Company Registration No. 1097144

MB SOUTH LIMITED

Annual Report and Financial Statements for the year ended

31 December 2013

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2013

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ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2013

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A C Bruce
R A Gregson
P Jones (resigned 31 December 2013)
N J McMinn (appointed 19 August 2013)
Lookers Directors Limited

COMPANY SECRETARY

G. MacGeekie

REGISTERED OFFICE

776 Chester Road
Stretford
Manchester
M32 OQH
United Kingdom

BANKERS

Lloyds Banking Group
8th Floor
40 Spring Gardens
Manchester
M2 1EN

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 Hardman Street
Manchester
United Kingdom

STRATEGIC REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The main activities of the company during the year were the distribution and retailing of cars, the servicing of vehicles and the distribution of spare parts. The directors do not foresee any significant changes to the future prospects of the business or its main activities.

STRATEGIC AND OPERATIONAL REVIEW

The company's strategy is to operate a number of Mercedes Benz franchise car dealership businesses in the UK motor sector.

The aim is to grow the business by a combination of organic growth in the existing business, where there are many opportunities for increasing revenue, as well as from targeted and selective acquisitions. We strive to deliver sector leading value whilst providing our customers with market leading customer service, optimising customer retention and being an outstanding company that achieves our mission of customers for life.

The margin suffered in the first quarter of the year due to manufacturer pricing policies which had a knock on effect on profit from operations. Profit before tax was therefore down by 50% to £2.1 million, against a robust £4.1 million in 2012.

Turnover was relatively flat at £200.1 million compared to £202.9 million last year. Gross profit of £26.5 million was £1.7 million lower than the previous year, and as mentioned above related mainly to manufacturer pricing policies in the first quarter of the year. As a result, the gross margin of 13.2% was lower compared to the prior year of 13.9%. Overheads increased by £0.6 million in the year, primarily due to the salary related increases.

Net interest costs decreased by 21.0% to £1.0 million compared to £1.3 million in 2012 as a result of lower interest rates.

Cash used in operations for the year was £1.1 million, a decrease of 83% compared to the operating cash flow in 2012 of £6.8 million. Working capital increased by £4.9 million, with an increase in debtors and payables of £6.6 million being offset with a decrease in inventories of £1.7 million. Capital expenditure was £0.7 million, the majority of which was expenditure was on dealership premises.

Company Outlook

The company has made a good start to the current financial year and will continue to outperform the new retail car market and aftersales continues to perform well, with the result that the company is ahead of both budget and prior year. We therefore expect the result for the first half of the year to be ahead of both budget and last year.

The new car market is expected to show further growth in 2014 with the used car market stable. This, together with the company's strong performance in 2013 and the previous four years, provide a firm foundation on which to deliver further growth.

Corporate Social Responsibility, Human Rights and Diversity

The company has a long-standing Corporate and Social Responsibility agenda and further details of this are included on page 33 of our Group's annual report. We are also very conscious of human rights issues within the company and the key area that would impact our business would be across our supply chain. All of our directly employed staff are based in the UK and are covered by UK employment law. Our supply chain in the motor division is predominantly the major international motor manufacturers who clearly take these issues very seriously as well.

The UK Corporate Governance Code includes a recommendation that boards should consider the benefits of diversity, including gender when making board appointments. The Board recognises the importance of gender balance and considers this issue amongst the wider issues of diversity where the most important requirement is to ensure that there is an appropriate range of experience, balance of skills and background on the Board. We will continue to make changes to the composition of the Board irrespective of gender or any form of discrimination so that the best candidate is appointed.

STRATEGIC REPORT (Continued)
For the year ended 31 December 2013

STRATEGIC AND OPERATIONAL REVIEW (continued)

Mandatory Carbon Reporting

The company is aware of, and supports, the new carbon reporting requirements. Separately, the company reports each year to the Environment Agency under the government's Carbon Reduction Commitment (CRC) scheme. The mandatory reporting period for CRC is April to March. It is the intention of the group to align the new carbon reporting period with those of CRC and consequently will issue its first report on carbon footprint in its 2015 annual report covering the period April 2013 to March 2014.

Principal Risks and Uncertainties

The company's business activities, financial condition, or results of operations could be affected by any or all of the following principal risks or uncertainties:

Global Economy

The new and used car markets are influenced by general economic conditions, including changes in interest rates, fuel prices, indirect taxation, the cost and availability of credit and other factors which affect levels of consumer confidence. The demand for new cars is cyclical, which in some years will lead to reduced margins caused by oversupply. This could have an adverse impact on the earnings of the company, although it is likely that this would be mitigated by potential increases in both the used car market and the aftersales market as customers substitute nearly new for new cars, or spend more keeping their old vehicles roadworthy. Despite the general uncertainty in the economy in recent years, the company's business has proved to be resilient against this background and has continued to be profitable.

Manufacturers' Financial Stability

The company relies on its manufacturer partners for a significant proportion of its revenues and profits. The failure of a manufacturer could have a significant impact on the short-term profitability of a retailer partner. The company has attempted to mitigate this risk by having trading relationships with a large number of manufacturers, so that the impact of any one manufacturer failing would be reduced.

Government Legislation

In addition to franchise regulation rules noted above, changes to the Government's transport policy could adversely affect the company's profitability if, as a result, customers choose to use alternative forms of transport.

Liquidity and Financing

The group uses a number of methods to fund its day to day business. These methods are (i) bank borrowings by way of committed borrowing facilities (Banking facilities of £140.0 million, maturing March 2018); (ii) from manufacturer and third party finance houses through uncommitted stocking facilities to fund the purchase of stock; and (iii) from suppliers by way of trade credit. A withdrawal of any of these financing facilities or a failure to renew them as they expire could lead to a significant reduction in the trading ability of the company. However, the company's balance sheet has been strengthened significantly over the past five years and this together with the renewal of the company's banking facilities in 2014, provides sufficient liquidity and funding.

Block Exemption Aftersales / General Exemption Sales

The franchise agreement legislation for the automotive sector changed in June 2013. Aftersales agreements continue to be legislated by a Block Exemption, dictating that aftersales businesses meeting manufacturers qualitative standards criteria have an entitlement to represent the brands aftersales service and parts franchise.

Sales agreements are granted by car manufacturers based on standards, but agreements are restricted to territories granted by manufacturers, who also determine choice of partner, enabling them to restrict the number of outlets any dealer can hold or entry into the sales franchise.

By continuing to focus on providing excellent customer facilities, excellent customer service and providing high level representation for the company's manufacturer partners, current business relationships will be maintained, providing opportunities for selective growth.

STRATEGIC REPORT (Continued)
For the year ended 31 December 2013

STRATEGIC AND OPERATIONAL REVIEW (continued)

Competitive Nature of the Market

The motor vehicle distribution market is highly competitive and comprises a small number of large dealer networks, similar to Lookers Motor Group Limited, down to a large number of much smaller operators. In addition, the market includes internet-based dealers and private individuals. The franchised businesses also compete in the aftersales market which comprises similar franchised businesses, supply and fit chains, and a large number of small independent garages and bodyshops.

The market therefore offers customers different options depending upon price and quality of service they wish to take, with owners of new and nearly new vehicles tending to use the franchised businesses and owners of older vehicles tending towards the smaller independent provider. The company's franchised businesses rely on the quality of their customer service and the ability to adjust pricing, enabling them to react to local competitive conditions.

Information Systems

The company is dependent upon a number of business critical systems which, if interrupted for any length of time, could have a material effect on the efficient running of the company's businesses. The Board has implemented a series of contingency plans which would enable the company to resume operations within a short space of time, thus mitigating the likelihood of material loss.

Manufacturers' Influence

The company's activities are also influenced by manufacturers in other ways. The timing, frequency and efficiency of new model roll-outs and changes in consumers' perception of these models and brands could materially affect the company's business. Similarly, manufacturers use a series of incentive schemes to support new car sales, warranty programmes etc. and changes or discontinuation of these schemes could also affect the company's business. By representing over thirty marques, the company believes that this diversity reduces the impact to the company that manufacturers' influence could cause.

By Order of the Board

R. A. Gregson
Finance Director
27 June 2014

DIRECTORS REPORT

MATTERS INCLUDED IN THE STRATEGIC REPORT

In accordance with s414(C) (11) of the Companies Act, included in the Strategic Report is information relating to the future development of the business which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulations 2008' to be contained in a Director's Report

DIVIDENDS

During the year interim dividends of £880,000 (2012: £1,520,000) were paid. The directors do not recommend the payment of a final dividend (2012: £nil).

DIRECTORS

The following were directors of the company during the year and thereafter to the date of signing these financial statements:

A C Bruce
R A Gregson
N J McMinn
Lookers Directors Limited

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

EMPLOYEE INVOLVEMENT

Employees are encouraged to discuss with management any matters which they are concerned about and factors affecting the company. In addition, the Board takes account of employees' interests when making decisions. Suggestions from employees aimed at improving the company's performance are welcomed.

A significant number of employees are remunerated partly by profit-related bonus schemes.

The Lookers plc. company has a dedicated intranet site 'Insight' which keeps employees up-to-date with company developments and activities. Communicating in this manner ensures a consistent message.

Long service awards were made during the year to those staff with 25 years' continuous service. Special awards were also made to those staff reaching 40 and 50 year's service.

All employment policies have been upgraded to conform with current legislation.

It is the company's policy to encourage career development for all employees to help staff achieve job satisfaction and increase personal motivation.

EMPLOYMENT OF DISABLED PERSONS

The company's recruitment policy sympathetically considers applications for employment from the disabled where they have the necessary abilities and skills to perform the job. If any employee becomes disabled during employment with the company every effort is made to retrain that employee to perform a job appropriate to his/her abilities and skills.

It is the company's policy to encourage career development for its employees, including the disabled for whom further training is arranged, if necessary, to allow for special needs.

GOING CONCERN

This financial information has been prepared on a going concern basis which the directors believe to be appropriate for the reasons set out below.

The company is dependent upon funding from its ultimate parent company, Lookers plc. (the Parent). The directors have received confirmation from the Parent that it will provide financial support as is necessary to enable the company to meet its liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements.

DIRECTORS' REPORT (Continued)

GOING CONCERN (Continued)

In considering the position of the company as a going concern, and in the context of the uncertainties discussed in this report, the company's directors have taken into account the following information regarding the financial position of the company headed by the Parent as disclosed in the financial statements of the Parent for the year ended 31 December 2013:

The company meet their day to day working capital requirements through short-term stocking loans, the revolving credit facility and its medium-term funding requirements through a term loan.

At the year end the medium-term banking facilities included a revolving credit facility of up to £55.0 million and a term loan totalling £41.25 million, providing total facilities of £96.25 million. These facilities were renewed in February 2014 and are due for renewal in March 2018.

In addition to the total facility limit, the facilities include certain covenant tests. The failure of a covenant test would render the entire facilities repayable on demand at the option of the lenders.

The directors have assessed the future funding requirements of the company and compared them to the level of committed available borrowing facilities. This assessment included a detailed review of trading and cash flow forecasts for a period 12 months from the date of this annual report which projects that the total revised facility is not exceeded over the duration of the forecasts and forecast covenant levels are met. Whilst uncertainty remains in the global economy these forecasts are considered reasonable.

Further to this the directors have considered the latest trading position of the company which has not changed significantly since the time of the company's annual report and the company's cash flow forecasts for a period of at least 12 months from the date of these financial statements.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For those reasons, they continue to adopt the going concern basis in preparing the annual report and financial statements.

AUDITOR

In the case of each of the persons who are directors of the company at the date when this report was approved confirms that:

- so far as each director is aware, there is no relevant audit information (as defined by the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006. Deloitte LLP have expressed their willingness to continue in office and, in accordance with the Companies Act 2006, their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board

R. A. Gregson
Finance Director

27 June 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company;
- the strategic and operational review includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy.

By Order of the Board

R. A. Gregson
Finance Director
27 June 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MB SOUTH LIMITED

We have audited the financial statements of MB South Limited for the year ended 31 December 2013 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position, the Cash Flow Statement, and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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, 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 annual report 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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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.

Damian Sanders BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
27 June 2014

INCOME STATEMENT
For the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
REVENUE	2	200,050	202,939
Cost of sales		(173,539)	(174,774)
GROSS PROFIT		26,511	28,165
Selling and distribution costs		(16,351)	(16,229)
Administrative expenses		(7,057)	(6,534)
PROFIT FROM OPERATIONS		3,103	5,402
Interest	3	(1,020)	(1,295)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	2,083	4,107
Tax on profit on ordinary activities	6	(626)	(1,057)
PROFIT FOR THE YEAR	18	1,457	3,050

All revenue and results for the year and the prior year arise from continuing operations.

The company has no gains and losses in either year other than those included in the results above, and therefore no separate statement of comprehensive income has been presented.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2013

	Share capital £'000	Retained earnings £'000	Total £'000
As at 1 January 2012	-	4,121	4,121
Dividend paid	-	(1,520)	(1,520)
Profit for the year	-	3,050	3,050
As at 31 December 2012	-	5,651	5,651
Dividend paid	-	(880)	(880)
Profit for the year	-	1,457	1,457
As at 31 December 2013	-	6,228	6,228

STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	Note	2013 £'000	2012 £'000
NON-CURRENT ASSETS			
Goodwill	8	1,527	1,527
Property, plant and equipment	9	3,992	3,964
Deferred Tax	16	-	10
		5,519	5,501
CURRENT ASSETS			
Inventories	10	35,002	36,730
Trade and other receivables	11	11,537	7,113
Cash and cash equivalents		2	887
		46,541	44,730
TOTAL ASSETS		52,060	50,231
CURRENT LIABILITIES			
Bank overdrafts		(3,911)	-
Trade and other payables	13	(41,306)	(43,506)
Corporation tax	15	(614)	(1,074)
		(45,831)	(44,580)
NET CURRENT ASSETS/(LIABILITIES)		710	150
NON-CURRENT LIABILITIES			
Deferred tax	16	(1)	-
		(1)	-
TOTAL LIABILITIES		(45,832)	(44,580)
NET ASSETS		6,228	5,561
CAPITAL AND RESERVES			
Called-up share capital	17	-	-
Retained earnings	18	6,228	5,651
SHAREHOLDERS' EQUITY		6,228	5,651

The financial statements of MB South Limited, (registered number: 1097144) were approved by the Board of Directors and authorised for issue on 27th June 2014 and were signed on its behalf by:

R A Gregson
Finance Director

CASH FLOW STATEMENT
For the year ended 31 December 2013

	2013 £'000	2012 £'000
CASH GENERATED FROM OPERATIONS		
Profit for the year	1,457	3,050
Adjustments for:		
Tax	626	1,057
Depreciation	663	636
Interest expense	1,020	1,295
Changes in working capital:		
Decrease/(increase) in inventories	1,728	(22,083)
Increase in trade and other receivables	(4,424)	(2,541)
(Decrease)/increase in payables	(2,200)	25,350
CASH (USED IN)/GENERATED BY OPERATIONS	(1,130)	6,764
Interest paid	(1,020)	(1,295)
Tax Paid	(1,074)	(892)
NET CASH (USED IN)/GENERATED BY OPERATING ACTIVITIES	(3,224)	4,577
CASH USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(740)	(1,108)
Proceeds from the sale of property, plant and equipment	48	-
Dividend Paid	(880)	(1,520)
NET CASH USED BY INVESTING ACTIVITIES	(1,572)	(2,628)
(Decrease)/increase in cash and cash equivalents	(4,796)	1,949
Cash and cash equivalents at the beginning of the year	887	(1,062)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(3,909)	887

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2013

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

General information

Lookers Motor Group Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 776 Chester Road, Stretford, Manchester M32 0QH.

The nature of the company's operations and its principal activities are set out on page 2 of the strategic report.

Basis of preparation

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. Therefore the company financial statements comply with article 4 of EU IAS Regulation.

The company has adopted Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee of the IASB. Individual standards and interpretations have to be adopted by the European Commission (EC) and the process leads to a delay between the issue and adoption of new standards and in some cases amendment by the EC.

International Financial Reporting Standards are subject to ongoing amendment by the IASB and subsequent endorsement by the EC and are therefore subject to change.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments.

Adoption of new and revised standards and new standards and interpretations not yet adopted

Amendments to IAS 1: Presentation of Items of Other Comprehensive Income: The amendments require that an entity present separately the items of other comprehensive income that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. The adoption of this standard has had no significant impact..

IFRS 13 Fair Value Measurement: New standard to replace existing guidance on fair value measurement in different IFRSs with a single definition of fair value, a framework of measuring fair values and disclosures about fair value measurements. This standard applies to assets, liabilities and an entity's own equity instruments that, under other IFRSs, are required or permitted to be measured at fair value or when disclosure of fair value is provided. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The adoption of this standard has had no significant impact.

At the date of authorisation of the financial statements the following standards and interpretations which have not been applied in these financial statements, were in issue but not yet effective:

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of interests in other entities
IAS 27	Separate Financial Statements 2011
IAS 28	Investments in Associates and Joint Ventures 2011

Amendments to IAS 32 and IFRS 7 for Offsetting Financial Assets and Financial Liabilities.

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the company.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2013

1. ACCOUNTING POLICIES (continued)

Going concern

This financial information has been prepared on a going concern basis. Further information on the directors' consideration of going concern is given in the Directors' Report.

Critical accounting estimates and judgements

Other than the estimates noted below, there are no other critical judgements.

Goodwill and intangible assets

The company reviews the goodwill arising on the acquisition of subsidiaries or businesses and any intangible assets with an indefinite life for impairment at least annually or when events or changes in economic circumstances indicate that impairment may have taken place. The impairment review is performed by projecting the future cash flows, excluding finance and tax, based upon budgets and plans and making appropriate assumptions about rates of growth and discounting these using a rate that takes into account prevailing market interest rates and the risks inherent in the business. If the present value of the projected cash flows is less than the carrying value of the underlying net assets and related goodwill, an impairment charge would be required in the Income Statement.

This calculation requires the exercise of significant judgement by management; if the estimates made prove to be incorrect or changes in the performance of the subsidiaries affect the amount and timing of future cash flows, goodwill may become impaired in future periods.

In respect of acquisitions, at the point of acquisition the company is required to assess whether intangible assets need to be separately identified and measured. The measurement and assessment of the useful economic lives of intangible assets requires the use of judgement by management.

Revenue recognition

Revenue is measured at invoice price, excluding value added taxes, and principally comprises external vehicle sales, parts, servicing and bodyshop sales. Vehicle and parts sales are recognised when substantially all risks and rewards have been transferred to the customer. This is generally at the time of delivery to the customer. Service and bodyshop sales are recognised in line with the work performed. Revenue also comprises commissions receivable for arranging vehicle financing and related insurance products. Commissions are based on agreed rates and income is recognised at the time of approval of the vehicle finance by the finance provider.

Pension costs

The company provides pension arrangements for employees under a defined contribution scheme. Contributions are charged to the income statement in the year in which they are payable.

Profit from operations

Profit from operations is stated before net interest costs and debt issue costs.

Intangible assets

Intangible assets acquired on a business combination are capitalised separately from goodwill if the asset is separable and if fair value can be measured reliably on initial recognition. Intangible assets so acquired are carried at cost less accumulated amortisation and any impairment losses. Amortisation is provided on a straight line basis to allocate the cost of the asset over its estimated useful life. This category's asset includes computer software which has an estimated useful life of 4 years. The company has no internally generated intangible assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2013

1. ACCOUNTING POLICIES (continued)

Impairment of assets

Assets that have an indefinite life are not subject to amortisation and are tested annually for impairment. Assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal costs, and value in use.

Property, plant and equipment

Assets are stated at their historical cost less depreciation. The company has adopted the cost model under IAS 16, 'Property plant and equipment.'

Freehold buildings and long leasehold properties are depreciated over 50 years on a straight line basis to their estimated residual values. Short leasehold properties are amortised by equal instalments over the periods of the respective leases.

Plant and machinery (including motor vehicles), fixtures, fittings, tools and equipment (including computer equipment and terminals), are depreciated on a straight line basis at rates varying between 10% and 33% per annum over their estimated useful lives.

Leases

Rental costs under operating leases are charged to the Income Statement in equal annual amounts over the periods of the leases.

Inventories

Inventories are valued at the lower of purchase price and net realisable value. Deposits paid for vehicles on consignment represent bulk deposits paid to manufacturers. The company recognises consignment stock in its statement of financial position when there has been a substantial transfer of the risks and rewards of ownership. The related liabilities are included in trade and other payables.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is not provided on temporary differences arising on investments in subsidiaries, as the company controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2013

1. ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise deposits with banks and financial institutions, bank and cash balances, and liquid investments, net of bank overdrafts.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Debt instruments that are held-to-maturity, are available for sale or are loans and receivables recognised in income on an effective interest rate basis.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For loans and receivables the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Financial instruments

Debt instruments

Debt instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Dividends

Final Dividends proposed by the Board and unpaid at the end of the year are not recognised in the financial statements until they have been approved by the shareholders at the Annual General Meeting. Interim Dividends are recognised when they are paid.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2013

1. ACCOUNTING POLICIES (continued)

Repurchase commitments

As part of its normal trading activities, the company has contracted to repurchase, at predetermined values and dates, certain vehicles previously sold under a financial arrangement. The company's residual interest in these vehicles is included in inventories and the related liability is included as repurchase commitments within trade and other payables. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. REVENUE

	2013 £'000	2012 £'000
To external customers	195,843	197,446
To overseas customers	99	380
To group companies	4,108	5,113
	200,050	202,939

There is only one class of business being motor vehicle franchises.

3. INTEREST

	2013 £'000	2012 £'000
Interest payable:		
Interest on consignment stocks	850	1,164
Group interest	170	131
Interest payable	1,020	1,295

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation is calculated after taking into account the following items		
Staff costs (note 7)	12,978	12,510
Operating leases - Property	1,731	1,058
Depreciation	663	636
Fees payable to the company's auditor for the audit of the company's annual financial statements	68	68
Fees payable to the company's auditor for taxation services	-	-

5. DIVIDENDS

	2013 £'000	2012 £'000
For the year end 31 December 2013		
Interim dividend of £4,400 per share (2012: £7,600)	880	1,520

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2013

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2013 £'000	2012 £'000
Current tax expense		
Current year	581	1,096
Adjustment in respect of prior years	34	(23)
	615	1,073
Deferred tax income		
Deferred tax	(12)	(16)
Adjustment in respect of prior years	23	-
	11	(16)
Tax charge for the year	626	1,057

The current tax charge was affected by the following factors:

	2013 %	2012 %
Standard rate of corporation tax	23.3	24.5
Items not allowable for taxation	4.0	1.8
Adjustments in respect of prior years	2.7	(0.5)
Effective rate of tax on current profit	30.0	25.8

7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The director's emoluments were borne by Lookers plc. and not recharged. This is because fair apportionment is not possible as services are provided to multiple entities (2012: same).

	2013 No.	2012 No.
Average number of persons employed		
Production	95	98
Sales and distribution	274	277
Administration	80	81
	449	456

	£'000	£'000
Staff costs during the year		
Wages and salaries	11,608	11,210
Social security costs	1,252	1,202
Pension costs	118	98
	12,978	12,510

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2013

8. GOODWILL

	2013 £'000	2012 £'000
Cost and net book value		
At 1 January and 31 December	1,527	1,527

During the year, the acquired goodwill was tested for impairment in accordance with IAS 36. Following the impairment test, no goodwill impairment charge was deemed necessary (2012: £nil).

For the purposes of impairment testing of goodwill and intangible assets, the directors recognise the company's Cash Generating Units ("CGU") to be connected groupings of dealerships. The recoverable amount of each CGU's goodwill and intangible assets is based on value in use using Board approved budgeted projections over the next five years for each CGU to calculate each CGU's discounted cash flows to perpetuity, where individual budgets are produced for all businesses within the company. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period and the impairment calculation is sensitive to these key assumptions. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. An annual growth rate of 2.75% (2012: 3.0%) (UK GDP) is assumed and a risk adjusted discount rate applied. The discount rates are estimated based on the company's cost of capital which is calculated after consideration of market information and risk adjusted for individual circumstances with all units carrying a goodwill value operating in the UK and the motor retail or related sector a single pre-tax discount rate of 10.42% (2012: 9.8%) has been applied.

The two key assumptions made by the directors are the discount rate used and profitability rates beyond the business plan. Neither a 1% increase in the discount rate or a 10% reduction in operating profit would result in any impairment being required.

9. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings short leasehold £'000	Plant and machinery £'000	Fixtures, fittings tools and equipment £'000	Total £'000
Cost				
At 1 January 2013	4,489	1,621	1,377	7,487
Additions	4	309	427	740
Disposals	(50)	(190)	(130)	(370)
At 31 December 2013	4,443	1,740	1,674	7,857
Accumulated depreciation				
At 1 January 2013	1,500	1,017	1,006	3,523
Charge for the year	302	188	173	663
Disposals	(20)	(171)	(130)	(321)
At 31 December 2013	1,782	1,034	1,049	3,865
Net book value				
At 31 December 2013	2,661	706	625	3,992

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2013

9. PROPERTY, PLANT AND EQUIPMENT (continued)\

	Land and buildings short leasehold £'000	Plant and machinery £'000	Fixtures, fittings tools and equipment £'000	Total £'000
Cost				
At 1 January 2012	4,319	588	577	5,484
Additions	103	43	173	319
Reclassification	67	1,002	627	1,696
Disposals	-	(12)	-	(12)
At 31 December 2012	4,489	1,621	1,377	7,487
Accumulated depreciation				
At 1 January 2012	1,188	376	428	1,992
Charge for the year	295	196	145	636
Reclassification	17	457	433	907
Disposals	-	(12)	-	(12)
At 31 December 2012	1,500	1,017	1,006	3,523
Net book value				
At 31 December 2012	2,989	604	371	3,964

10. INVENTORIES

	2013 £'000	2012 £'000
Goods for resale	14,608	14,830
Consignment vehicles	20,394	21,900
	35,002	36,730

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2013

11. TRADE AND OTHER RECEIVABLES

	2013 £'000	2012 £'000
Gross trade receivables	5,238	5,547
Less: provision for impairment of receivables	(59)	(29)
Net trade receivables	5,179	5,518
Amounts owed by group undertakings	5,407	585
Other debtors	116	144
Prepayments and accrued income	835	866
	11,537	7,113

The average credit period on sales of goods is 30 days (2012: 30 days). Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment. Concentrations of credit risk with respect to trade receivables are limited due to the company's customer base being large and unrelated. Due to this, the directors believe there is no further credit risk provision required in excess of normal doubtful receivables.

Movement in the allowance for doubtful receivables

	2013 £'000	2012 £'000
Balance at beginning of year	29	10
Amounts recovered during the year	-	(6)
Increase in allowance recognised in income statement	30	25
Balance at end of year	59	29

In determining the recoverability of the trade receivables, the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

Value of trade receivables

	2013 £'000	2013 %	2012 £'000	2012 %
Not impaired:				
Neither past due nor impaired	4,116	79.5	5,324	96.3
Past due up to 3 months but not impaired	1,043	20.1	204	3.7
Past due 3 up to 6 months but not impaired	20	0.4	-	-
	5,179	100.0	5,528	100.0

12. OTHER FINANCIAL ASSETS

	2013 £'000	2012 £'000
Loans carried at amortised cost:		
Loans to subsidiaries/group companies	5,407	585
Disclosed in the financial statements as:		
Current assets – trade and other receivables	5,407	585

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2013

13. TRADE AND OTHER PAYABLES

	2013 £'000	2012 £'000
Trade payables	4,886	6,424
Repurchase commitments	12,699	11,792
Consignment vehicle creditors	20,394	21,900
Amounts owed to group undertakings	418	1,140
Taxation and social security	1,079	1,098
Accruals and deferred income	1,830	1,152
	41,306	43,506

Amounts due to group undertakings are unsecured, interest free and repayable on demand. The average credit period taken for trade purchases is 10 days (2012: 14 days).

14. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the accounting policy note.

Categories of financial instruments

	2013 £'000	2012 £'000
Financial assets		
Cash	2	887
Loans and receivables	10,586	6,103
Financial liabilities		
Amortised cost	42,308	41,257

Financial Risk Management Objectives

The company is a wholly owned subsidiary of Lookers plc. and the Group Corporate Treasury function provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The group seeks to minimise the effects of these risks, by using derivative financial instruments to hedge these risks exposures. The use of financial derivatives is governed by the group's policies approved by the Board of Directors, which provide written principles on interest rate risk, credit rate risk, the use of financial derivatives and non-financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the group's banking committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

The company has not held any derivative financial instruments in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2013

14. FINANCIAL INSTRUMENTS (continued)

Market Risk

The group's activities expose it primarily to the financial risks of changes in interest rates. The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- forward interest rate risk; and
- manage interest rate risk.

The market risks are managed at a company level through stress and scenario analysis.

During the course of the year there has been no change to the market risk or manner in which the group manages its exposure.

Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The group's exposure and the credit ratings of its counterparties are controlled by counterparty limits that are reviewed and approved by the Risk Management committee annually.

Trade receivables are spread across a large number of counterparties.

The group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the group's Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will accrue to those liabilities except where the company is entitled and intends to repay the liability before its maturity.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2013

14. FINANCIAL INSTRUMENTS (continued)

	1 to 3 months £'000	3 to 12 months £'000	Total £'000
2013			
Variable interest rate instruments	6,383	12,699	19,082
Fixed interest rate instruments	20,394	-	20,394
	26,777	12,699	39,476
2012			
Variable interest rate instruments	6,424	11,792	18,216
Fixed interest rate instruments	21,900	-	21,900
	28,324	11,792	40,116

Included within variable rate instruments in the 1 to 3 month column is an amount of £12,699,000 (2012: £11,792,000) relating to repurchase commitments where the liability is only contractually due at the point where the related vehicle is sold to the end customer. In this way the company matches the cash outflow in respect of the liability with the cash inflow from the sale.

Included within fixed rate instruments in the 1 to 3 month column is an amount of £20,394,000 (2012: £21,900,000) relating to consignment stock where the liability is contractually due for payment when the related vehicle is adopted by the company. Adoption usually occurs for the purpose of selling the vehicle to the end customers at which point the cash outflow in respect of the liability matches the inflow from the sale.

15. CURRENT TAX LIABILITIES

	2013 £'000	2012 £'000
Corporation tax	614	1,074

16. DEFERRED TAX

Deferred tax is calculated in full on temporary timing differences under the liability method using a tax rate of 20% (2012: 23%). The movement in the deferred tax account is as shown below:

	2013 £'000	2012 £'000
Deferred tax liability at 1 January	(10)	6
Credited to profit and loss account	11	(16)
Deferred tax liability/(asset) at 31 December	1	(10)

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets because the directors deem it is probable that these assets will be recovered.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the year are shown below.

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and the intention is to settle the balances net.

	2013 £'000	2012 £'000
Deferred tax liabilities/(assets):		
Depreciation in excess of capital allowance	1	(10)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2013

17. CALLED UP SHARE CAPITAL

	2013	2012
	£	£
Called up, allotted and fully paid		
100 ordinary shares of £1 each	100	100
100 deferred ordinary shares of £1 each	100	100
	200	200

The deferred shares of £1 rank pari passu with all other classes of shares.

18. STATEMENT OF MOVEMENTS ON RESERVES

	Retained earnings £'000
At 1 January 2013	5,651
Dividend paid	(880)
Profit for the year	1,457
At 31 December 2013	6,228

19. FINANCIAL COMMITMENTS

Contingent liabilities

The company is jointly and severally liable under cross guarantees within the Lookers plc. group for loans and overdrafts. The total group borrowings at the year end amounted to £41,250,000 (2012: £48,750,000).

The weighted average interest rate paid during the year on the bank loans was 1.88% (2012: 1.93%).

20. RELATED PARTY TRANSACTIONS

Lookers plc. is considered the company's ultimate controlling party. During the year the company paid a management charge to Lookers plc. of £197,000 (2012: £197,000) and was recharged £900,000 (2012: £900,000) relating to centrally borne administrative costs. At 31 December 2013 the company was owed £5,278,000 (2012: £458,000).

The company's directors are deemed to be its key management and are remunerated by its ultimate parent undertaking, Lookers plc. and accordingly these amounts are disclosed in the consolidated financial statements of Lookers plc. Their management of the company forms only a small part of their responsibilities within the wider Lookers group and so it is not possible to accurately identify that element of their remuneration which is directly attributable to MB South Limited.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2013

20. RELATED PARTY TRANSACTIONS (continued)

Subsidiaries of Lookers plc.

The information disclosed below relates to transactions with companies that are also under the ultimate control of Lookers plc. and hence considered related parties.

The company occupies certain properties which are owned by Bolling Investments Limited and paid rent of £519,000 (2012: £511,000). At 31 December 2013 the company owed £nil (2012: £nil).

During the year, the company sold vehicles and parts totalling £3,360,000 (2012: £3,411,000) and purchased vehicles and parts totalling £981,000 (2012: £916,000) from Lookers Motor Group Limited. At 31 December 2013 the company was owed £nil (2012: £67,000) and owed £1,000 (2012: £43,000).

During the year, the company sold vehicles and parts totalling £412,000 (2012: £288,000) and purchased vehicles and parts totalling £222,000 (2012: £70,000) from Dutton-Forshaw Motor Group Limited. At 31 December 2013 the company was owed £6,000 (2012: £60,000) and owed £414,000 (2012: £396,000).

During the year, the company purchased goods totalling £48,000 (2012: £40,000) from Ferraris Piston Service Limited. At 31 December 2013 the company owed £4,000 (2012: £3,000).

During the year, the company sold vehicles totalling £nil (2012: £1,005,000) and purchased vehicles totalling £nil to GET Motoring UK Limited. At 31 December 2013 the company was owed £nil (2012: £698,000).

During the year, the company sold vehicles totalling £50,000 (2012: £1,005,000) to Lookers Leasing Limited. At 31 December 2013 the company was owed £123,000 (2012: £nil).

During the year, the company sold vehicles totalling £254,000 (2012: £nil) to Lomond Motors Limited. At 31 December 2013 the company was owed £nil (2012: £nil).

During the year, the company purchased goods totalling £21,000 (2012: £nil) from Lookers Birmingham Limited. At 31 December 2013 the company owed £nil (2012: £nil).

During the year, the company purchased goods totalling £21,000 (2012: £nil) from Shields Automotive Limited. At 31 December 2013 the company owed £nil (2012: £nil).

21. PENSIONS

The company makes contributions in to the Lookers Stakeholder Pension Scheme which is a defined contribution scheme. The income statement charge for the year in respect of defined contribution schemes was £118,000 (2012: £ 98,000).

22. LEASE COMMITMENTS – MINIMUM LEASE PAYMENTS

	Property 2013 £'000	Property 2012 £'000
Commitments for future minimum lease payments under non-cancellable operating leases falling due as follows:		
Within one year	1,000	1,058
Within two to five years	3,998	4,266
After five years	8,530	9,630
	13,528	14,954

23. ULTIMATE PARENT COMPANY

The company's immediate parent company is Lookers Motor Group Limited. In the opinion of the directors, the company's ultimate parent and controlling company is Lookers plc. which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Lookers Motor Group Limited and Lookers plc. are both companies registered in England and Wales and copies of the financial statements of both companies can be obtained from Lookers plc. 776 Chester Road, Stretford, Manchester, M32 0QH.