

S.G. Smith Holdings Limited

Report and financial statements

For the year ended 31 December 2016

Company Number 09416021

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S.G. Smith Holdings Limited
Report and financial statements
for the year ended 31 December 2016

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S.G. Smith Holdings Limited
Officers and professional advisers
for the year ended 31 December 2016

The Board of Directors

D. Gupta
M. Raban

Company Secretary

S.R. Jones

Registered Office

Airport House
The Airport
Cambridge
CB5 8RY
United Kingdom

Auditor

Ernst & Young LLP
One Cambridge Business Park
Cambridge
CB4 0WZ

Banker

Barclays Bank plc
9-11 St. Andrew's Street
Cambridge
CB2 3AA

Solicitor

Dentons UKMEA LLP
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1FE

S.G. Smith Holdings Limited

Directors' Report

for the year ended 31 December 2016

Directors

The Directors of the Company throughout the year were:

D. Gupta
M. Raban

Principal activities

The activities of the Company are primarily that of a holding company and it has no turnover in its own name.

Results and dividends

The profit for the year, after tax, amounted to £4,000 (2015: £235,000 loss). No dividends have been paid during the year (2015: £nil).

Auditor

In so far as each of the persons who were Directors at the date of approving these financial statements is aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that.

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting of Marshall Motor Holdings plc (parent company of S.G. Smith Holdings Limited) for the reappointment of Ernst & Young LLP as auditor of the Company.

Going concern

The Company's balance sheet at 31 December 2016 shows a net current liability position and total liability position. However, this position is being funded through the Company's treasury arrangement with other Marshall Motor Holdings plc group companies which enables the Company to meet its liabilities as they fall due. The Company has received a letter of support from its parent company.

On the basis of their assessment of the Company's financial position, including the Company's current dependence on the treasury function managed by Marshall Motor Holdings plc, the Directors have reasonable expectations that the Company will be able to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Events since the balance sheet date

There are no material post balance sheet events that have been identified.

Future developments

The Company is owned by Marshall Motor Holdings plc ("the Group").

The Group's strategic vision is to be regarded as the UK's premiere automotive retail and leasing group. The Group will continue to focus on achieving this goal through:

- the performance optimisation of the business
- offering outstanding customer service
- demonstrating retailing excellence
- building strong relations with our brand partners and key suppliers, and
- by being a great place to work.

S.G. Smith Holdings Limited

Directors' Report *(continued)*

for the year ended 31 December 2016

Employment of disabled persons

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

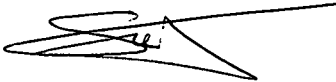
Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

During the year, the policy of providing employees with information about the Company has been continued through the newsletter 'Marshall Matters', team briefings and through our global email network. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Approval

This Directors' Report was approved by order of the board on 27 April 2017.

A handwritten signature in black ink, appearing to be 'S.R. Jones', written over a horizontal line.

S.R. Jones
Company Secretary

S.G. Smith Holdings Limited

Statement of Directors' Responsibilities

For the year ended 31 December 2016

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of S.G. Smith Holdings Limited for the year ended 31 December 2016

We have audited the financial statements of S.G. Smith Holdings Limited for the year ended 31 December 2016 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland"

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report, and taking advantage of the Small Companies' exemption in preparing the Directors' Report.



Nigel Meredith (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge
28 April 2017

S.G. Smith Holdings Limited
Income Statement
for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Administrative expenses		-	(289)
Loss on ordinary activities before taxation	5	-	(289)
Tax on loss on ordinary activities	7	4	54
Profit/(loss) for the financial year		4	(235)

The Company has no recognised gains or losses other than the profit for the year as set out above.

All of the activities of the Company are classed as continuing.

The notes on pages 10 to 13 form part of these financial statements.

S.G. Smith Holdings Limited
Statement of Financial Position
as at 31 December 2016

	Note	£'000	2016 £'000	2015 £'000
Fixed assets				
Investments	8		65	65
Current assets				
Debtors	9	217	189	
		<u>217</u>	<u>189</u>	
Creditors: Amounts falling due within one year	10	(289)	(265)	
		<u></u>	<u></u>	
Net current liabilities			(72)	(76)
			<u></u>	<u></u>
Net liabilities			(7)	(11)
			<u></u>	<u></u>
Capital and reserves				
Called-up share capital	12		69	69
Share premium			155	155
Profit and loss account			<u>(231)</u>	<u>(235)</u>
Shareholders' deficit			<u>(7)</u>	<u>(11)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 April 2017.

M.D. Raban

M.D. Raban
Director

Company Number: 09416021

S.G. Smith Holdings Limited
Statement of Changes in Equity
for the year ended 31 December 2016

	Called-up share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
At 2 February 2015	-	-	-	-
Loss for the period	-	-	(235)	(235)
Total comprehensive expense for the period	-	-	(235)	(235)
New shares issued	69	155	-	224
At 31 December 2015	69	155	(235)	(11)
Profit for the year	-	-	4	4
Total comprehensive income for the year	-	-	4	4
At 31 December 2016	69	155	(231)	(7)

S.G. Smith Holdings Limited

Notes to the financial statements

for the year ended 31 December 2016

1. Basis of preparation & statement of compliance

S.G. Smith Holdings Limited (company number: 09416021) is a private limited liability company incorporated in England and Wales. The registered office is Airport House, The Airport, Newmarket Road, Cambridge, CB5 8RY. The financial statements have been prepared in compliance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The financial statements of S.G. Smith Holdings Limited were authorised for issue by the Board of Directors on 27 April 2017.

The financial statements are prepared in sterling which is the functional and presentational currency of the Company and rounded to the nearest £'000.

The Company accounts have also adopted the following disclosure exemptions:

- Presentation of a cash-flow statement and related notes
- Financial instrument-related disclosures
- Key management personnel compensation disclosures
- Related party disclosures with wholly owned subsidiaries within the Group
- Preparation of consolidated financial statements – the Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts.

These exemptions have been applied as the Company is a qualifying entity and the shareholders of the Company have been notified in writing and no objection has been made to the use of the exemptions. The name of the parent company where S.G. Smith Holdings Limited is consolidated is Marshall Motor Holdings plc and copies of the Group financial statements are available from Airport House, The Airport, Newmarket Road, Cambridge, CB5 8RY.

Going concern

The Company's balance sheet at 31 December 2016 shows a net current liability position and total liability position. However, this position is being funded through the Company's treasury arrangement with other Marshall Motor Holdings plc group companies which enables the Company to meet its liabilities as they fall due. The Company has received a letter of support from its parent company.

On the basis of their assessment of the Company's financial position, including the Company's current dependence on the treasury function managed by Marshall Motor Holdings plc, the Directors have reasonable expectations that the Company will be able to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2. Accounting policies

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price.

Investments

Investments are recognised initially at fair value which is normally the transaction price with subsequent remeasurements at fair value through the income statement. Where fair value cannot be measured reliably, measurement is at cost less impairment until a reliable measure of fair value becomes available.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

S.G. Smith Holdings Limited

Notes to the financial statements

for the year ended 31 December 2016

Accounting policies (*continued*)

Taxation (*continued*)

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated without discounting using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition in a business combination, the tax expense (income) is presented either in the income statement, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

3. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. However, as S.G. Smith Holdings Limited is a non-trading holding company there are no significant judgements or estimates that are to be considered.

4. Turnover

The Company is a holding company of subsidiary undertakings and has no turnover in its own name.

5. Loss before tax

This is arrived after charging:

	2016	2015
	£'000	£'000
Auditor's remuneration - audit of the financial statements	15	3

Auditor's remuneration was borne by Marshall Motor Holdings plc, the immediate parent in both the years ending 31 December 2016 and 31 December 2015.

6. Staff costs

There are no employees of the Company as it is purely a holding company of subsidiary undertakings.

S.G. Smith Holdings Limited

Notes to the financial statements

for the year ended 31 December 2016

7. Tax

a) Tax on loss on ordinary activities

The tax credit is made up as follows:

	2016 £'000	2015 £'000
<i>UK corporation tax</i>		
Current tax on profits for the period	-	(54)
Adjustment in respect of previous periods	(4)	-
Taxation on loss on ordinary activities	(4)	(54)

b) Factors affecting the total tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. This is shown below:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	-	(289)
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.0% (2015 - 20.25%)	-	(54)
Effects of:		
Adjustments to tax charge in respect of previous periods	(4)	-
Total tax credit for the year	(4)	(54)

c) Factors that may affect future tax charges

The applicable tax rate for the current year is 20% (2015: 20.25%) following the reduction in the main rate of UK corporation tax from 21% to 20% with effect from 1 April 2015.

A reduction to the corporation tax rate to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015 and a further reduction to 17% (effective from 1 April 2020) was substantively enacted on 9 September 2016.

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

8. Investments

	Shares in subsidiary undertakings £'000
<i>Cost or valuation</i>	
At 1 January 2016 and at 31 December 2016	65

Subsidiaries

Name of Undertaking	Proportion held	Country of incorporation	Principal activity at period end
S.G. Smith Automotive Limited	100%	England and Wales	Holding company

As S.G. Smith Holdings limited is wholly owned by Marshall Motor Holdings plc, it has taken the exemption not to produce consolidated financial statements. Please see note 11.

S.G. Smith Holdings Limited

Notes to the financial statements

for the year ended 31 December 2016

9. Debtors

	2016 £'000	2015 £'000
Amounts owed by Group undertakings	217	189

10. Creditors

	2016 £'000	2015 £'000
Accruals and deferred income	289	265

11. Transactions with related parties

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Marshall of Cambridge (Holdings) Limited and is therefore considered to be the ultimate parent company. The parent company of the smallest such group is Marshall Motor Holdings plc and this is also the immediate parent undertaking.

Copies of the Group financial statements for both Marshall Motor Holdings plc and Marshall of Cambridge (Holdings) Limited can be obtained from Marshall of Cambridge (Holdings) Limited, Airport House, The Airport, Cambridge, CB5 8RY.

12. Share capital

	2016 £'000	2015 £'000
Allotted, called up and fully paid:		
6,547,300 ordinary "A" shares of £0.01 each	65	65
344,594 ordinary "B" shares of £0.01 each	4	4
	69	69

Ordinary "A" shares have attached to them full voting, dividend and capital distribution rights (including on winding up) and do not confer any rights of redemption.

The holders of the ordinary "B" shares shall not be entitled to receive notice of meetings or to attend or vote at general meetings. The holders of the "B" shares shall receive no payment in the event of winding up other than the nominal amount paid up or credited as paid up on such shares. The "B" shares shall not be entitled to any dividends.

13. Reserves

Called-up share capital	– represents the nominal value of shares that have been issued.
Share premium	– represents the difference between the amount paid for shares and their nominal value.
Profit and loss account	– includes all current and prior period profits and losses.