

SUZUKI GB PLC

Report and Financial Statements

31 March 2017

Company Number : 00768587

Registered Office:
Steinbeck Crescent
Snelshall West
Milton Keynes
Buckinghamshire
MK4 4AE

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COMPANIES HOUSE

STRATEGIC REPORT

The Directors present their Strategic Report of the Group for the year ended 31 March 2017.

Business Overview

The Group's results for the year show a profit before tax of £6,933k (2016: £8,684k) and total comprehensive income of £4,556k (2016: £6,927k). This decrease was mainly due to a weakening of Sterling reducing profit margins, offset by an increase in sales volumes.

Objectives and strategy of the Group

The Group's objectives are to maximise the long-term value and revenue streams for its shareholder, to create secure and rewarding employment for its staff and to provide its customers with quality, reliable and fuel efficient products that are value for money.

Operational performance and key performance indicators

The Directors use a number of Key Performance Indicators (KPIs) in order to judge the effectiveness of their strategies and overall management of the business. These KPIs are monitored for each division by local management against budgets and prior periods and include:

- Vehicle Units Sold	Change
- Market Share	%

A summary of these KPIs are given below for each division in turn.

Comparisons are based on calendar year as this is the standard for automotive industry statistics.

Automobile Division

The UK car market registered 2.693m new cars in the calendar year 2016 (2015: 2.634m), which was the highest ever annual volume. The car market grew by 2.2% over the previous year driven both by strong business confidence and private demand remaining at a historically high level with consumers attracted by affordable finance deals with low interest rates and flexible payment options.

The private sector fell marginally by (0.2)% whilst the fleet market was up 4.8%.

Suzuki's volume increased by 10.8% with total registrations of 38,167 units (2015: 34,437 units) representing a 1.42% market share (2015: 1.31%). The annual increase was due to a strong sales of the Vitara, which had been introduced in 2015, as well as new model launches such as Baleno and a facelift of S-Cross.

Motorcycle Division

The overall UK motorcycle market grew by 13.5% during 2016, against which Suzuki performed well with a 13.5% increase in volume to 6,236 units (2015: 5,492 units). Suzuki increased their share of the Japanese manufacturers' share of the UK market to 12.7% (2015: 12.2%).

Marine Division

Suzuki increased their marine market share in 2016 to a record 20.4% following an increase in volume by 12.1% to 2,311 units (2015: 2,060 units). Suzuki's performance compared favourably with the overall market which saw a 4.0% increase in volume in 2016.

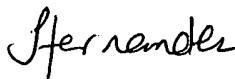
Principal Risks and uncertainties

The Directors consider as the principal risks and uncertainties faced by the Group to be any event which could lead to a disruption in the supply of products to the UK and Irish markets, or to a significant decrease in the demand in said products in the UK and Irish markets. Such events might include, but would not be limited to, natural disasters, global unrest, economic downturns and oil production disruption. The company mitigates these risks through regular review of the vehicle supply chain and the ongoing product development carried out by Suzuki Motor Corporation.

Future Outlook

The market sectors that the Group operates in remain both competitive and innovative. The Group's parent company is committed to the sustained development and production of new products to meet consumer demands.

BY ORDER OF THE BOARD



J Fernandez

Secretary

7th August 2017

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 March 2017.

INTRODUCTION AND OVERVIEW

Suzuki GB PLC is an unlisted public limited company incorporated in England & Wales with registered number 00768587.

The principal activity of the Company and the Group is the importation and distribution of automobiles, motorcycles, marine engines and associated parts, manufactured by Suzuki Motor Corporation and its affiliates. There has been no significant change in these activities during the period, and the Directors have no plans to change them significantly in the foreseeable future.

DIRECTORS

The Directors who served during the year and up to the date of this report were:

Y Abe
N Suyama

Directors benefit from third party indemnity provisions in place during the period.

DIVIDENDS

The Directors do not propose a final ordinary dividend in respect of the current financial year (2016: £nil).

EMPLOYEES

It is Company and Group policy to provide employees with information concerning their roles and responsibilities and the trading performance of the Company and Group. This policy is to ensure opportunities are available at every level to improve employees' and corporate performance. Regular meetings are held which involve Directors, managers and staff.

CHARITABLE AND POLITICAL DONATIONS

The Company made charitable donations of £34,539 (2016: £34,267).
No political donations were made in the year (2016: £nil).

DISABLED PERSONS

The Group and Company continues to recognise its social and statutory duty to employ disabled persons and will do all that is practicable to meet this responsibility.

Full consideration will be given to the recruitment of disabled persons, where a disabled person can adequately fulfil the requirements of the job. If an employee becomes disabled he or she will continue wherever possible to be employed in the same job. If this action is not practicable or possible, then every effort will be made to find a suitable alternative employment.

BRANCHES OUTSIDE THE UK

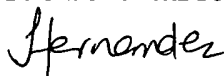
In the Republic of Ireland the Group is represented by a branch of Suzuki GB PLC.
This branch is located in the Republic of Ireland and imports and distributes Suzuki motor vehicles.

DISCLOSURE OF INFORMATION TO AUDITORS

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 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.

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.

BY ORDER OF THE BOARD



J Fernandez
Secretary
7th August 2017

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUZUKI GB PLC

We have audited the financial statements of Suzuki GB Plc for the year ended 31 March 2017 set out on pages 5 to 22. 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

Respective responsibilities of directors and auditor

As explained more fully in the 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2017 and of the group's 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 matters 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.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



David Neale (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
 One North Fourth Street
 Milton Keynes MK9 1NE

Date: **7** August 2017

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

		Year ended 31st March 2017	Year ended 31st March 2016
	<i>Notes</i>	£'000	£'000
Turnover	1	515,688	431,614
Cost of sales		<u>(460,396)</u>	<u>(377,468)</u>
Gross profit		55,292	54,146
Distribution costs		(44,708)	(40,067)
Administrative expenses		<u>(9,278)</u>	<u>(9,385)</u>
Operating profit	2	1,306	4,694
Share of associated undertaking's profit	8	6,746	4,927
Interest payable	4	(1,119)	(938)
Interest receivable	4	-	1
		<u>6,933</u>	<u>8,684</u>
Profit on ordinary activities before tax		6,933	8,684
Tax charge on profit on ordinary activities	5	(562)	(1,069)
Taxation on share of associated undertaking's profit	8	<u>(1,357)</u>	<u>(1,011)</u>
Profit for the financial year		<u>5,014</u>	<u>6,604</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME


	Year ended 31st March 2017	Year ended 31st March 2016
	£'000	£'000
Profit for the period	5,014	6,604
Exchange difference on retranslation of net assets of subsidiary undertaking	<u>(458)</u>	<u>323</u>
Total comprehensive income for the period	<u>4,556</u>	<u>6,927</u>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2017

		31st March 2017	31st March 2016
	Notes	£'000	£'000
Fixed assets:			
Intangible assets	6	1,480	1,498
Tangible assets	7	11,968	12,312
Investments - associated undertaking	8	<u>11,435</u>	<u>8,888</u>
		24,883	22,698
Current assets:			
Stocks	9	160,183	119,351
Debtors	10	44,017	30,044
Cash at bank and in hand		<u>590</u>	<u>1,883</u>
		204,790	151,278
Creditors: amounts falling due within one year	12	<u>(182,637)</u>	<u>(131,496)</u>
Net current assets		22,153	19,782
Total assets less current liabilities		47,036	42,480
		<u>47,036</u>	<u>42,480</u>
Net assets		<u>47,036</u>	<u>42,480</u>
Capital and reserves:			
Called up share capital	13	12,000	12,000
Profit and loss account		<u>35,036</u>	<u>30,480</u>
Shareholders' funds		<u>47,036</u>	<u>42,480</u>

Approved by the Board of Directors on 7th August 2017



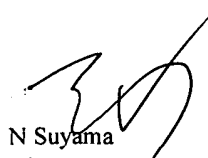
N Suyama
Director
Company Number : 00768587

The accompanying notes are an integral part of these consolidated financial statements.

BALANCE SHEET OF THE COMPANY AT 31 MARCH 2017

	Notes	31st March 2017 £'000	31st March 2016 £'000
Fixed assets:			
Intangible assets	6	1,480	1,498
Tangible assets	7	11,968	12,312
Investments	8	<u>5</u>	<u>5</u>
		13,453	13,815
Current assets:			
Stocks	9	160,183	119,351
Debtors	10	44,017	30,044
Cash at bank and in hand		<u>590</u>	<u>1,883</u>
		204,790	151,278
Creditors: amounts falling due within one year	12	<u>(182,637)</u>	<u>(131,496)</u>
Net current assets		22,153	19,782
Total assets less current liabilities		35,606	33,597
Net assets		<u>35,606</u>	<u>33,597</u>
Capital and reserves:			
Called up share capital	13	12,000	12,000
Profit and loss account		23,606	21,597
Shareholders' funds		<u>35,606</u>	<u>33,597</u>

Approved by the Board of Directors on 7th August 2017


 N Suyama
 Director
 Company Number : 00768587

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £'000	Profit and loss account £'000	Total Equity £'000
At 31st March 2015	12,000	23,553	35,553
Profit for the financial period	-	6,604	6,604
Exchange movements	-	323	323
	<hr/>	<hr/>	<hr/>
At 31st March 2016	12,000	30,480	42,480
Profit for the financial period	-	5,014	5,014
Exchange movements	-	(458)	(458)
	<hr/>	<hr/>	<hr/>
At 31st March 2017	12,000	35,036	47,036
	<hr/>	<hr/>	<hr/>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £'000	Profit and loss account £'000	Total Equity £'000
At 31st March 2015	12,000	23,120	35,120
Loss for the financial period	-	(4,377)	(4,377)
Dividend received from associate	-	2,768	2,768
Exchange movements	-	86	86
	<hr/>	<hr/>	<hr/>
At 31st March 2016	12,000	21,597	33,597
Loss for the financial period	-	(375)	(375)
Dividend received from associate	-	2,842	2,842
Exchange movements	-	(458)	(458)
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At 31st March 2017	12,000	23,606	35,606
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED CASH FLOW STATEMENT
FOR YEAR ENDED 31 MARCH 2017**

	31st March 2017 £'000	31st March 2016 £'000
Cash flows from operating activities		
Profit before tax	6,933	8,684
Adjustments for:		
Depreciation, amortisation and impairment	1,285	2,328
Foreign exchange gains	(474)	294
Interest receivable and similar income	-	(1)
Interest payable and similar charges	1,119	938
Loss on sale of fixed assets	137	-
	<u>9,000</u>	<u>12,243</u>
(Increase) / Decrease in trade and other receivables	(13,925)	1,288
(Increase) / Decrease in inventories	(40,832)	(36,057)
(Decrease) / Increase in trade and other payables	51,252	26,966
Cash from operations	<u>5,495</u>	<u>4,440</u>
Interest paid	(772)	(649)
Tax paid	(721)	(225)
Net cash from operating activities	<u>4,002</u>	<u>3,566</u>
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	117	169
Share of profit in associated undertaking	(6,746)	(4,927)
Interest received	-	1
Dividends received	2,842	2,768
Acquisition of fixed assets	(1,161)	(1,248)
Net cash from investing activities	<u>(4,948)</u>	<u>(3,237)</u>
Cash flows from financing activities		
Interest paid	(347)	(289)
Net cash from financing activities	<u>(347)</u>	<u>(289)</u>
Net increase in cash and cash equivalents	(1,293)	40
Cash and cash equivalents at 1 April	1,883	1,843
Cash and cash equivalents at 31 March	590	1,883

The accompanying notes are an integral part of these consolidated financial statements.

ACCOUNTING POLICIES

Suzuki GB PLC (the “Company”) is a company limited by shares and incorporated and domiciled in the UK, with a branch in the Republic of Ireland.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in and effective from September 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The financial statements are prepared on the historical cost basis with the exception of financial instruments which are stated at fair value through the Profit & Loss account.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its branch made up to 31st March 2017. The acquisition method of accounting has been adopted.

An associate is an undertaking in which the Group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. The Group’s share of the profits of its associate is included in the consolidated profit and loss account and its interest in its net assets, other than goodwill, is included in investments in the consolidated balance sheet. The associate has prepared audited financial statements for the 12 month period ended 31st December 2016, in accordance with its fiscal year end. The consolidated financial statements include the results of the associate up to 31st December 2016 as it is not practical to prepare audited financial statements co-terminus with that of the Group.

Under section 408(4) of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Cashflow Statement

The parent company has taken advantage of the exemption from preparing a cashflow statement contained in FRS102.1.12 (b) since it is a wholly owned subsidiary of Suzuki Motor Corporation whose accounts include the parent company and are publicly available (see note 15).

Turnover

Turnover represents the value of motor vehicles registered or otherwise adopted by the purchaser during the year and the invoiced amount of other goods to customers within the United Kingdom and Republic of Ireland, stated exclusive of VAT. Turnover is stated gross of sales bonuses. These sales bonuses are reflected within cost of sales.

Stocks

Stocks, which include motor cars on consignment to dealers, are stated at the lower of cost and net realisable value. Cost includes the purchase price plus the direct costs of importation and transport from the manufacturer. Amounts received relating to consignment stocks in advance of sales are classified as deferred income in the Balance Sheet since, in the normal course of business, they will not be refunded prior to recognition of the sales revenue in the financial statements.

ACCOUNTING POLICIES

(continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less tax.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currency translation

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings. The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Estimated useful lives are:

Buildings	25 years
Improvements to leasehold premises	Over the remaining period of the lease - straight line
Motor vehicles	5 years
Motor vehicles - Ireland branch	4 years
Plant and equipment	Fixtures and fittings 10 years
	All other plant and equipment 5 years

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

ACCOUNTING POLICIES**(continued)****Intangible Fixed Assets**

Intangible fixed assets, such as software development costs, are stated at cost less accumulated amortisation and accumulated impairment losses.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use over an estimated useful life of five years.

Basic financial instruments**Trade and other debtors / creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

ACCOUNTING POLICIES**(continued)****Other Financial Instruments - Cash Flow Hedges**

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, any gain or loss on the derivative financial instrument is recognised immediately in profit or loss.

Leasing

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the term of the lease.

Pension Costs

The company makes contributions on behalf of employees into a defined contribution plan.

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Related Party Transactions

As all of the company's voting rights are controlled within the Group headed by Suzuki Motor Corporation (see note 15), the company has taken advantage of the exemption contained in FRS102.33.1A and has therefore not disclosed transactions or balances with entities which form part of the Group.

Going Concern

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' Report. The Group is expected to continue to generate positive cash flows on its own account for the foreseeable future.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Group's financial position, the directors have a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future. The directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2017
1. Segmental analysis

The Group operates in one area of activity, being the importation and distribution of motorised products. It sells to third parties within one geographical market, the United Kingdom and Republic of Ireland. The business is segmented for management purposes into three classes, however in the opinion of the Directors the disclosure of any segmented information would be seriously prejudicial to the interests of the Group.

2. Operating profit / loss

	Year ended 31st March 2017 £'000	Year ended 31st March 2016 £'000
Operating profit is stated after charging:		
Auditors fees		
- audit of these financial statements	75	82
- audit of financial statements of subsidiary	-	16
- services relating to taxation	10	14
Depreciation charge for the period	807	1,460
Amortisation charge for the period	478	868
Loss on disposal of fixed assets	137	-
Rentals on operating leases:		
- Land and buildings	108	31
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3. Directors' and employees' emoluments

The remuneration of the Directors was paid by the parent company for which the Company was recharged £218,858 (2016: £188,300).

The average number of employees for the Group during the period engaged in the following activities was:

	Year ended 31st March 2017 No.	Year ended 31st March 2016 No.
Sales and distribution	119	115
Administration and finance (including 1 Director)	23	24
Warehouse	21	21
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	163	160
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NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2017
(continued)

3. Directors' and employees' emoluments (continued)

Staff costs during the period for the Group, which include Directors' emoluments, are analysed as follows:

	Year ended 31st March 2017 £'000	Year ended 31st March 2016 £'000
Salaries	8,194	7,656
Social security costs	849	810
Pension costs	380	408
	<u>9,423</u>	<u>8,874</u>

4. Interest payable and receivable

	Year ended 31st March 2017 £'000	Year ended 31st March 2016 £'000
Interest payable:		
Bank	347	289
Associated undertaking	758	649
Parent	13	-
Corporation Tax	1	-
	<u>1,119</u>	<u>938</u>

	Year ended 31st March 2017 £'000	Year ended 31st March 2016 £'000
Interest receivable:		
Bank	-	1
	<u>-</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2017
(continued)

5. Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	Year ended 31st March 2017 £'000	Year ended 31st March 2016 £'000
UK Corporation Tax		
UK Corporation Tax on profits for the period	580	712
Adjustments in respect of previous periods	30	9
Irish Corporation Tax		
Irish Corporation Tax on profits for the period	-	-
Total Current Year Tax Charge	610	721
Deferred Taxation		
UK Deferred Tax (credit) / charge current year movement	(19)	303
UK Deferred Tax (credit) / charge prior year movement	(29)	45
Total Tax	562	1,069

	Year ended 31st March 2017			Year ended 31st March 2016		
	Current Tax £'000	Deferred Tax £'000	Total Tax £'000	Current Tax £'000	Deferred Tax £'000	Total Tax £'000
Recognised in profit and loss account	610	(48)	562	721	348	1,069
Recognised directly in equity	-	-	-	-	-	-
Total Tax	610	(48)	562	721	348	1,069

Reconciliation of tax charge

The tax assessed on the profit on ordinary activities for the period is higher (2016: higher), than the standard rate of Corporation Tax in the UK. The differences are explained below:

	Note	2017 £'000	2016 £'000
Profit on ordinary activities before tax		6,933	8,684
Exclude share of associated undertaking's profit	8	(6,746)	(4,927)
Profit before tax excluding associate undertaking		187	3,757
Current Tax at 20% (2016: 20%)		37	751
Effect of:			
Disallowable expenses and non-taxable income		523	109
Trading losses carried forward		-	77
Lower tax rates on Irish subsidiary earnings		-	43
Impact of rate change on current year deferred tax		2	63
Adj to tax charge in respect of prev. periods		-	26
Total tax charge included in profit & loss		562	1,069

Reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 8 July 2015. This will reduce the Company's future current tax charge accordingly. The deferred tax at 31 March 2017 has been calculated based on the rate which will be in force when the asset or liability crystallises.

NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2017
(continued)

6. Intangible fixed assets

<u>Group</u>	Software development £'000
Cost:	
At 31st March 2016	5,217
Additions	460
Disposals	(742)
At 31st March 2017	<u>4,935</u>
Amortisation:	
At 31st March 2016	3,719
Charge for the period	478
Disposals	(742)
At 31st March 2017	<u>3,455</u>
Net book value:	
At 31st March 2017	<u>1,480</u>
	<hr/>
At 31st March 2016	<u>1,498</u>
	<hr/>
<u>Company</u>	Software development £'000
Cost:	
At 31st March 2016	5,217
Additions	460
Disposals	(742)
At 31st March 2017	<u>4,935</u>
Amortisation:	
At 31st March 2016	3,719
Charge for the period	478
Disposals	(742)
At 31st March 2017	<u>3,455</u>
Net book value:	
At 31st March 2017	<u>1,480</u>
	<hr/>
At 31st March 2016	<u>1,498</u>
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2017
(continued)

7. Tangible fixed assets

<u>Group & Company</u>	<u>Improvements to leasehold premises £'000</u>	<u>Motor vehicles £'000</u>	<u>Plant and equipment £'000</u>	<u>Freehold land and buildings £'000</u>	<u>Total £'000</u>
Cost:					
At 31st March 2016	334	288	5,568	14,786	20,976
Additions	-	198	503	-	701
Exchange adjustment	21	9	28	-	58
Disposals	(355)	(142)	(857)	(3)	(1,357)
At 31st March 2017	-	353	5,242	14,783	20,378
Depreciation:					
At 31st March 2016	196	168	4,353	3,947	8,664
Charge for the period	11	46	380	370	807
Exchange adjustment	12	1	29	-	42
Disposals	(219)	(46)	(837)	(1)	(1,103)
At 31st March 2017	-	169	3,925	4,316	8,410
Net book value:					
At 31st March 2017	-	184	1,317	10,467	11,968
At 31st March 2016	138	120	1,215	10,839	12,312

NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2017
(continued)

8. Fixed asset investments

Group

Associated undertaking

The investment represents 100% of the issued ordinary B share capital of Suzuki Financial Services Limited. These rank pari passu with the ordinary A share capital except the A shares carry the right to appoint the Chairman and Secretary. The total investment represents 49% of the total issued share capital. Suzuki Financial Services Limited is registered in England and Wales. Registered address, St William House, Tresillian Terrace, Cardiff, CF10 5BH.

The principal activity of the company is the provision of instalment credit finance and loans and advances principally for new and used Suzuki vehicles. Black Horse Group Limited owns 51% of the issued share capital. Shares in the associated undertaking are unlisted.

	<i>Cost</i>	<i>Group's share of results</i>	<i>Total</i>
	£'000	£'000	£'000
At 31st March 2016	5	8,883	8,888
Dividends Distributed	-	(2,842)	(2,842)
Share of associated undertaking's			
Profit before taxation	-	6,746	6,746
Taxation	-	(1,357)	(1,357)
Investment in Suzuki Europe S.A.	-	-	-
At 31st March 2017	5	11,430	11,435
		31st March 2017	31st March 2016
		£'000	£'000
Fixed assets		-	-
Current assets			
Amounts falling due within one year		78,458	59,241
Amounts falling due after more than one year		120,674	82,487
Share of gross assets		199,132	141,728
Liabilities due within one year		187,696	132,840
Share of gross liabilities		187,696	132,840
Share of net assets		11,436	8,888
		Year ended 31st March 2017	Year ended 31st March 2016
		£'000	£'000
Share of turnover		13,435	9,659
Share of profit before interest and taxation		9,868	7,243
Share of interest payable		3,122	2,316
Share of profit before taxation		6,746	4,927
Share of profit after taxation		5,389	3,916

NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2017
(continued)

8. Fixed asset investments (continued)

Company

	<i>Associated undertaking £'000</i>	<i>Total £'000</i>
Cost:		
At 1st April 2016 and at 31st March 2017	5	5

Investments in the year for Associated Undertakings consisted of a 0.01% share in Suzuki Europe S.A. Shares in the subsidiary undertaking are unlisted and the investment is stated at cost.

See above for details of the associated undertaking.

9. Stocks

	<i>Group 31st March 2017 £'000</i>	<i>Company 31st March 2017 £'000</i>	<i>Group 31st March 2016 £'000</i>	<i>Company 31st March 2016 £'000</i>
Finished goods and goods for resale	160,183	160,183	119,351	119,351

Included within the group and company stock balance is £25.3m of consigned stock (March 2016: £28.0m)

10. Debtors

	<i>Group 31st March 2017 £'000</i>	<i>Company 31st March 2017 £'000</i>	<i>Group 31st March 2016 £'000</i>	<i>Company 31st March 2016 £'000</i>
Trade debtors	17,591	17,591	11,523	11,523
Amounts due from associate	20,318	20,318	14,216	14,216
Other debtors	3,942	3,942	3,138	3,138
Deferred tax asset	316	316	268	268
Prepayments	1,850	1,850	899	899
	44,017	44,017	30,044	30,044

NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2017
(continued)

11. Deferred tax asset

	£'000
Balance as at 31st March 2016	268
Credit to profit and loss account	48
	<hr/>
Balance as at 31st March 2017	316
	<hr/>

The elements of deferred taxation are as follows:

	Group 31st March 2017 £'000	Company 31st March 2017 £'000	Group 31st March 2016 £'000	Company 31st March 2016 £'000
Accelerated capital allowances	278	278	239	239
Other timing differences	38	38	29	29
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax asset	316	316	268	268
	<hr/>	<hr/>	<hr/>	<hr/>

12. Creditors: amounts falling due within one year

	Group 31st March 2017 £'000	Company 31st March 2017 £'000	Group 31st March 2016 £'000	Company 31st March 2016 £'000
Bank loans and overdrafts	30,800	30,800	34,500	34,500
Trade creditors - parent undertaking	68,670	68,670	16,135	16,135
- other Group undertakings	392	392	752	752
- third parties	9,528	9,528	17,938	17,938
Taxes and social security costs	21,320	21,320	14,907	14,907
Corporation Tax payable	610	610	721	721
Other creditors	9	9	158	158
Accruals and deferred income	26,032	26,033	18,383	18,383
Deferred income - associated undertaking	25,276	25,276	28,002	28,002
	<hr/>	<hr/>	<hr/>	<hr/>
	182,637	182,637	131,496	131,496
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2017
(continued)

13. Called-up share capital

	Issued, allotted and fully paid 31st March 2017 £'000	Issued, allotted and fully paid 31st March 2016 £'000
12,000,000 Ordinary shares of £1 each	<u>12,000</u>	<u>12,000</u>

14. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 31st March 2017 £'000	Company 31st March 2017 £'000	Group 31st March 2016 £'000	Company 31st March 2016 £'000
Leases which expire:				
Less than one year	2	2	36	36
Between one and five years	-	-	161	161
More than five years	<u>-</u>	<u>-</u>	<u>322</u>	<u>322</u>
	<u>2</u>	<u>2</u>	<u>519</u>	<u>519</u>

During the year £107,882 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £30,754).

15. Ultimate parent undertaking

At 31st March 2017 the Group's ultimate parent undertaking was Suzuki Motor Corporation ("SMC"), a company incorporated in Japan. SMC is the largest and the smallest group in which the Group's results are disclosed.

Copies of the consolidated financial statements of SMC are available from Suzuki Motor Corporation of Japan, 300 Takatsuka-cho, Minami-ku, Hamamatsu City, Japan.

16. Ultimate controlling party

The ultimate controlling party is considered to be Suzuki Motor Corporation by virtue of its shareholding.