

**REG VARDY (TMH) LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

Registered Number : 02825899

THURSDAY



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COMPANIES HOUSE

**REG VARDY (TMH) LIMITED**

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**STRATEGIC REPORT**

**YEAR ENDED 31 DECEMBER 2015**

The Company is a wholly owned subsidiary of Pendragon PLC

The Company's principal activity is that of an investment holding company, its income being derived from dividend income paid by its subsidiary undertakings. During the year dividends of £1,000,000 were received against £2,500,000 being received during 2014.

The directors are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

By order of the Board



T P Holden  
Director

21 September 2016

**DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2015**

The directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 December 2015.

**RESULTS AND DIVIDENDS**

The results for the year are shown in the profit and loss account on page 5.

A dividend of £1,000,000 was paid during the year (2014 : £2,500,000). The directors do not recommend the payment of a final dividend.

**DIRECTORS**

The directors during the year were as follows:

T G Finn  
T P Holden  
M S Casha  
H C Sykes

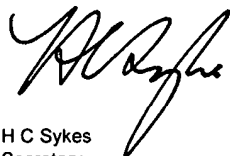
**DISCLOSURE OF INFORMATION TO AUDITOR**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each 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 as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**RE-APPOINTMENT OF AUDITOR**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

*On behalf of the Board*



H C Sykes  
Secretary

Loxley House  
Little Oak Drive  
Annesley  
Nottinghamshire  
NG15 0DR  
21 September 2016

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT AND THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 the profit or loss of the Company 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 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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REG VARDY (TMH) LIMITED**

We have audited the financial statements of Reg Vardy (TMH) Limited for the year ended 31 December 2015 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 Directors' Responsibilities Statement set out on page 3, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

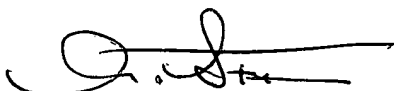
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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.



**Michael Steventon (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

21 September 2016

**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2015**

	2015 £000	2014 £000
<b>OPERATING RESULT</b>	-	-
2 Income from shares in group undertakings	1,000	2,500
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	1,000	2,500
4 Taxation on profit on ordinary activities	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	1,000	2,500

There are no material differences between the profits as shown in the profit and loss account above and their historical cost equivalents.

All amounts relate to continuing operations.

There are no amounts to be recognised in a Statement of Other Comprehensive Income and as such no separate statement has been presented. The profit for the financial year represents total comprehensive income for the period.

Movements in reserves are shown in the Statement of Changes in Equity on page 7.

The notes on pages 8 to 10 form part of these financial statements.

**BALANCE SHEET****AT 31 DECEMBER 2015**

Note		2015 £000	2014 £000
	<b>FIXED ASSETS</b>		
6	Investments	610	610
7	<b>CREDITORS:</b> amounts falling due within one year	(122)	(122)
	<b>NET ASSETS</b>	<b>488</b>	<b>488</b>
	<b>CAPITAL AND RESERVES</b>		
8	Called up share capital	1	1
	Profit and loss account	487	487
	<b>SHAREHOLDERS' FUNDS</b>	<b>488</b>	<b>488</b>

Approved by the Board of Directors on 21 September 2016 and signed on its behalf by :



T P Holden  
Director

Registered Company Number : 02825899

The notes on pages 8 to 10 form part of these financial statements.



**STATEMENT OF CHANGES IN EQUITY****YEAR ENDED 31 DECEMBER 2015**

	Called up share capital £000	Profit and loss account £000	Total £000
Balance at 1 January 2014	1	487	488
Total comprehensive income for 2014			
Profit for the year	-	2,500	2,500
Total comprehensive income for the year	-	2,500	2,500
Transactions with owners, recorded directly in equity			
Dividends paid (see note 5)	-	(2,500)	(2,500)
Total contributions by and distributions to owners	-	(2,500)	(2,500)
Balance at 31 December 2014	1	487	488
Balance at 1 January 2015	1	487	488
Total comprehensive income for 2015			
Profit for the year	-	1,000	1,000
Total comprehensive income for the year	-	1,000	1,000
Transactions with owners, recorded directly in equity			
Dividends paid (see note 5)	-	(1,000)	(1,000)
Total contributions by and distributions to owners	-	(1,000)	(1,000)
Balance at 31 December 2015	1	487	488

The notes on pages 8 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2015****1 ACCOUNTING POLICIES****(a) Basis of preparation**

Reg Vardy (TMH) Limited is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 has not affected the reported financial position, financial performance and cash flows of the Company and therefore no reconciliations as a result of the transition are provided.

The Company's ultimate parent undertaking, Pendragon PLC, includes the Company in its consolidated financial statements. The consolidated financial statements of Pendragon PLC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company Secretary, Pendragon PLC, Loxley House, Little Oak Drive, Annesley, Nottinghamshire, NG15 0DR.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the adoption of FRS 101;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Pendragon PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

**Accounting estimates and judgements** - The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

- note 4 - tax liability and recognition of deferred tax assets. The actual tax on the Company's profits is determined according to complex laws and regulations. Where the effect of these laws and regulations is unclear, estimates are used in determining the liability for the tax to be paid on profits which are recognised in the financial statements. The Company considers the estimates, assumptions and judgements to be reasonable but this can involve complex issues which may take a number of years to resolve. The final determination of tax liabilities could be different from the estimates reflected in the financial statements. Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.
- note 6 - key assumptions used in discounted cash flows for impairment testing. The value of the Company's investments are reviewed on an annual basis based on expected future cash flows generated by them. The risk is that the underlying performance of these investments may not be as expected and the cash flows may not be sufficient to justify the carrying value of the investments. To mitigate these risks we assess actual outturns of previous estimates to test the robustness of adopted assumptions and adjust the estimating approach accordingly. Further details can be found in the financial statements of the annual report of Pendragon PLC.

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 1.

**Going concern** - The Company's parent company, has confirmed that it will continue to provide financial support to the Company if needed. The directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. However, as with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue.

The directors are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

**(b) Investments. Investments held as fixed assets are stated at cost less any impairment losses.**

**NOTES TO THE FINANCIAL STATEMENTS continued****YEAR ENDED 31 DECEMBER 2015****1 ACCOUNTING POLICIES continued**

(c) Taxation. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date.

(d) Related parties. The Company has a related party relationship with Reg Vardy (VMC) Limited, which is a joint venture undertaking between Pendragon PLC and General Motors UK Limited. During the year no amounts were received from or paid to related parties. At the year end no amounts were due to or receivable from related parties.

(e) Dividends on shares presented within shareholders funds. Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

(f) Auditor's remuneration. Auditor's remuneration has been borne by Pendragon Management Services Limited, another group company. Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Pendragon PLC.

<b>2 INCOME FROM SUBSIDIARY UNDERTAKINGS</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Dividends receivable	1,000	2,500

**3 EMPLOYEES**

The Company had no employees during the year (2014 : £nil) other than the directors.

No director of the Company received or waived any remuneration for services to the Company during the year (2014 : £nil).

The directors are employed by Pendragon PLC and full details of their remuneration can be found in the Directors Remuneration Report section of that Company's annual report. Due to the large number of subsidiary undertakings of the Pendragon group it is impracticable to make any meaningful apportionments of the directors' remuneration for the Company.

<b>4 TAXATION</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
UK corporation tax at the UK average statutory rate of 20.25% (2014 : 21.5%)		
Current tax on income for the year	-	-
Factors affecting the tax charge for the period:		
The tax assessed is lower (2014 : lower) than the standard rate of corporation tax in the UK of 20.25% (2014 : 21.5%). The differences are explained below:		
	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	1,000	2,500
Tax on profit at the UK average statutory rate of 20.25% (2014 : 21.5%)	203	538
Effects of:		
Investment income on which no tax liability arises	(203)	(538)
Total current tax charge	-	-

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 1 April 2020) were substantively enacted on 26 October 2015.

The Company has no deferred tax balances (2014 : £nil).

<b>5 DIVIDENDS</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Ordinary shares		
Ordinary dividends on equity shares - £1,000 (2014 : £2,500) per share	1,000	2,500

## NOTES TO THE FINANCIAL STATEMENTS continued

## YEAR ENDED 31 DECEMBER 2015

## 6 INVESTMENTS

Shares in  
subsidiary  
undertakings  
£000

At 31 December 2014 and at 31 December 2015	610
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Shares in subsidiary undertakings are stated at cost less provision for any impairments in value.

Reg Vardy (TMH) Limited owns directly 100% of the issued ordinary share capital of the following principal subsidiaries, all of which trade and are incorporated in England and Wales:

Company	Principal Activity
Reg Vardy (DWSB) Limited	Non-trading
Reg Vardy (MML) Limited	Vehicle body repair
Reg Vardy (TMC) Limited	Non-trading
Trust Motors Limited	Non-trading

## 7 CREDITORS : amounts falling within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	122	122

## 8 CALLED UP SHARE CAPITAL

	2015 £000	2014 £000
Allotted, called up and fully paid : 1,000 (2014 : 1,000) ordinary shares of £1 each	1	1

## 9 CONTINGENT LIABILITIES

The Company is party to multi-lateral cross guarantees in respect of the indebtedness of Pendragon PLC and its UK subsidiaries in favour of certain lenders to the Group.

Pendragon PLC has granted security over some of the Company's assets, not subject to any other arrangements, mainly comprising property, debtors and certain vehicle stocks. Pendragon PLC has also granted security over assets in some of its other subsidiaries and if security over the total of all those assets had been granted at 31 December 2015, the Group balance sheet value of those assets would have been £438m (2014 : £354m).

## 10 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH COMPANY IS A MEMBER

The Company's ultimate parent company and ultimate controlling party is Pendragon PLC which is incorporated in England and Wales. The largest and smallest group in which the results of the Company are consolidated is that headed by Pendragon PLC. Financial statements of Pendragon PLC for the year ended 31 December 2015 are available from the Company Secretary, Pendragon PLC, Loxley House, Little Oak Drive, Annesley, Nottinghamshire, NG15 0DR.