

S.G. Smith Holdings Limited
Report and financial statements

For the year ended 31 December 2017

Company Number 09416021

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S.G. Smith Holdings Limited
Report and financial statements
for the year ended 31 December 2017

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S.G. Smith Holdings Limited
Officers and Professional Advisers
for the year ended 31 December 2017

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

Strategic Report

for the year ended 31 December 2017

Principal activities and review of the business

The activities of the Company are primarily that of a holding company, therefore it has no turnover and the only activity in the year was the release of an accrual held in the prior year.

Principal risks and uncertainties

Set out below are the principal risks and uncertainties the Directors believe could have the most significant adverse impact on the Company's business, together with the principal controls in place to mitigate those risks. The risks and uncertainties described below are not intended to be an exhaustive list.

People

Risk Area	Potential Impact	Mitigation / Controls
Failure to attract, develop, motivate and retain key employees	Loss of key personnel and skilled workers (e.g. technicians) impacting operational performance, and relationships with key brand partners and suppliers	- Appropriate remuneration packages which reward performance and long term incentive plans for senior employees - Guaranteed earnings scheme for new sales staff to assist recruitment and retention - Promotion of 'Great Place to Work' culture

Economic and Political

Risk Area	Potential Impact	Mitigation / Controls
Deterioration in economic conditions / consumer confidence (including deterioration driven by UK decision to leave the EU)	- Increased inflation and falling consumer confidence leading to lower vehicle sales/margins and a reduction in revenue and profitability - Reduction in used vehicle values impacting stock values - Weakening sterling impacting new vehicle prices and sales - Manufacturers' focus on the UK automotive retail market may decline leading to reduced output and sales	- Monitoring of economic conditions with appropriate actions - Stock management and monitoring (56 day stocking policy) with appropriately prudent financial provisions - Maintaining close relationships with manufacturers
Rise in interest rates	- Interest rate rises impacting availability and affordability of vehicle finance leading to reduced vehicles sales - Increased costs of servicing the Company's borrowings	- Monitoring of interest rates - Stock control and working capital policy
Increased Operating Costs	Increased operating and non controllable costs (e.g. employment costs, Apprentice Levy, business rate changes, IT and marketing costs) impacting profitability	- Increased costs monitored and forecast in budgets. - Cost reduction initiatives to offset structural cost increases

Finance and Treasury

Risk Area	Potential Impact	Mitigation / Controls
Liquidity and credit	- Credit availability / withdrawal of financing facilities impacting trading ability - Breach of covenants or inability to meet debt obligations - Increased stock funding costs	- Working capital management and cash flow monitoring - Committed RCF and vehicle stocking facilities - Maintaining stock relationships with funders
Vehicle residual values volatility	Fluctuations in used vehicle values adversely impacting the value of the Company's vehicle inventory	Stock management & monitoring (56 day stocking policy)

S.G. Smith Holdings Limited
Strategic Report (continued)
for the year ended 31 December 2017

Principal risks and uncertainties (continued)

Strategy and business relationships

Risk Area	Potential Impact	Mitigation / Controls
Failure to adopt the right business strategy and/or failure to implement strategy successfully	• The Company misses its financial targets or is unable to invest in its businesses • Reduction in confidence of key stakeholders (shareholders, brand partners, lenders, employees) • Poor investment decisions/ failure to achieve targeted investment returns	• Annual strategy review by the Board • Monthly reporting and monitoring of key financial information and performance • Detailed business planning and due diligence prior to potential acquisitions • Review of capital expenditure plans to ensure our return on capital objectives are achievable • Capital investment appraisal process with Board review of major investments • Diversity of franchises mitigates the cyclical nature of, and an over reliance on individual vehicle brands • Focus on efficient use of working capital
Manufacturer Relationships	• Failure, or downturn in performance, of manufacturer partners impacting vehicle sales and profitability of those franchises • Failure to maintain good relations with manufacturers impacting revenue and profitability • Loss of a franchise leading to a reduction in revenue and profitability and the risk of vacant properties and/or onerous leases • Poor manufacturer relationships impacting acquisition and/or growth opportunities	• Ongoing portfolio management focused on strengthening key franchise relationships/divestment of non-core businesses • Diverse franchise representation avoids over reliance on any single manufacturer • Close contact and regular review with manufacturers (through CEO, Operations, Commercial and Franchise Directors) to ensure our respective goals are communicated, understood and aligned
Disruption to franchise business model	• Alternative business models impacting franchised dealer model • Direct sales channels circumventing franchised dealers • Revenues and profits may fall due to competitor action • 'Mobility as a service' leading to reduced private vehicle ownership • Electric and alternative fuel vehicles leading to a decline in sales for traditional vehicle manufacturers and/or reduced demand for aftersales services	• Ongoing development of customer experience to ensure the Company maintains a competitive advantage • IT developments to maintain competitive advantage (e.g. development of website/Phoenix management system) • Maintaining close relationships with manufacturer partners to ensure each party's mutual aims are achieved • Partnering with brands who are responding effectively to the cleaner technology agenda • Connected car technology reinforces link between customers and manufacturers through franchised dealers • Annual strategy review

S.G. Smith Holdings Limited
Strategic Report (continued)
for the year ended 31 December 2017

Principal risks and uncertainties (continued)

Legal and Regulatory

Risk Area	Potential Impact	Mitigation / Controls
Legal & Regulatory Changes and Compliance	• Non-compliance with key legal and regulatory codes (FCA, VOSA, ICO, etc.) leading to fines, litigation, authorisation suspension and/or reputational damage • Regulatory intervention into the market (e.g. FCA motor finance review) may impact operations • Regulatory changes following the UK's departure from the EU which may adversely impact the retail automotive market	• Company policies and procedures to minimise risk of non-compliance • Training and development of employees • FCA retail and oversight committees to monitor compliance • New Head of Compliance appointed • Internal Audit department strengthened • Monitoring of regulatory announcements/market studies to assess potential changes and modifying operations to adapt to any implemented changes • Maintaining close relationships with manufacturer partners to assess indicators of change to their operating methods and/or UK market focus

Environmental and Health & Safety

Risk Area	Potential Impact	Mitigation / Controls
Environmental and Health & Safety	• Failure to ensure colleagues and customers safe places of work leading to accidents, litigation, fines and regulatory intervention • Non-compliance with environmental laws & regulations leading to fines, penalties and compensation and clean-up costs and disruption to operations	• Company health & safety policies and procedures to promote safe places of work • EH&S audit programme across Company. Regular inspection of plant and equipment • New and expanded Health & Safety team monitors compliance and promotes a health and safety helps culture • Waste management procedures and employee training • Environmental due diligence for new site acquisitions with appropriate environmental insurance in place for higher risk sites

S.G. Smith Holdings Limited

Strategic Report *(continued)*
for the year ended 31 December 2017

Principal risks and uncertainties *(continued)*

IT and Cyber Security

Risk Area	Potential Impact	Mitigation / Controls
Failure of key IT systems	• Loss of key information systems, downtime and business interruption	• In-house IT team monitors systems and implements upgrade programmes • Contingency and disaster recovery plans in place • IT steering committee and IT risk register maintained to monitor risk • Ongoing investment in IT infrastructure maintenance and upgrade
Cyber Security	• Potential to corrupt, affect or destroy key systems and data (email, DMS & customer records), denial of service attacks and business interruption leading to lost revenue	• Unified threat management - Firewall installed • Clear protocols/policies in place regarding use and access to the Company's IT systems • Anti-virus software installed on all computers to reduce risk of viral infections

Approval

This Strategic Report was approved by order of the Board on 30 April 2018.



S.R. Jones
Company Secretary

S.G. Smith Holdings Limited

Directors' Report

for the year ended 31 December 2017

Directors

The Directors of S.G. Smith Holdings Limited ("the Company") throughout the year were:

D. Gupta
M. Raban

Results and dividends

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

The profit for the year, after tax, amounted to £233,000 (2016: £4,000). No dividends have been paid during the year (2016: £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 information of which the Company's auditor is unaware; and
- each Director has taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

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

Going concern

The Company continues to be profit-making and maintains a positive financial position. In addition, the Company has a treasury arrangement with other Marshall Motor Holdings plc group companies which facilitate the Company being able to meet its liabilities as they fall due.

On the basis of their assessment of the Company's financial position, including the Company's access to 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 the financial statements.

Events since the balance sheet date

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

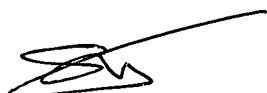
Future developments

The Group's strategic vision is to be regarded as the UK's premier automotive retail 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.

Approval

This Directors' Report was approved by order of the Board on 30 April 2018.



S.R. Jones
Company Secretary

S.G. Smith Holdings Limited

Statement of Directors' Responsibilities

For the year ended 31 December 2017

The Directors are responsible for preparing the Strategic Report, 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 2017

Opinion

We have audited the financial statements of S.G. Smith Holdings Limited for the year ended 31 December 2017 which comprise the Income Statement, the Statement of Financial Position and Statement of Changes in Equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Strategic Report and Directors' Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of S.G. Smith Holdings Limited
(continued)
for the year ended 31 December 2017

Opinions on other matters 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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

Responsibilities of directors

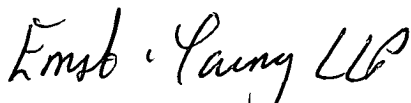
As explained more fully in the Directors' responsibilities statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Nigel Meredith (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
30 April 2018

S.G. Smith Holdings Limited
Income Statement
for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Administrative expenses		289	-
Profit on ordinary activities before taxation	5	289	-
Tax on profit on ordinary activities	7	(56)	4
Profit for the financial year		233	4

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 14 to 17 form part of these financial statements.

S.G. Smith Holdings Limited
Statement of Financial Position
as at 31 December 2017

	Note	£'000	2017 £'000	2016 £'000
Fixed assets				
Investments	8		65	65
Current assets				
Debtors	9	161	217	
		<u>161</u>	<u>217</u>	
Creditors: amounts falling due within one year	10	-	(289)	
		<u>-</u>	<u>(289)</u>	
Net current assets / (liabilities)			161	(72)
			<u>161</u>	<u>(72)</u>
Net assets / (liabilities)			<u>226</u>	<u>(7)</u>
Capital and reserves				
Called-up share capital	11		69	69
Share premium			155	155
Profit and loss account			<u>2</u>	<u>(231)</u>
Shareholders' funds / (deficit)			<u>226</u>	<u>(7)</u>

The notes on pages 14 to 17 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 30 April 2018.

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 2017

	Called-up share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
At 1 January 2016	69	155	(235)	(11)
Profit for the year	-	-	4	4
Total comprehensive income for the period	-	-	4	4
At 31 December 2016	69	155	(231)	(7)
Profit for the year	-	-	233	233
Total comprehensive income for the year	-	-	233	233
At 31 December 2017	69	155	2	226

S.G. Smith Holdings Limited

Notes to the Financial Statements

for the year ended 31 December 2017

1. Basis of preparation and statement of compliance

S.G. Smith Holdings Limited (company number: 09416021) ("the Company") is a private company, limited by shares, 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 the Company were authorised for issue by the Board of Directors on 30 April 2018.

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.

Going concern

The Company continues to be profit-making and maintains a positive financial position. In addition, the Company has a treasury arrangement with other Marshall Motor Holdings plc group companies which facilitate the Company being able to meet its liabilities as they fall due.

On the basis of their assessment of the Company's financial position, including the Company's access to 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 the financial statements.

2. Accounting policies

Basic financial instruments

Debtors

Short term debtors are measured at transaction price, less any impairment. Any losses arising from impairment are recognised in the Income Statement in administrative expenses.

Creditors

Short term trade creditors are measured at the transaction price.

Investments in subsidiaries

Investments in subsidiaries are recognised at cost less any impairment. Impairments are recognised directly through the Income Statement.

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 *(continued)*
for the year ended 31 December 2017

2. Accounting policies *(continued)*

Taxation *(continued)*

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 / (credit) is presented either in the Income Statement, Other Comprehensive Income or Statement of Changes in Equity depending on the transaction that resulted in the tax expense / (credit).

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 key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. However, as the Company 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. Profit on ordinary activities before taxation

The audit fee for the financial statements of the Company is £2,000 (2016: £2,000). This is borne by the Company's fellow subsidiary undertaking, Marshall Motor Group Limited.

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 (continued)
for the year ended 31 December 2017

7. Tax

a) Tax on profit on ordinary activities

The tax charge / (credit) is made up as follows:

	2017 £'000	2016 £'000
<i>Current tax</i>		
Current tax on profits for the year	56	-
Adjustment in respect of previous periods	-	(4)
Taxation on profit on ordinary activities	56	(4)

b) Factors affecting the total tax charge / (credit)

The tax assessed on the profit on ordinary activities for the year is the same as (2016: higher than) the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%). The differences are explained below:

	2017 £'000	2016 £'000
Profit on ordinary activities before tax	289	-
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	56	-
Effects of:		
Adjustments to tax charge in respect of previous periods	-	(4)
Total tax charge / (credit) for the year	56	(4)

c) Factors that may affect future tax charges

In the budget of 16 March 2016, the Chancellor of the Exchequer announced a further 1% reduction to the standard rate of corporation tax which will be applicable in the financial year beginning 1 April 2020. The Finance Act 2016, which was substantively enacted when it received Royal Assent on 15 September 2016, reduced the corporation tax rate to 19.00% with effect from 1 April 2017 decreasing to 17.00% with effect from 1 April 2020.

8. Investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2017 and at 31 December 2017	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.

S.G. Smith Holdings Limited
Notes to the Financial Statements *(continued)*
for the year ended 31 December 2017

9. Debtors

	2017	2016
	£'000	£'000
Amounts owed by Group undertakings	161	217

Outstanding balances with Group entities are unsecured, interest free and are expected to be settled in cash. During the year ended 31 December 2017, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (2016: £nil).

10. Creditors

	2017	2016
	£'000	£'000
Accruals	-	289

11. Share capital

	2017	2016
	£'000	£'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.

12. Reserves

- 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.

13. Ultimate parent company

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

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