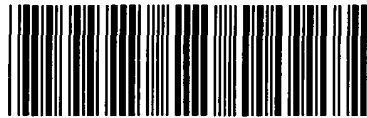


Strategic Report,
Report of the Directors and
Audited Financial Statements
for the Year Ended 31 March 2022
for
Toyota (G.B.) PLC

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for the Year Ended 31 March 2022

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**Company Information
for the Year Ended 31 March 2022**

DIRECTORS: M P Harrison
A R Martin

SECRETARY: D P Morris

REGISTERED OFFICE: Great Burgh
Burgh Heath
Epsom
Surrey
KT18 5UX

REGISTERED NUMBER: 00916634 (England and Wales)

SENIOR STATUTORY AUDITOR: Richard French

INDEPENDENT AUDITORS: PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

BANKERS: HSBC Bank PLC
8 Canada Square
London
E14 5HQ

Strategic Report
for the Year Ended 31 March 2022

The directors present their strategic report for the year ended 31 March 2022.

REVIEW OF BUSINESS

- Principal Activities

The principal activities of the company in the year under review were that of distributing and selling Toyota and Lexus motor vehicles and related parts and accessories through its UK franchised network.

- Business Strategy

The company's strategy is to support Toyota Motor Corporation's objective of profitable volume growth together with being committed to reducing the environmental impact resulting from operations and products.

- Key Performance Indicators

KPI	2022	2021	Change
			+20,667 units or 18.6%
New car volume (financial year)	131,886	111,219	
UK Market share (calendar year, Toyota and Lexus).	6.4%	5.9%	+ 0.5%
Revenue	£2,906m	£2,249m	+£657m or +29.2%
Operating profit margin	0.46%	0.60%	-0.14%

The automotive market as a whole continued to be impacted by COVID-19 restrictions during the calendar year 2021 and this was compounded by issues in the supply chain of raw materials, most notably semi-conductors. The overall market volume recovered slightly, increasing by 4.1% to just over 2m vehicles, from 1.92m in the significantly impacted 2020. The retail market grew by 9.4%, offset by a small decline in fleet of -0.1%; the premium market, in which Lexus operates, declined slightly by 0.5%. Calendar year 2022 continues to be impacted by supply constraints resulting in a 5.8% reduction in the overall market relative to 2021 for March year-to-date volume (0.49m volume against 0.52m).

Against this market background, the company increased its market share by 0.5% to 6.4% for the calendar year 2021, with this growth continuing in the period to March 2022, with a further increase in market share of 0.6% to 7.0%. This growth came from continued demand for our hybrid product with the overall market for Alternatively Fuelled Vehicles (AFVs) now representing over 23% of the calendar year 2021 total market (2020: 15%). AFVs continue to grow in the overall market with the company's passenger car mix (excluding light commercial vehicles) increasing from 78.7% to 83.9% of new vehicle sales in the financial year. During the year, Toyota launched the new Yaris Cross into the B-SUV segment and introduced plug-in powertrains on RAV 4 and NX, as well as electric powertrains on Proace and Proace City commercial vehicles.

Revenue increased on prior year as a result of the increase in volume and pricing whilst operating profit margin decreased slightly as a result of price protection actions.

The company's overall financial position strengthened slightly as a result of the profit in the year and actuarial gains on the pension scheme, offset by dividends paid in the year. There was a significant decrease in the level of stock held due to supply constraints, which in turn had the effect of reducing debtors and intercompany borrowings relative to March 2021 (which was also more affected by COVID restrictions during the preceding months). The company retains significant available funding facilities agreed with its parent company, Toyota Motor Europe NV/SA.

PRINCIPAL RISKS AND UNCERTAINTIES

Vehicle supply and logistics

The company is reliant upon a consistent supply of quality Toyota and Lexus vehicles in order to meet its customers' demands for new vehicles. The company works closely with the wider group's supply team, together with its UK logistics partners, to ensure this occurs. As with the whole automotive market, the company has been impacted by the supply shortage of semi-conductors which has reduced the volume of potential sales in the year.

Cyber security

As with most organisations, the company is subject to potential cyber threats, for example, unlawful attempts to gain access to its proprietary or customer data information. The company has various tools and techniques in place to monitor and mitigate these risks as failure to do so could negatively impact the company's reputation among its customers and cause disruption to its business operations. There were no significant issues noted in this regard throughout the year up to and including the date of approving the financial statements.

UK Vehicle Market and Economic Factors

The company's new car volume is reliant in part upon the overall health of the UK car market, which the company monitors closely together with other economic factors which may influence the overall demand for new cars in the UK. The current economic conditions of high inflation and high fuel costs may impact household's disposable income.

Climate risk

As part of the UK Government's Net Zero ambition, it has announced the intention to end the sale of all petrol and diesel powered vehicles from 2030, and furthermore all new vehicles being zero emission by 2035. Whilst there remains the need for further clarity from the Government on how it plans to achieve its ambitions, for example the issue of infrastructure, the company considers it is in a good position to meet these ambitions, given its already high proportion of AFVs and future production plans.

The Competition and Markets Authority (CMA) launched an investigation on 15 March 2022, into the recycling of End-of-Life Vehicles relating to suspected infringements of Chapter I of the Competition Act 1998 involving a number of vehicle manufacturers and some industry bodies. The investigation is in its initial phase of evidence gathering and the company is fully cooperating with the CMA's requests.

SECTION 172(1) STATEMENT

The directors are aware of their obligations to have regard to the matters set out in section 172(1) (a) to (f) when performing their duty under section 172. The matters set out in section 172(1) (a) to (f) are:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly between members of the company.

The directors have identified the company's key stakeholders and these disclosures are included within the Report of the Directors. The directors consider there were no key Board decisions made in the year which require disclosure.

Strategic Report
for the Year Ended 31 March 2022

FUTURE DEVELOPMENTS

We consider there will be upturn in the overall automotive market compared to 2021 levels, as supply constraints are forecast to ease in the latter half of the calendar year.

Next year sees the introduction of a number of new vehicles and powertrains, with Aygo X into the A segment, bZ4X Toyota's first all-electric passenger car and a plug-in derivative of the Lexus RX, as well as the Toyota GR86.

The company expects to continue to explore different routes to market, from the expansion of its on-line retail offering to supporting different mobility solutions through the wider group's Kinto brand.

BY ORDER OF THE BOARD:



D P Morris - Secretary

23 June 2022

Report of the Directors
for the Year Ended 31 March 2022

The directors present their report with the audited financial statements of the company for the year ended 31 March 2022.

DIVIDENDS

The profit for the financial year amounts to £3.16m (2021: £1.58m). The directors propose a final dividend of £1.58m, representing 60.71p per share (2021: £0.79m, 30.38p per share). Dividends paid in the year were £0.79m (2021: £1.45m).

FUTURE DEVELOPMENTS

Disclosures regarding future developments have been included in the Strategic Report.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

M P Harrison
A R Martin

FINANCIAL RISK MANAGEMENT

The company's financial instruments comprise cash, loans at variable rates of borrowing, and other items such as trade debtors and creditors that arise directly from its operations. It does not hold any derivative instruments.

- Credit risk

The company uses external ratings to assess the credit quality of new and existing trading partners. Individual credit limits are set and regularly monitored by management. Any external cash balances are only held with high rated financial institutions.

- Liquidity risk

The company manages its liquidity risk through the use of inter-company and external short-term borrowing facilities as and when required and with any surplus cash being put on deposit with variable maturity dates.

- Interest rate risk

The company is exposed to interest rate risk as its borrowing facilities are at floating rates due to the current low rates of interest. The Board continue to monitor this exposure on an ongoing basis.

EMPLOYMENT OF DISABLED PERSONS

In considering applications for employment from disabled persons, the company's policy is to give them full and fair consideration dependent upon the abilities and aptitudes of the applicant against the requirements of the job for which they have applied. Employees who, through disability, are unable to perform the duties for which they were employed may be considered for alternative work, including retraining, if necessary, subject to the nature, severity and duration of their disability.

Training, career development and opportunities are available to all employees on the basis of individual aptitude and ability.

GOING CONCERN

The directors have prepared a cash flow forecast showing that the company can operate within its existing committed funding facilities, including incorporating sensitivity analysis based on a reduction in trading volume. These forecasts are supported by the continued financial support of the immediate parent company, Toyota Motor Europe NV/SA, for a period of at least one year after approval of the financial statements, for which the directors have received written confirmation. Based on these factors, the directors believe that preparing the financial statements on the going concern basis is appropriate.

Report of the Directors
for the Year Ended 31 March 2022

STAKEHOLDER ENGAGEMENT

Employee engagement - the directors engage with all its employees to achieve a common awareness in relation to the financial, economic and other factors that affect the company's performance. They do this through a variety of means, including monthly updates on the company's intranet and full quarterly staff briefings at which employees are encouraged to participate. Feedback is obtained from employees through annual engagement surveys, with the company being recognised as having 'extraordinary' levels of workplace engagement by 'The Sunday Times Best Companies to work for in the UK'. Consultation with employees or their representatives has continued at all levels, including through the established employee forum, with the aim of ensuring that their views are taken in account when decisions are made that are likely to affect their interests.

Wider stakeholder engagement - in addition to the company's employees, the directors have regard to the need to foster the company's business relationships with suppliers, customers and other stakeholders. They have identified the company's key stakeholders, the strategic matters that affect them and the engagement activities undertaken with each. Examples of this include: implementing a standard supplier on-boarding process together with regular supplier visits; establishing customer communities, to gather their feedback in addition to the usual customer surveys; and multiple committees and working groups with our National Franchised Dealer Network partners, covering all aspects of the company's current and future operations. As a wholly-owned subsidiary, we have continual communication with our parent company on all aspects of our activities.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

As part of our annual planning & budgeting process, resources are routinely committed to energy efficiency measures in support of our organisational environmental objectives, which contribute to the Toyota global goals of the Toyota Environmental Challenge 2050. An energy management audit was undertaken this year to identify the most effective measures for future investment, resulting in a new Building Management System which will optimise efficiency of the lighting, heating and ventilation systems. Energy used across all areas has increased relative to the heavily COVID restricted 2021 as expected, as the business returned to more normal operations in 2022, although some of the good practices put in place during the restrictions have been continued, for example getting the right balance of physical and virtual meetings, as can be seen by the reduction in the intensity metric.

The company's SECR metrics are:

	Energy Used	2022 kWh	tCO2e	2021 kWh	tCO2e
Scope 1	Gas	2,548,105	470	2,434,478	448
	Transport	677,363	157	698,292	162
Scope 2	Electricity	1,714,803	364	1,476,069	344
Total		4,940,271	991	4,608,839	954
Intensity Metric	tCO2e / £m Revenue		0.341		0.424

Data Methodology:

Gas and Electricity - data includes the company's Head Office (calculated from on-site kWh metering) and our Academy Training Facility Site at Toyota Manufacturing (TMUK) in Burnaston (kWh data provided by TMUK). Consumption is converted using Government kgCO2e 2021 Conversion Factors. The data excludes the proportion of energy used by Toyota Financial Services (UK) PLC based on floor space occupied at Head Office.

Transport data - vehicle mileage data for business travel and the company's internal fleets is multiplied by g/CO2 per vehicle and kgCh4 and kgN2O calculated from Government 2021 Conversion Factors to provide tCO2e and converted to kWh using factor rates of 0.2298 and 0.23686 (2021: 0.22092 and 0.24057) kgCO2 per kWh (for petrol and diesel respectively).

Report of the Directors
for the Year Ended 31 March 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Report of the Directors and Audited Financial Statements (the "Annual Report") in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

In the case of each director in office at the date the Report of the Directors is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

During the year the company had in force an indemnity provision in favour of the directors of Toyota (G.B.) PLC against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD:



D P Morris - Secretary

23 June 2022

Independent Auditors' Report to the Members of
Toyota (G.B.) PLC

Report on the audit of the financial statements

Opinion

In our opinion, Toyota (G.B.) PLC's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Report of the Directors and Audited Financial Statements (the "Annual Report"), which comprise: statement of financial position as at 31 March 2022; the income statement, statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent Auditors' Report to the Members of
Toyota (G.B.) PLC

With respect to the Strategic report and the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Report of the Directors for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment laws, health and safety standards, data protection regulations, and directive on end of life vehicles (ELV) 2000, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, accounting standards, and local tax regulations. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase reported revenue, and application of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of the Directors, management, and the legal counsel to identify any instances of non-compliance with laws and regulations, including consideration of known or suspected instances of fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business. In particular any journal entries posted with unusual account combinations, unusual words or those posted by senior management;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Challenging assumptions and judgements made by management in determining significant accounting estimates.

Independent Auditors' Report to the Members of
Toyota (G.B.) PLC

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Richard French (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Date: 23 June 2022

**Income Statement
for the Year Ended 31 March 2022**

	Notes	2022 £'000	2021 £'000
REVENUE	4	2,906,184	2,249,400
Cost of sales		(2,760,710)	(2,127,424)
GROSS PROFIT		145,474	121,976
Distribution costs		(73,264)	(59,427)
Administrative expenses		(59,405)	(49,570)
		12,805	12,979
Other operating income	5	433	419
OPERATING PROFIT		13,238	13,398
Finance income	7	641	645
Other finance income	24	555	338
		14,434	14,381
Finance costs	8	(9,958)	(10,992)
PROFIT BEFORE TAXATION	9	4,476	3,389
Tax on profit	10	(1,319)	(1,808)
PROFIT FOR THE FINANCIAL YEAR		3,157	1,581

The notes form part of these financial statements

Statement of Comprehensive
Income
for the Year Ended 31 March 2022

	2022 £'000	2021 £'000
PROFIT FOR THE YEAR	3,157	1,581
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
Actuarial Gain recognised	3,562	611
Income tax relating to items that will not be reclassified to profit or loss	<u>(2,473)</u>	<u>(116)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>1,089</u>	<u>495</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>4,246</u></u>	<u><u>2,076</u></u>

The notes form part of these financial statements

Statement of Financial Position
31 March 2022

	Notes	2022 £'000	2021 £'000
FIXED ASSETS			
Owned			
Intangible assets	12	7,400	6,845
Tangible assets	13	33,317	34,707
Right-of-use			
Tangible assets	13, 20	885	1,013
Investments	14	-	-
		<u>41,602</u>	<u>42,565</u>
CURRENT ASSETS			
Stocks	15	399,853	716,490
Debtors	16	182,038	286,830
Cash at bank and in hand		46,170	49,549
		<u>628,061</u>	<u>1,052,869</u>
CREDITORS			
Amounts falling due within one year	17	(658,762)	(1,083,052)
NET CURRENT LIABILITIES		<u>(30,701)</u>	<u>(30,183)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,901	12,382
CREDITORS			
Amounts falling due after more than one year	18	(9,106)	(13,267)
PROVISIONS FOR LIABILITIES	21	(9,148)	(5,807)
PENSION ASSET	24	29,934	25,817
NET ASSETS		<u>22,581</u>	<u>19,125</u>
CAPITAL AND RESERVES			
Called up share capital	22	2,600	2,600
Share premium account	23	3,881	3,881
Capital contribution reserve	23	31	31
Retained earnings	23	16,069	12,613
SHAREHOLDERS' FUNDS		<u>22,581</u>	<u>19,125</u>

The financial statements on pages 11 to 34 were approved by the Board of Directors and authorised for issue on 23 June 2022 and were signed on its behalf by:



A R Martin - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 March 2022

	Called up share capital £'000	Retained earnings £'000	Share premium account £'000	Capital contribution reserve £'000	Total equity £'000
Balance at 1 April 2020	2,600	11,987	3,881	31	18,499
Changes in equity					
Profit for the year	-	1,581	-	-	1,581
Other comprehensive income	-	495	-	-	495
Total comprehensive income	-	2,076	-	-	2,076
Dividends	-	(1,450)	-	-	(1,450)
Balance at 31 March 2021	2,600	12,613	3,881	31	19,125
Changes in equity					
Profit for the year	-	3,157	-	-	3,157
Other comprehensive income	-	1,089	-	-	1,089
Total comprehensive income	-	4,246	-	-	4,246
Dividends	-	(790)	-	-	(790)
Balance at 31 March 2022	2,600	16,069	3,881	31	22,581

The notes form part of these financial statements

1. GENERAL INFORMATION

Toyota (G.B.) PLC distributes and sells Toyota and Lexus motor vehicles and sells parts and accessories through its UK franchised network.

2. STATUTORY INFORMATION

Toyota (G.B.) PLC is a public limited company, limited by shares, registered and domiciled in the UK. The company's registered number is 00916634 and its registered office is Great Burgh, Burgh Heath, Epsom, Surrey, KT18 5UX, United Kingdom.

3. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006 as applicable to companies using FRS101. The financial statements have been prepared under the historical cost convention and are presented in British Pounds (£), which is the company's functional currency. The accounting policies applied in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Going Concern

The directors have prepared a cash flow forecast showing that the company can operate within its existing committed funding facilities, including incorporating sensitivity analysis based on a reduction in trading volume. These forecasts are supported by the continued financial support of the immediate parent company, Toyota Motor Europe NV/SA, for a period of at least one year after approval of the financial statements, for which the directors have received written confirmation. Based on these factors, the directors believe that preparing the financial statements on the going concern basis is appropriate.

Consolidation

The company is a wholly owned subsidiary of Toyota Motor Europe NV/SA and of its ultimate parent, Toyota Motor Corporation. It is included in the consolidated financial statements of Toyota Motor Corporation which are publically available. Therefore the company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

3. ACCOUNTING POLICIES - continued

Changes in accounting policies

New and amended standards adopted by the company

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2022 that have a material impact on the company's financial statements.

No accounting standards or interpretations effective in future periods have been early adopted by the Company.

Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied, stated net of incentives, discounts, returns and value added taxes. The company recognises revenue when performance obligations have been satisfied and for the company this is when the goods or services have transferred to the customer and the customer has control of these. The company's activities are described in detail below:

(a) Sale of motor vehicles

Revenue is recognised when control of the motor vehicles has transferred, which is deemed to be on transfer of the vehicle title to either the franchised network, financing house or customer. Revenue is recognised net of all incentives, discounts, rebates and returns. Where incentives involve further performance obligations (for example, free servicing), revenue is adjusted for the standalone value of the incentive which is then recognised as revenue as and when the subsequent performance obligations are satisfied. Rebates and returns are estimated based on accumulated experience, using the expected value method.

(b) Sale of motor vehicles with a buy-back agreement

Revenue is recognised on the basis of the difference between selling price and the anticipated buy-back price on a linear rate over the term of the agreement.

(c) Sale of parts

Revenue is recognised on delivery of parts to the franchised network. Revenue is recognised net of all incentives, discounts, rebates and returns. Rebates and returns are estimated based on accumulated experience, using the expected value method.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Freehold land & buildings	- 2% on cost
Short leasehold	- Over shorter of useful economic life and the lease term
Plant and machinery	- 40% on cost (computer upgrades)
	- 25% on cost (computer equipment)
	- 20% on cost (plant and machinery)
Fixtures and fittings	- 20% on cost

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the income statement.

All repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Intangible fixed assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design, upgrading and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

Impairment of non-financial assets

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are 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 or 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 costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Stocks

Stocks are stated at the lower of cost and net realisable value. The method used to determine cost is actual unit cost in respect of vehicles and computers and on the first in first out basis in respect of parts stock. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

3. ACCOUNTING POLICIES - continued

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income 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 income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

3. ACCOUNTING POLICIES - continued

Leases

The Company as a lessee

The Company considers whether a contract is or contains a lease.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

The Company as a lessor

As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

3. ACCOUNTING POLICIES - continued

Employee benefits

The company operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

Pension obligations

The company operated a defined benefit pension scheme. Triennial valuations of the scheme are carried out with interim reviews in the intervening years. For the purposes of these annual updates, scheme assets are included at market value and scheme liabilities are measured on an actuarial basis using the projected unit method; these liabilities are discounted at the current rate of return on a high quality corporate bond of equivalent currency and term.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the year less the fair value of plan assets. The defined benefit obligation is updated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to shareholders' funds in other comprehensive income in the year in which they arise.

The amount charged or credited to finance costs is a net interest amount calculated by applying the liability discount rate to the net defined benefit liability or asset.

Past-service costs are recognised immediately in the income statement.

On 1 January 2008 the Company closed its defined benefit scheme to all new employees who are now offered entry into a defined contribution pension scheme. The Company and defined benefit scheme members agreed, on the 11th December 2020, to close the defined benefits scheme to future accrual with effect from 5th April 2021.

Company contributions into the defined contribution scheme are recognised as an expense when they are due.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

3. ACCOUNTING POLICIES - continued

Debtors

Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Impairment are calculated using the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Cash at bank and cash in hand

Cash and cash equivalents includes cash in hand and deposits held at call. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Share capital

Ordinary shares are classified as equity.

Creditors

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Provisions

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

3. ACCOUNTING POLICIES - continued**Interest income**

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. No judgements or estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Other judgements and estimates are as follows:

(a) Inventory provisioning

The company holds significant inventory of both new and used vehicles, as a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

(b) Impairment of trade debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

(c) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

4. REVENUE

An analysis of revenue by geographical market is given below:

	2022 £'000	2021 £'000
United Kingdom	2,884,451	2,246,116
Europe	17,967	1,928
Rest of the world	3,766	1,356
	<u>2,906,184</u>	<u>2,249,400</u>

5. OTHER OPERATING INCOME

	2022 £'000	2021 £'000
Rents received	405	343
Exchange gains	28	76
	<u>433</u>	<u>419</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

6. EMPLOYEES AND DIRECTORS

	2022	2021
	£'000	£'000
Wages and salaries	18,827	17,282
Social Security costs	2,326	2,044
Other pension costs	4,919	(985)
	<u>26,072</u>	<u>18,341</u>

Other pension costs include a curtailment gain of £nil (2021: £7,339,000) relating to the closure of the defined benefit pension scheme to future accrual (see note 24).

The average number of employees during the year was as follows:

	2022	2021
Selling and distribution	177	181
Administration	72	79
	<u>249</u>	<u>260</u>

	2022	2021
	£	£
Directors' remuneration	496,823	626,557
Directors' pension contributions to money purchase schemes	68,553	29,186

The number of directors to whom retirement benefits were accruing was as follows:

	2022	2021
Money purchase schemes	<u>1</u>	<u>1</u>

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	496,823	421,416
Pension contributions to money purchase schemes	68,553	22,631

There is only one director remunerated by the company, the remaining director is remunerated by other group companies. As it is not possible to make an accurate apportionment of the remaining directors' emoluments, the above details include no emoluments for the remaining director and there is no charge made to the company for their services.

7. FINANCE INCOME

	2022	2021
	£'000	£'000
Other interest	474	469
Interest Income on Finance Leases	167	176
	<u>641</u>	<u>645</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

8. FINANCE COSTS

	2022	2021
	£'000	£'000
Other interest	313	394
Parent company interest	1,516	2,896
Stocking Interest	7,934	7,495
Interest Expense on Finance Lease	195	207
	<u>9,958</u>	<u>10,992</u>

9. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

	2022	2021
	£'000	£'000
Cost of inventories recognised as expense	2,760,710	2,127,424
Depreciation - owned assets	1,551	1,654
Depreciation - assets on finance leases	128	128
Computer software amortisation	1,906	1,621
Auditors' remuneration - fee payable for audit	130	119
- Taxation advisory services	20	18
- Other non- audit services	-	94
Foreign exchange differences	13	8
Other operating leases	<u>38</u>	<u>23</u>

10. TAXATION**Analysis of tax expense**

	2022	2021
	£'000	£'000
Current tax:		
Current Year Tax	404	(182)
Prior Year Tax	47	823
Total current tax	<u>451</u>	<u>641</u>
Deferred tax relating to origination and reversal of timing differences	<u>868</u>	<u>1,167</u>
Total tax expense in income statement	<u>1,319</u>	<u>1,808</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

10. TAXATION - continued**Factors affecting the tax expense**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £'000	2021 £'000
Profit before income tax	4,476	3,389
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	851	644
Effects of:		
Expenses not deductible for tax purposes	98	120
Accelerated capital allowances	(440)	164
Other timing differences	363	57
Prior Year tax	47	823
Deferred tax - rate change effect	400	-
Tax expense	1,319	1,808

Tax effects relating to effects of other comprehensive income

	2022 Gross £'000	Tax £'000	Net £'000
Actuarial Gain recognised	3,562	(677)	2,884
Deferred Tax effect of rate change	-	(1,796)	(1,795)
	3,562	(2,473)	1,089

	2021 Gross £'000	Tax £'000	Net £'000
Actuarial Gain recognised	611	(116)	495

Factors affecting current future tax charges

On 3 March 2021 it was announced that the UK's main rate of corporation tax is due to increase from 19% to 25% from 1 April 2023; this was enacted as part of the Finance Bill 2021 (on 24 May 2021). Deferred taxes at the balance sheet date have been measured using the enacted rate and reflected in these financial statements.

11. DIVIDENDS

	2022 £'000	2021 £'000
Ordinary shares of £1 each		
Final	790	1,450

The directors propose a final dividend of £1,578,500, representing 60.71p per share (2021: £790,000, 30.38p per share).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

12. INTANGIBLE ASSETS

	Computer software £'000
COST	
At 1 April 2021	13,110
Additions	2,461
Disposals	(2,402)
At 31 March 2022	<u>13,169</u>
AMORTISATION	
At 1 April 2021	6,265
Amortisation for year	1,906
Eliminated on disposal	(2,402)
At 31 March 2022	<u>5,769</u>
NET BOOK VALUE	
At 31 March 2022	<u><u>7,400</u></u>
At 31 March 2021	<u><u>6,845</u></u>

13. TANGIBLE FIXED ASSETS

	Freehold land & buildings £'000	Short leasehold £'000	Plant and machinery £'000	Fixtures and fittings £'000	Totals £'000
COST					
At 1 April 2021	44,042	3,324	2,579	2,652	52,597
Additions	-	-	156	5	161
Disposals	-	-	(230)	(56)	(286)
At 31 March 2022	<u>44,042</u>	<u>3,324</u>	<u>2,505</u>	<u>2,601</u>	<u>52,472</u>
DEPRECIATION					
At 1 April 2021	13,039	888	1,567	1,383	16,877
Charge for year	687	218	370	404	1,679
Eliminated on disposal	-	-	(230)	(56)	(286)
At 31 March 2022	<u>13,726</u>	<u>1,106</u>	<u>1,707</u>	<u>1,731</u>	<u>18,270</u>
NET BOOK VALUE					
At 31 March 2022	<u><u>30,316</u></u>	<u><u>2,218</u></u>	<u><u>798</u></u>	<u><u>870</u></u>	<u><u>34,202</u></u>
At 31 March 2021	<u><u>31,003</u></u>	<u><u>2,436</u></u>	<u><u>1,012</u></u>	<u><u>1,269</u></u>	<u><u>35,720</u></u>

Included within short leasehold property is a right of use asset with a net book value of £885,348 (2021: £1,013,350). Depreciation charged in the year was £128,002 (2021: £128,002).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

14. INVESTMENTS**Fixed Asset Investments - Company**

	Shares in group undertakings £
COST	
At 1st April 2021	400
At 31st March 2022	400
NET BOOK VALUE	
At 31st March 2021	400
At 31st March 2022	400

Fixed Asset Investments

Undertaking	Class of share	Holding	Nature of Business
TGB Vehicle Contracts Limited	Ordinary	100%	Dormant
TGB Insurance Services Limited	Ordinary	100%	Dormant
Toyota Services Limited	Ordinary	100%	Dormant
Lexus (GB) Limited	Ordinary	100%	Dormant

All undertakings are incorporated in the United Kingdom and have a registered office of Great Burgh, Burgh Heath, Epsom, Surrey KT18 5UX. TGB Computer Services Limited changed its name to Toyota Services Limited on 25 March 2022 and will recommence trading from 1 April 2022 providing services to the Toyota and Lexus networks.

15. STOCKS

	2022 £'000	2021 £'000
Motor Vehicles	399,853	716,490

The replacement cost of the above stocks are not materially different to that shown. There was a write down of £1,717,493 (2021: £2,044,200) included within cost of sales.

16. DEBTORS

	2022 £'000	2021 £'000
<i>Amounts falling due within one year:</i>		
Trade debtors	89,981	143,656
Amounts owed by group undertakings	46,660	56,241
Amounts receivable in respect of finance leases	178	168
Other debtors	41,009	42,826
Corporation Tax	136	182
VAT	-	38,394
Prepayments and accrued income	1,438	2,549
	179,402	284,016

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

16. DEBTORS - continued

	2022 £'000	2021 £'000
Amounts falling due after more than one year:		
Amounts receivable in respect of finance leases	<u>2,636</u>	<u>2,814</u>
Aggregate amounts	<u>182,038</u>	<u>286,830</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Intercompany Borrowings (see note 19)	57,126	427,929
Leases (see note 19)	304	290
Other creditors	72,540	158,929
Trade creditors	367,519	337,209
Corporation Tax	404	1,304
Social security and other taxes	797	728
VAT	3,066	-
Accruals and deferred income	<u>157,006</u>	<u>156,663</u>
	<u>658,762</u>	<u>1,083,052</u>

Included within trade creditors and accruals are trading balances due to other Toyota group companies of: £384,869,849 (2021: £483,179,885).

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £'000	2021 £'000
Leases (see note 19)	3,455	3,759
Accruals and deferred income	<u>5,651</u>	<u>9,508</u>
	<u>9,106</u>	<u>13,267</u>

19. BORROWINGS

	2022 £'000	2021 £'000
Current:		
Intercompany borrowings	57,126	427,929
Leases (see note 20)	<u>304</u>	<u>290</u>
	<u>57,430</u>	<u>428,219</u>
Non-current:		
Leases (see note 20)	<u>3,455</u>	<u>3,759</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

19. BORROWINGS - continued

Terms and debt repayment schedule

	1 year or less £'000	1-2 years £'000	2-5 years £'000	More than 5 years £'000	Totals £'000
Intercompany borrowings	57,126	-	-	-	57,126
Leases	304	318	1,044	2,093	3,759
	<u>57,430</u>	<u>318</u>	<u>1,044</u>	<u>2,093</u>	<u>60,885</u>

At 31st March 2022 the company had unsecured inter company short term borrowings of £57,125,626 at 1.50% repayable on demand (2021: £427,929,129 at 0.71% repayable on demand).

20. LEASING

Right-of-use assets

Tangible fixed assets

	2022 £'000	2021 £'000
COST		
At 1 April 2021	<u>1,525</u>	<u>1,525</u>
DEPRECIATION		
At 1 April 2021	512	384
Charge for year	<u>128</u>	<u>128</u>
	<u>640</u>	<u>512</u>
NET BOOK VALUE	<u>885</u>	<u>1,013</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

20. LEASING - continued**Lease liabilities**

Minimum lease payments fall due as follows:

	2022 £'000	2021 £'000
Gross obligations repayable:		
Within one year	485	485
Between one and five years	1,940	1,940
In more than five years	2,465	2,950
	<u>4,890</u>	<u>5,375</u>
Finance charges repayable:		
Within one year	181	195
Between one and five years	578	638
In more than five years	372	493
	<u>1,131</u>	<u>1,326</u>
Net obligations repayable:		
Within one year	304	290
Between one and five years	1,362	1,302
In more than five years	2,093	2,457
	<u>3,759</u>	<u>4,049</u>

Lease receivables

Minimum lease receivables fall due as follows:

	2022 £'000	2021 £'000
Gross obligation receivable:		
Within one year	335	335
Between two and five years	1,340	1,340
In more than five years	2,178	2,513
	<u>3,853</u>	<u>4,188</u>
Finance income receivable:	<u>1,039</u>	<u>1,206</u>
Net obligation receivable:		
Within one year	178	168
Between two and five years	823	777
In more than five years	1,813	2,037
	<u>2,814</u>	<u>2,982</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

21. PROVISIONS FOR LIABILITIES

	Deferred Tax relating to:		
	Post - employment benefits £'000	Accelerated capital allowances £'000	Total £'000
Balance at 1 April 2020	3,803	721	4,524
Charged to the income statement	986	181	1,167
Charged to other comprehensive income	116	-	116
Balance at 31 March 2021	4,905	902	5,807
Charged to the income statement	105	763	868
Charged to other comprehensive income	2,473	-	2,473
Balance at 31 March 2022	7,483	1,665	9,148

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	2022 £'000	2021 £'000
Number:	Class:			
2,600,002	Ordinary		2,600	2,600

23. RESERVES

	Retained earnings £'000	Share premium account £'000	Capital contribution reserve £'000	Totals £'000
At 1 April 2021	12,613	3,881	31	16,525
Profit for the year	3,157	-	-	3,157
Dividends	(790)	-	-	(790)
Other movements	1,089	-	-	1,089
At 31 March 2022	16,069	3,881	31	19,981

24. EMPLOYEE BENEFIT OBLIGATIONS

The company operated a defined benefit scheme in the UK until 11 December 2020 when it was agreed to close the scheme to future accrual with effect from 5 April 2021, resulting in a curtailment gain of £7,339,000 in prior year. A full actuarial valuation using the projected unit credit method was carried out at 31 March 2022 by a qualified actuary, independent of the scheme's sponsoring employer.

The company also offers a defined contribution scheme, company contributions in the year ended 31 March 2022 were £5,377,737 (2021: £723,334).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

24. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Present value of funded obligations	(293,967)	(301,044)
Fair value of plan assets	323,901	326,861
	<u>29,934</u>	<u>25,817</u>
Present value of unfunded obligations	-	-
Surplus	<u>29,934</u>	<u>25,817</u>
Net asset	<u>29,934</u>	<u>25,817</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Current service cost	-	5,631
Net interest from net defined benefit asset/liability	(555)	(338)
Past service cost	-	-
Expenses	114	458
Past service cost and gain from curtailments	-	(7,339)
	<u>(441)</u>	<u>(1,588)</u>
Actual return on plan assets	<u>6,675</u>	<u>45,742</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Opening defined benefit obligation	301,044	265,534
Current service cost	-	5,631
Contributions by scheme participants	-	52
Interest cost	6,369	5,784
Expenses	-	458
Actuarial losses/(gains)	(3,811)	39,009
Benefits paid	(9,635)	(8,085)
Curtailments	-	(7,339)
	<u>293,967</u>	<u>301,044</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

24. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Opening fair value of scheme assets	326,861	285,550
Contributions by employer	114	3,602
Contributions by scheme participants	-	52
Expenses	(114)	-
Expected return	6,924	6,122
Actuarial (losses)/gains	(249)	39,620
Benefits paid	(9,635)	(8,085)
	<u>323,901</u>	<u>326,861</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Actuarial gains	3,562	611
	<u>3,562</u>	<u>611</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Diversified Growth Funds	93,713	93,555
Index Linked Bonds	76,841	60,410
Corporate Bonds	60,130	63,355
Overseas Equities	57,828	70,563
UK Equities	22,274	27,905
Cash	1,279	854
Fixed Interest Bonds	11,836	10,219
	<u>323,901</u>	<u>326,861</u>

All equity securities and government bonds have quoted prices in active markets. All other plan assets are not quoted in an active market.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2022	2021
Discount rate	2.75%	2.15%
Future pension increases	3.40%	3.10%
Inflation (RPI)	3.60%	3.20%
Inflation (CPI)	3.00%	2.40%

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

24. EMPLOYEE BENEFIT OBLIGATIONS - continued

The mortality assumptions adopted imply the following life expectancies

	2022	2021
Male retiring at age 65 in 2022 (2021: 65 in 2021)	22.2	22.1
Female retiring at age 65 in 2022 (2021: 65 in 2021)	23.9	23.9
Male retiring at age 65 in 2042 (2021: 65 in 2041)	23.5	23.5
Female retiring at age 65 in 2042 (2021: 65 in 2041)	25.4	25.4

Plan assets held in the fund are governed by local regulations and practice in the UK. Responsibility for the governance of the plan, including investment decisions and contribution schedules, lies with the Trustees of the scheme.

The risks of the scheme are as follows:

- Asset volatility: if plan assets underperform bond yields, a deficit will arise. The plan holds a diverse portfolio of assets to mitigate the risk of reliance on any particular asset class.
- Changes in bond yields: decreases in bond yields and hence discount rate, will increase the plan liabilities, although this will be partially offset by plan assets linked to bond yields.
- Inflation: the pension obligations are linked to inflation and therefore an increase in inflation will increase the plan's liabilities, although these are mitigated by inflationary caps within the plan rules.
- Life expectancy: increases in life expectancy in excess of the current mortality tables, will increase the plan's liabilities.

Analysis of the sensitivity to the principle assumptions of the present values of the defined benefit obligation

	Impact on defined benefit obligation
	Change in assumption Change in liabilities
Discount rate	Decrease of 0.25% p.a. Increase by 5.6%
Rate of inflation	Increase of 0.25% p.a. Increase by 4.7%
Rate of mortality	Increase in life expectancy of 1 year Increase by 3.4%

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumption for revaluation, pension increases and salary growth. The average duration of the defined benefit obligation at the year ended 31 March 2022 is 22 years (2021: 23 years).

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The best estimate of contributions for the year ending 31 March 2023 is £114,000.

25. ULTIMATE PARENT COMPANY

The immediate parent company is Toyota Motor Europe NV/SA a company incorporated in Belgium.

The ultimate parent company and controlling party is Toyota Motor Corporation a company incorporated in Japan which is parent of the only group to consolidate these financial statements. Copies of the ultimate parent company's financial statements can be obtained from 1, Toyota-cho, Toyota City, Aichi Prefecture 471-71 Japan.

26. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with wholly owned group undertakings. There are no other related party transactions.