*6*	(576)	(761)
Net finance expenses		(527)	(628)
Profit before tax from operations before non-recurring income/ (expenses)		11,265	10,605
Net non-recurring income and expenses	*3*	(14)	1,163
Profit before tax	*2*	11,251	11,768
Taxation	*7*	(2,071)	(2,508)
Profit and total comprehensive income for the period		9,180	9,260
Basic and diluted earnings per share	*5*	9.18p	9.26p

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

Consolidated statement of changes in equity

for year ended 31 August 2017

	Note	**Share capital £000**	**Share premium £000**	**Retained earnings £000**	**Total equity £000**
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
Profit for the year		-	-	9,180	9,180
Dividend paid		-	-	(950)	(950)
Balance at 31 August 2017		10,000	799	39,557	50,356

Consolidated statement of financial position

at 31 August 2017

	Note	**2017 £000**	2016 £000
Non-current assets			
Property, plant and equipment	*8*	49,321	43,949
Intangible assets		21,365	21,391
Deferred tax asset		-	13
		70,686	65,353
Current assets			

Inventories		105,419	95,068
Trade and other receivables	*9*	12,428	13,314
Cash and cash equivalents		23,046	19,817
		140,893	128,199
Total assets		211,579	193,552
Current liabilities			
Other interest-bearing loans and borrowings	*10*	(1,000)	(6,000)
Trade and other payables	*11*	(142,539)	(129,731)
Taxation		(801)	(1,245)
		(144,340)	(136,976)
Non-current liabilities			
Other interest-bearing loans and borrowings	*10*	(15,883)	(13,450)
Provisions	*12*	(1,000)	(1,000)
		(16,883)	(14,450)
Total liabilities		(161,223)	(151,426)
Net assets		50,356	42,126
Equity attributable to equity holders of the parent			
Share capital		10,000	10,000
Share premium		799	799
Retained earnings		39,557	31,327
Total equity		50,356	42,126

M J J Lavery
Director

Consolidated cash flow statement
for year ended 31 August 2017

	Notes	**2017** **£000**	2016 £000
Cash flows from operating activities			
Profit for the year		9,180	9,260
Adjustments for:			
Depreciation, amortisation and impairment		2,271	1,837
Financial income	*6*	(49)	(133)
Financial expense	*6*	576	761
Loss on disposal of fixed assets		324	-
Profit on sale of branches		-	(1,950)
Taxation	*7*	2,071	2,508
Non-recurring (income)/expenses	*3*	(411)	787
		13,962	13,070
Change in trade and other receivables		886	(131)

Change in inventories		(10,351)	(6,827)
Change in trade and other payables		12,767	12,956
Change in provisions		-	1,000
		17,264	20,068
Interest paid		(350)	(460)
Tax paid		(2,461)	(2,075)
Non-recurring expenses	*3*	-	(787)
Net cash from operating activities		14,453	16,746
Cash flows from investing activities			
Interest received		49	133
Proceeds from sale of plant and equipment		-	95
Acquisition of branch net of cash acquired		-	(12,946)
Disposal of branches by trade and asset sale		-	2,058
Receipt of insurance claim settlement	*3*	411	-
Purchase of property, plant and equipment and software		(7,941)	(5,622)
Net cash from investing activities		(7,481)	(16,282)
Cash flows from financing activities			
Proceeds from new loan		3,433	29,950
Interest paid		(226)	(301)
Repayment of borrowings		(6,000)	(24,891)
Dividend paid		(950)	(800)
Net cash from financing activities		(3,743)	3,958
Net increase/(decrease) in cash and cash equivalents		3,229	4,422
Cash and cash equivalents at 1 September 2016		19,817	15,395
Cash and cash equivalents at 31 August 2017		23,046	19,817

Notes

(forming part of the financial statements)

1 Accounting policies

These financial statements as at 31 August 2017 consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group.

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"). The Company has elected to prepare its parent company financial statements in accordance with FRS101.

2 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.

	2017	**2017**	**2017**	**2017**	2016	2016	2016	2016
	Revenue	**Revenue mix**	**Gross profit**	**Margin**	Revenue	Revenue mix	Gross profit	Margin
	£m	**%**	**£m**	**%**	£m	%	£m	%
New Car	308.7	47.9	21.3	6.9	297.4	48.4	19.3	6.5
Used Car	277.3	43.0	23.5	8.5	264.2	43.0	23.7	9.0
Aftersales	71.4	11.1	27.8	38.9	65.5	10.7	26.6	40.7
Internal sales	(13.1)	(2.0)	-	-	(12.9)	(2.1)	-	-
Total	644.3	100.0	72.7	11.3	614.2	100.0	69.6	11.3
Administrative expenses			(60.9)				(58.4)	
Operating profit before non-recurring expenses			11.8				11.2	
Non-recurring income/ (expenses)			-				1.2	
Operating profit			11.8				12.4	

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.

	2017	2016
	£000	£000
Profit Before Tax	11,251	11,768
Other operating profit	-	(1,950)
Non-recurring expenses *(note 3)*	14	787
Underlying Profit Before Tax	11,265	10,605
Net finance expense	527	628
Depreciation and amortisation	1,887	1,837
Underlying EBITDA	13,679	13,070
Other operating profit	-	1,950
Non-recurring expenses	(14)	(787)
EBITDA	13,665	14,233

3 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.

	2017	2016
	£000	£000
Income from sale of businesses	-	1,950
Relocation costs – relating to asset write off	-	(498)
Restructuring costs	-	(28)
Transaction costs	-	(261)
Welwyn fire insurance claim – replacement of fixed assets	411	-
- impairment for value in use	(367)	-
- impairment of fixed assets destroyed	(20)	-
- excess on insurance policy	(5)	-
-professional fees	(33)	-
	(14)	**1,163**

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	
	2017	2016
Sales	385	374
Service	447	451
Parts	113	105
Administration	265	245
	1,210	1,175

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	35,752	34,639
Social security costs	3,843	3,685
Expenses related to defined contribution plans	338	362
Share based payments expense	32	32
	39,965	38,718

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 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 £9,191,000 divided by £46,241,000 giving 19.87%.

	2017 **£000**	2016 £000
Profit attributable to shareholders	9,180	9,260
Non recurring (income)/ expenses (Note 3)	14	(1,163)
Tax on adjustments (at 19.58% *(2016: 20%)*)	(3)	232
Adjusted profit attributable to equity shareholders	9,191	8,329
Number of shares in issue (‘000)	100,000	100,000
Basic earnings per share	9.18p	9.26p
Adjusted earnings per share	9.19p	8.33p

6 Finance income and expense

Recognised in the income statement

	2017 **£000**	2016 £000
Finance income		
Rent deposit interest	2	2
Interest receivable	47	131
Total finance income	49	133
Finance expense		
Interest payable on bank borrowings	226	301
Consignment and vehicle stocking interest	350	460
Total finance expense	576	761
Total interest expense on financial liabilities held at amortised cost	226	301
Total other interest expense	350	460
	576	761

7 Taxation

Recognised in the income statement

	2017 **£000**	2016 £000
Current tax expense		
Current year	2,049	2,373
Adjustment in respect of prior years	(32)	(7)
	2,017	2,366
Deferred tax		
Adjustment in respect of prior years	(80)	(1)
Origination and reversal of temporary differences	134	143

	2016	2015
	54	142
Total tax expense	2,071	2,508

Reconciliation of total tax

	2016 **£000**	2015 £000
Profit for the year	9,180	9,260
Total tax expense	2,071	2,508
Profit excluding taxation	11,251	11,768
Tax using the UK corporation tax rate of 19.58% (*2016: 20%)*	2,203	2,354
Non-deductible expenses	34	124
Accounting deprecation for which no tax relief is due	182	152
Utilisation of brought forward losses	(154)	(83)
Change in tax rate	(14)	2
Adjustments in respect of prior years	(112)	(8)
Change in deferred tax in respect of property	-	(33)
Other fixed asset differences	(68)	-
Total tax expense	2,071	2,508

The applicable tax rate for the current year is 19.58% *(2016: 20%)* following the reduction in the main rate of UK corporation tax from 20% to 19% with effect from 1 April 2017.

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.

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 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 1 September 2016	41,319	4,117	4,544	3,161	6,439	59,580
Additions	4,571	-	-	953	2,417	7,941
Branch acquisitions	-	-	-	-	-	-
Disposals	-	-	(1,546)	(758)	(1,169)	(3,473)
Reclassification	-	-	(514)	-	514	-

	Freehold land & buildings £000	Long leasehold land & buildings £000	Short leasehold improvements £000	Plant & equipment £000	Fixtures, fittings & computer equipment £000	Total £000
Balance at 31 August 2017	45,890	4,117	2,484	3,356	8,201	64,048
Depreciation						
Balance at 1 September 2015	2,901	602	3,946	2,503	5,977	15,929
Charge for the year	506	104	247	305	651	1,813
Disposals	-	-	(17)	(455)	(1,639)	(2,111)
Balance at 1 September 2016	3,407	706	4,176	2,353	4,989	15,631
Depreciation charge for the year	611	105	120	356	668	1,860
Disposals	-	-	(1,275)	(726)	(1,148)	(3,149)
Impairment	-	-	-	269	116	385
Reclassification	-	-	(693)	-	693	-
Balance at 31 August 2017	4,018	811	2,328	2,252	5,318	14,727
Net book value						
At 31 August 2016	37,912	3,411	368	808	1,450	43,949
At 31 August 2017	**41,872**	**3,306**	**156**	**1,104**	**2,883**	**49,321**

As at 31 August 2017 the Group was partially through the building project relating to its Jaguar Land Rover dealership in Swindon. There was a further £6m of contract sum payments to be made under the terms of the agreement with the main contractor *(2016: £4.1m relating to Barnet).*

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 10 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 2017 the Swindon Jaguar Land Rover dealership was under construction, included in Freehold land and buildings is an amount of £Nil *(2016: £2.8m relating to Barnet).*

9 Trade and other receivables

	2017 **£000**	2016 £000
Trade receivables	6,588	8,580
Prepayments and other receivables	5,840	4,734
	12,428	13,314

Included within trade and other receivables is £nil (*2016: £nil)* expected to be recovered in more than 12 months.

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.

	2017 **£000**	2016 £000
Non-current liabilities		
Secured bank loans	15,883	13,450
Current liabilities		
Secured bank loans	1,000	6,000

Terms and debt repayment schedule

All debt is in GBP currency

	Nominal interest rate	**Year of Maturity**	**Face Value and Carrying Amount 2017 £000**	Face Value and Carrying Amount 2016 £000
Loan 31/12/2015	LIBOR +1.20%*	2020	16,883	14,450
			16,883	14,450

*The Facilities arranged in November 2015 have different margin bandings that are dependent 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

	2017 **£000**	2016 £000
Current		
Vehicle consignment creditor	89,024	74,308
Other trade payables	14,021	10,313
Non-trade payables and accrued expenses	13,539	18,303
Vehicle funding	25,914	26,807
Deferred tax liability	41	-
	142,539	129,731

Included within trade and other payables is £nil *(2016: £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 Provisions

	Leases £000
Balance at 1 September 2016	1,000
Provisions used during the year	-
Provisions made in year	-
Balance at 31 August 2017	**1,000**
Current	-
Non-current	1,000
Balance at 31 August 2016	**1,000**
Current	-
Non-current	1,000
Balance at 31 August 2017	**1,000**

The provision represents a lease acquired on unfavourable terms and is being released against the costs incurred on the relevant lease. The unfavourable nature of the lease taken on as part of the acquisition of Woodford Jaguar Land Rover will be realised at the point that the Group vacates the Woodford showroom and will need to sublet the premises for uses other than its existing use. It is anticipated that at the point of vacation of the premises there will be approximately 6 years of the lease remaining.

13 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017	2016
	£000	£000
Less than one year	2,986	2,824
Between one and five years	9,949	9,426
More than five years	13,314	14,465
	26,249	26,715

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 £3,141,000 was recognised as an expense in the income statement in respect of operating leases *(2016: £2,710,000).*

14 Post balance sheet events

Dividend

The Board is pleased to announce that it will make a final dividend payment in respect of the financial year to 31 August 2017 of 0.75p *(2016: 0.7p)* per share in addition to the interim payment of 0.25p per share (*2016: 0.2p*).

Banking Facilities

Post year end, the Group refinanced the Banking facilities and as a result, the revised £40m Revolving Credit Facility has no fixed capital repayment profile throughout its 5 year term.