

**Legend Investments Limited**

**Directors' Report and Financial Statements**

**For the year ended 31 December 2015**

**Company Number 03245801**

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**Legend Investments Limited**

**Directors' Report  
For the year ended 31 December 2015**

The directors present their report on the affairs of the Company, together with the financial statements, for the year ended 31 December 2015.

**Principal activities**

The principal activity of the Company continued to be that of a holding company.

**Business review**

The Company did not trade during the year. However, it did hold property from which another group company trades, which was subject to depreciation. As explained in note 11, the Company disposed of this property post year-end. However, as the primary activity of the Company is to act as a holding company, the directors do not consider this to effect the Company's going concern status. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Dividends**

During the year the Company did not pay a dividend (2014: £nil). Movements in shareholders' funds are set out in note 9 to the financial statements.

**Directors**

The directors who served during the year and thereafter are as follows:

M End	Resigned 1 April 2016
V Braguglia	Appointed 1 April 2016

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

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

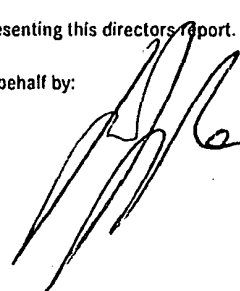
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to the members or 28 days after the latest date prescribed for filing the financial statements, whichever is earlier.

The company has taken advantage of the small companies' exemptions in presenting this directors report.

This report was approved by the Board on 14/03/16 and signed on its behalf by:

V Braguglia  
Director  
Tongwell  
Milton Keynes  
Buckinghamshire  
MK15 8BA



## **Legend Investments Limited**

### **Director's Responsibilities Statement For the year ended 31 December 2015**

The directors are responsible for preparing the report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of Legend Investments Limited**

We have audited the financial statements of Legend Investments Limited for the year ended 31 December 2015 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

### **Respective responsibilities of director and auditor**

As explained more fully in the Director's Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

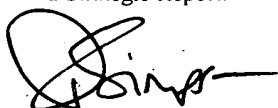
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Director's Report:

- we have not identified any material misstatements in that report; and
- in our opinion, that reports has 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



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

30 September 2016

**Legend Investments Limited**

**Statement of Comprehensive Income  
For the year ended 31 December 2015**

	Notes	2015 £000	2014 £000
Administrative expenses		(18)	(18)
<b>Operating loss</b>		<b>(18)</b>	<b>(18)</b>
<b>Loss on ordinary activities before taxation</b>	1	<b>(18)</b>	<b>(18)</b>
Taxation on loss on ordinary activities	3	-	-
<b>Loss for the financial year</b>		<b>(18)</b>	<b>(18)</b>
<b>Total comprehensive income for the year</b>		<b>(18)</b>	<b>(18)</b>

The accompanying notes form an integral part of the Financial Statements

All losses during the year arise from discontinued activities.

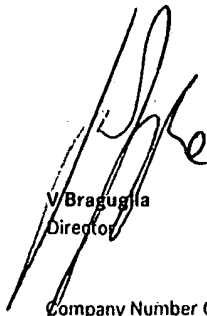
**Legend Investments Limited**

**Statement of Financial Position  
As at 31 December 2015**

	Notes	2015 £000	2014 £000
<b>Fixed assets</b>			
Tangible assets	4	-	761
Investments	5	503	503
		503	1,264
<b>Current assets</b>			
Asset held for sale	11	743	-
		743	-
<b>Creditors: amounts falling due within one year</b>	6	(1,246)	(1,246)
<b>Net current liabilities</b>		(503)	(1,246)
<b>Total assets less current liabilities</b>		-	18
<b>Net assets</b>		-	18
<b>Capital and reserves</b>			
Called up share capital	7	100	100
Share premium account	8	100	100
Other reserve	8	43	43
Retained earnings	8	(243)	(225)
<b>Shareholders' funds</b>	9	-	18

The accompanying notes form an integral part of the Financial Statements.

These financial statements were approved by the board of directors on 14/05/16 and were signed on its behalf by:

  
V Braguglia  
Director

Company Number 03245801

**Legend Investments Limited**

**Statement of Changes in Equity  
For the year ended 31 December 2015**

	Share Capital £000	Share Premium £000	Other reserves £000	Retained Earnings £000	Total Equity £000
At 1 January 2015	100	100	43	(225)	18
<b>Comprehensive income for the year</b>					
Profit/ (loss) for the financial year	-	-	-	(18)	(18)
<b>Total comprehensive income for the year</b>	-	-	-	(18)	(18)
Dividends: Equity capital	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-
<b>At 31 December 2015</b>	<b>100</b>	<b>100</b>	<b>43</b>	<b>(243)</b>	<b>-</b>

**For the year ended 31 December 2014**

	Share Capital £000	Share Premium £000	Other reserves £000	Retained Earnings £000	Total Equity £000
At 1 January 2014	100	100	43	(207)	36
<b>Comprehensive income for the year</b>					
Profit/ (loss) for the financial year	-	-	-	(18)	(18)
<b>Total comprehensive income for the year</b>	-	-	-	(18)	(18)
Dividends: Equity capital	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-
<b>At 31 December 2014</b>	<b>100</b>	<b>100</b>	<b>43</b>	<b>(225)</b>	<b>18</b>

The accompanying notes form an integral part of the Financial Statements.

## **Legend Investments Limited**

### **Principal Accounting Policies**

#### **Basis of preparation**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and the Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Information on the impact of first-time adoption of FRS 101 is given in note 12.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The company's functional currency and presentational currency is pounds sterling. These financial statements have been rounded to the nearest £000.

#### **First time application of FRS 101**

In the current year the Company has adopted FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards. The amendments to FRS101 issued in July 2015, and effective immediately, have also been applied.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. Consequently the principal accounting policies are unchanged from the prior year. The change in basis of preparation has enabled the Company to take advantage of all of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below. There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

The following principal accounting policies have been applied:

#### **Financial reporting standard 101 – reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- 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;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 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 paragraph 17 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, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

#### **Going concern**

The Company's business activities, together with any factors likely to affect its future development and position, are set out in the Business Review section of the Director's Report on page 2.

The Company is not expected to trade in the foreseeable future and as such does not require cash to support its activities. The amounts owed to group undertakings are payable to the Company's parent, Mercedes-Benz Retail Group UK Limited, and the directors of that company have confirmed that repayment will not be demanded within 12 months of the date of approval of these financial statements.



## Legend Investments Limited

### Principal Accounting Policies

#### Going concern (continued)

The directors, having assessed the responses of the directors of the Company's parent Mercedes-Benz Retail Group UK Limited, and ultimate parent Daimler AG to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern.

#### Investments

Fixed asset investments are shown at cost less provision for impairment.

#### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their estimated useful economic lives. The rates generally applicable are:

Freehold land is not depreciated	
Freehold buildings	4%

#### Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### Non-current assets held for sale

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to stocks, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Company's accounting policies. Intangible assets and tangible fixed assets once classified as held for sale or distribution are not amortised or depreciated.

## **Legend Investments Limited**

### **Principal Accounting Policies**

This treatment, as regards the tangible fixed assets included in the disposal group, may be a departure from the requirements of the Companies Act concerning depreciation of tangible fixed assets. However, these tangible fixed assets are not held for consumption but for sale and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. The effect of this departure is to increase the Company's profit for the financial year and tangible fixed assets by £nil.

In accordance with IFRS 5, the above policy is effective from 1 January 2015; no reclassifications are made in prior periods.

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative profit and loss account is restated as if the operation has been discontinued from the start of the comparative period.

#### **Judgements in applying accounting policies and key sources estimation and uncertainty**

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.

##### **(a) Judgements in applying accounting policies**

###### **(i) Exemptions on transition to FRS 101**

The company has elected to use the previous UK GAAP valuation of certain items of land and buildings as the deemed cost on transition to FRS 101. The items are being depreciated from the date of transition (1 January 2015) in accordance with the company's accounting policies.

###### **(b) Key sources of estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

###### **(i) Valuation of non-financial assets**

In the context of impairment tests for non-financial assets, when objective evidence of impairment is present, estimates and assessments have to be made to determine the recoverable amounts of a cash-generating unit. The determination of the recoverable amount is based on assumptions regarding future business developments for the determination of the expected future cash flows of that financial investment. All non-financial assets which the Company holds are valued at cost. On the basis of the impairment tests carried out in 2015, the recoverable amounts are larger than the valuation of the Company's cash-generating units.

###### **(ii) Useful economic lives of Tangible fixed assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 4 for the carrying amount of the property plant and equipment.

###### **(iii) Collectability of receivables**

The Company regularly estimates the risk of default on receivables, both from third parties and other Group entities. When assessing impairment of trade and other debtors, management considers factors including the including historical loss experience, the size and composition of certain portfolios, current economic events and conditions and the estimated fair values and adequacy of collaterals.

###### **(iv) Income taxes**

The calculation of income taxes of the Company is based on the legislation and regulations applicable. In situations where a permissible element of discretion has been applied in determining the amount of a tax exposure to be recognised in the financial statements, there is always a possibility that local tax authorities may reach a different conclusion.

**Legend Investments Limited****Notes to the financial statements  
For the year ended 31 December 2015****1 Loss on ordinary activities before taxation**

The loss on ordinary activities before taxation is stated after charging:

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets	18	18

The auditor's remuneration was borne by the parent company.

**2 Directors and employees**

The Company did not have any contracted employees during the year ended 31 December 2015 or 31 December 2014.

The directors' remuneration was borne by other group companies.

**3 Tax on loss on ordinary activities**

The current tax charge for the year is different to the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%).  
The differences are explained as follows:

	<b>2015</b>	<b>2014</b>
	<b>£0</b>	<b>£0</b>
Loss on ordinary activities before tax	(18)	(18)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25%(2014: 21.49%)	(4)	(4)
Effect of:		
Expenses not deductible for tax purposes	4	4
	-	-

**4 Tangible fixed assets**

	<b>Freehold land &amp; property £000</b>
Cost	
As at 1 January 2015	1,029
Reclassified to held for sale (see note 11)	(1,029)
As at 31 December 2015	-
Depreciation	
As at 1 January 2015	268
Charge for the year	18
Reclassified to held for sale (see note 11)	(286)
As at 31 December 2015	-
Net book amount as at 31 December 2015	-
Net book amount at 31 December 2014	761

Included within freehold land and property are depreciable assets with a cost of £nil (2014: £454,000).

**Legend Investments Limited**

**Notes to the financial statements  
For the year ended 31 December 2015**

**5 Fixed asset investment**

	Shares in group undertakings £000
Cost	
As at 1 January 2015 and 31 December 2015	503

The Company has investments in the following subsidiary undertakings and associates, all incorporated in the United Kingdom.

Name	Principal activity	Class of shares	%
<b>Subsidiary undertakings</b>			
Mercedes-Benz Solihull Limited	Dormant	Ordinary	100

**6 Creditors: amounts falling due within one year**

	2015 £000	2014 £000
Amounts owed to group undertakings	1,246	1,246

**7 Share capital**

	2015 £000	2014 £000
Authorised, allotted, called up and fully paid		
100,000 ordinary shares of £1 each	100	100

**8 Reserves**

	Profit and loss account £000	Share premium account £000	Other reserve £000
As at 1 January 2015	(225)	100	43
Loss for the year	(18)	-	-
As at 31 December 2015	(243)	100	43

**Legend Investments Limited****Notes to the financial statements  
For the year ended 31 December 2015****9 Reconciliation of movement in shareholders' funds**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Loss for the financial year	(18)	(18)
Net decrease in shareholders' funds	(18)	(18)
Shareholders' funds at 1 January	18	36
Shareholders' funds at 31 December	-	18

**10 Ultimate parent undertaking**

The Company is a subsidiary undertaking of Mercedes-Benz Retail Group UK Limited which is the immediate parent company incorporated in England and Wales.

The Company's ultimate parent company and controlling party is Daimler AG which is incorporated in Germany and heads the only group in which the results of the Company are consolidated for statutory purposes. The consolidated accounts of Daimler AG are available to the public and may be obtained from the offices of Daimler UK Limited, Tongwell, Milton Keynes, MK15 8BA.

**11 Assets held for sale and events after the end of the Reporting Period**

In July 2016 all of the freehold land and property held by the Company was disposed of at market value, generating a net profit of £1,257,000.

**12 Transition to FRS 101**

The Company transitioned to FRS 101 from previously extant UK GAAP as at 1 January 2014. The impact of the transition to FRS 101 is as follows:

**Reconciliation of equity at 1 January 2014**

	<b>Note</b>	<b>£000</b>
Equity at 1 January 2014 under previous UK GAAP		36
<b>Equity shareholders funds at 1 January 2014 under FRS 101</b>		<b>36</b>

**Reconciliation of equity at 31 December 2014**

	<b>Note</b>	<b>£000</b>
Equity at 31 December 2014 under previous UK GAAP		18
<b>Equity shareholders funds at 31 December 2014 under FRS 101</b>		<b>18</b>

**Reconciliation of profit and loss account for the year ended 31 December 2014**

	<b>Note</b>	<b>£000</b>
Profit/ (Loss) for the year under UK GAAP		(18)
<b>Equity shareholders funds at 31 December 2014 under FRS 101</b>		<b>(18)</b>