



The environment in which the company operates is the automotive industry in the UK. The Group are currently ranked as 57th in the UK's largest 100 automotive companies for 2016.

The financial results for the year ended 31 October 2015, and comparative year to 31 October 2014 are as follows:

	2015	2014
	£	£
Turnover	246,708,930	243,158,180
Gross Profit	25,644,437	23,240,642
Profit before tax	948,256	863,586
Retained Earnings	564,308	439,869
Net assets	17,000,180	16,247,808
KPIs	2015	2014
	£	£
Growth in turnover	1.50%	18.80%
Gross profit margin	10.40%	9.60%
Profit before tax as a percentage of turnover	0.40%	0.40%
No of franchises held	32	32
Employee numbers	611	582

Further information on the financial results of the company can be found on the companies published Group consolidated financial statements at Companies House.

A snapshot of the Group's tax contributions can be found below for the period ended 31 October 2016:

	Total
Tax liabilities	£
Corporation Tax	153,648.02
Deferred Tax	-33,127.00
Effective Rate of CT	14.03%
Value Added Tax	2,254,651.97
Employment Taxes	1,395,274.00
C&E Duty	254.70
Tax reliefs claimed	
Group relief surrendered/(claimed)	0.00
Losses utilised	-108,145.00
R&D Tax credit	0.00
Average net pay of 26 key employees	37,000.00
Corporate Tax reconciliation	
Profit/(loss) before tax	948,257.00
<i>Adjustments</i>	
Depreciation	2,259,732.00
Disallowable expenses	84,445.00
Other addbacks /deductions	-807,526.00
Capital Allowances	-1,612,144.00
Group relief	-61,879.00
PCTCT	536,545.00
Tax rate	20.12%
Tax Liability	153,648.02

1. Integrity in Compliance and Reporting

We understand the value of our financial reporting to customers, investors and other stakeholders. We work to provide enhanced, transparent and balanced disclosure in communicating our tax affairs.

The group is committed to acting with integrity and transparency in all tax matters as part of our objective of being a trusted company. Our tax strategy and policy require that we fully comply with the letter and spirit of the law. We disclose on our financial statements the tax expense and full reconciliation of statutory tax rates and effective tax rates and we make timely and accurate tax returns that reflect our fiscal obligations to Government.

2. Enhancing Shareholder Value

We deliver goods and services to customers at a price they are willing to pay, while providing our shareholders with returns that attract long term investment. The Group's overall strategy and policies balance the need to maintain trust with stakeholders, while also generating a return for shareholders.

3. Commercial Rationale

Minimising the Group's tax liabilities by recognising appropriate legislative concessions and reliefs is of benefit to our customers via lower costs and to our shareholders by enhancing returns. In line with the Group's tax strategy it seeks to make use of such appropriate reliefs and to control the Group's tax costs.

Whilst seeking to minimise tax liabilities for the benefit of customers and shareholders, the Group's policy is not to use any aggressive tax planning or use any artificial tax avoidance schemes in line with being a trusted company.

4. Controlling and Managing Risks.

We aim for certainty on the tax positions that we adopt. However, tax law can be unclear at times or subject to interpretation. On occasion, interpretation of that law may be opposed to Government's intention. Our policy is:

- Not to enter into any transactions that have as their main purpose gaining a tax advantage.
- Not to make any interpretations of tax law that is opposed to the spirit in which the Government intended.

To support the Group on this policy and to ensure that interpretation of the law is as it was intended, we have an internal tax specialist. As well this, we engage with a Top 4 accounting firm and legal firms where necessary for tax and legal advice.

5. Being a Trusted Company

Demonstrating an understanding of where your stakeholder needs are, what issues they have and what the opportunities are, and having frequent dialogue with these stakeholders is a fundamental part of being a trusted company.

The position of a trusted company must be earned, it takes time and investment of effort and we believe that for a long number of years we as a Group have made an investment in these stakeholders.

We have built a trusted relationship and our tax strategy supports this trust status through integrity and transparency at all times.

6. Having a Transparent Relationship with HMRC

An important part of our tax strategy and policies and in support of the trusted company status is the maintenance and development of a strong, proactive working relationship with HM Revenue and Customs. We are transparent with HMRC and, in cases of interpretation or complexity, work with them on a real time basis to determine the amount of tax due.

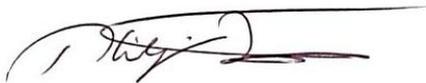
Tax Governance

Tax is part of the finance function of our Group and it is the ultimate responsibility of the Group Finance Director and Senior Accounting Officer as well as the Group Tax and Compliance Manager to ensure the policies surrounding tax are adhered to.

Ultimately the Board of Directors of the Group are responsible for its approval, implementation and delivery.

The Board duly approved the above Tax Strategy at a Board of Directors meeting held at 59 Moy Road, Dungannon, Co Tyrone BT71 7DT on 25th Day of January 2017.

Signed on behalf of the Board



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Philip Jordan

Group Finance Director