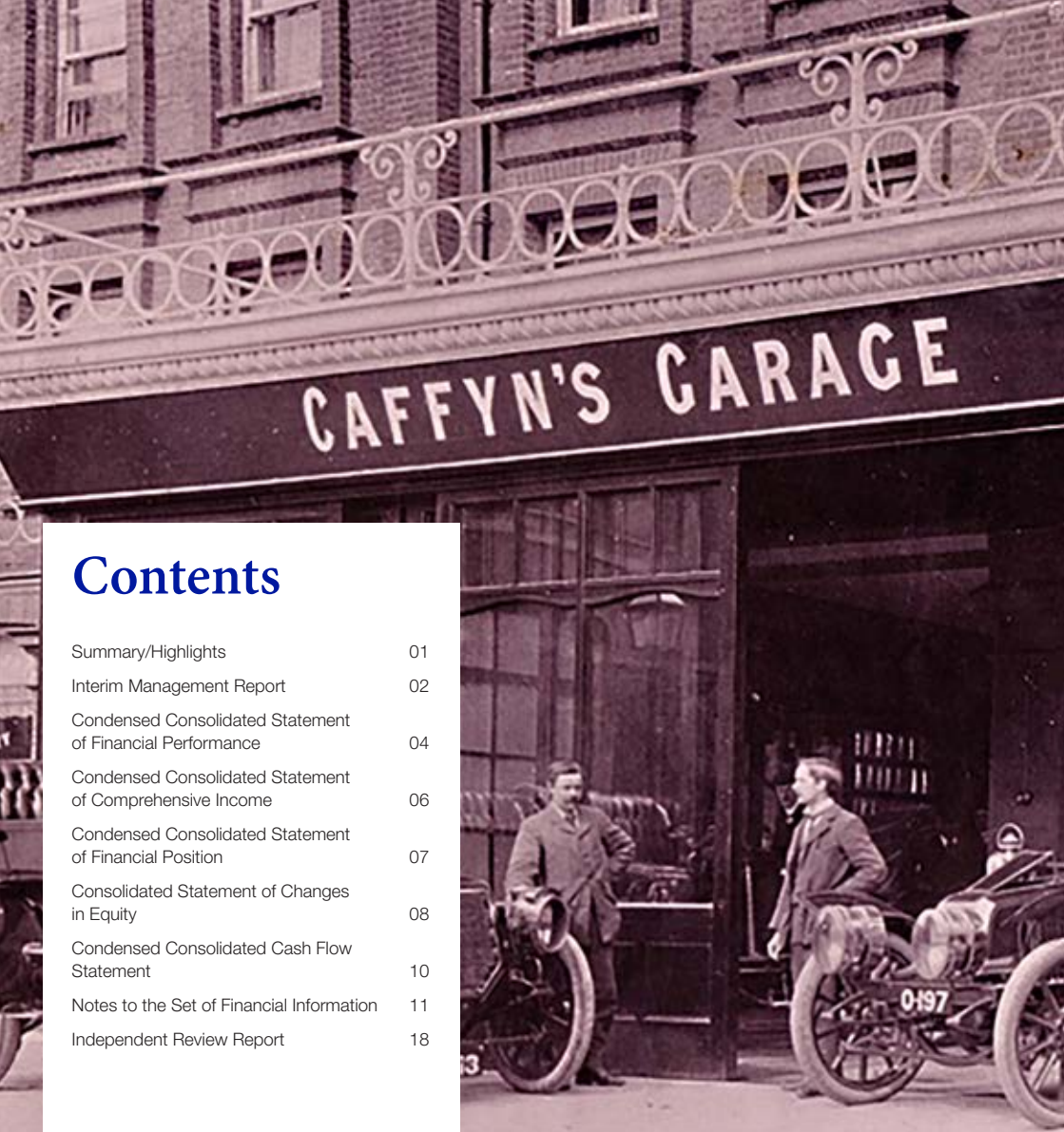


Caffyns

Caffyns plc Interim Report 2015





Contents

Summary/Highlights	01
Interim Management Report	02
Condensed Consolidated Statement of Financial Performance	04
Condensed Consolidated Statement of Comprehensive Income	06
Condensed Consolidated Statement of Financial Position	07
Consolidated Statement of Changes in Equity	08
Condensed Consolidated Cash Flow Statement	10
Notes to the Set of Financial Information	11
Independent Review Report	18





Summary

Strong performance in the first half:

	2015 £'000	2014 £'000
Revenue	117,678	103,912
Underlying* profit before tax	1,547	1,192
Profit before tax	1,711	1,213
Underlying* EBITDA	2,706	2,295
	p	p
Underlying* earnings per share	46.6	35.6
Basic earnings per share	51.4	38.0
Interim dividend per ordinary share	7.25	6.75

* Underlying results exclude items that have non-trading attributes due to their size, nature or incidence.

Highlights

- Underlying profit before tax up 30% to £1,547,000 (2014: £1,192,000)
- Profit before tax up 41% to £1,711,000 (2014: £1,213,000)
- Like for like new car unit sales up by 9.3%
- Like for like used car unit sales up by 11.4%
- Underlying earnings per share up 31% to 46.6p (2014: 35.6p)
- Basic earnings per share up 35% to 51.4p (2014: 38.0p)
- Dividend increased to 7.25p (2014: 6.75p)

Simon Caffyn, Chief Executive, commented:

"I am delighted that we continue to report material increases in our underlying profitability, making four successive years of growth."

Interim Management Report

Summary

In this our 150th year, I am pleased to report that the group has achieved underlying profit before tax in the six months to 30 September 2015 of £1.55m, up 30% from £1.2m last year. This is a further significant increase following four successive years of growth. Profit before tax after non-underlying items is up 41% to £1.7m from £1.2m last year.

Revenue in the half year period increased by 13% to £117.7m compared to £103.9m last year.

Underlying earnings per share are 46.6p (2014: 35.6p), an increase of 31% and basic earnings per share are 51.4p (2014: 38.0p), an increase of 35%.

Operating review

New and used cars

- Over the half year period, our new unit sales are up by 9.3% on a like for like basis, which compares favourably to total UK new car registrations which rose by 7.3%. Within this, the private and small business sector in which we operate rose by 3.1%. Our like for like used car unit sales in the period are up 11.4% on last year following a strong performance in the prior year.

Aftersales

- The increased new car market over the last three years has led to an increase in the number of one to three year old cars in circulation. Our strong sales of both new and used vehicles has meant our own three year car parc has grown and it is encouraging to see our service revenue rise by 9% on a like for like basis as we concentrate on improving our customer retention processes.

Operations

- Our Volkswagen dealership in Worthing, which opened in April 2014, is trading ahead of plan, with strong growth in new and used

car sales as well as aftersales. We started the redevelopment of our Volkswagen dealership in Eastbourne in July 2015 and the new workshop has been completed on schedule. Work has started on a new twelve car showroom with extended used car display areas, which will enable this site to expand although it is expected to be disruptive in the second half of the current year. Our Volkswagen businesses have all performed well in the first half of the year showing good improvements in profitability on the prior year.

- The refurbishment and expansion of the showroom in our Audi dealership in Eastbourne was completed in August 2014 and, with the expanded used car display area, we have seen a significant increase in new and used sales. All our Audi businesses have also seen strong year on year growth and we have submitted a planning application to relocate our dealership in Worthing to a new and significantly larger site to help this business fulfil its potential.
- Our Volvo business in Eastbourne continues to trade well and Volvo has some exciting new products recently launched in the UK with more following in the short term. The new XC90 has been particularly well received.
- In October 2014 we opened our first Caffyns Used Car Centre in Ashford. The first year of trading has seen steady sales growth, with the concept very well received by customers who value the Caffyns brand. It has traded profitably in the half year.
- Our Land Rover business has traded profitably over the half year. As we reported in our 2015 Annual Report, our five year fixed term contract with Land Rover comes up for renewal in May 2016 and we remain in discussions with Jaguar Land Rover concerning our territory.



- The emissions problems faced by Volkswagen are well documented. Volkswagen has stated that it expects to have solutions for the affected vehicles and these cars will have the necessary amendments made at authorised Volkswagen dealerships during 2016. We anticipate that this will be a carefully managed programme throughout the year and, in the short term, will involve additional work passing through our service departments. There has been some slowdown in enquiry rates at our Volkswagen dealerships but we have continued to sell at levels in line with last year. We do, however, anticipate a slowdown in sales until Volkswagen is able to fully clarify the solutions to the affected vehicles.

Property

- Capital expenditure in the half year was £0.9m of which £0.3m was incurred on the upgrade to our Eastbourne Volkswagen dealership.
- In July 2015, we completed on the sale of the site in Upperton Road, Eastbourne for £1.55m. The gain on the sale was £272,000. In April 2015 we received the cash proceeds on the sale of an investment property in Uckfield, which had been sold and reported in the previous financial year, amounting to £950,000.

Pensions

- The IAS 19 net pension position at 30 September 2015 was a deficit of £4.8m net of tax (£6.0m gross of tax) compared with a deficit of £4.3m net of tax at 31 March 2015 (£5.4m gross of tax). Although liabilities reduced following an increase in the discount rate from 3.3% at 31 March 2015 to 3.7% at 30 September 2015, asset values reduced by a greater amount after taking into account benefits paid.
- The Recovery Plan agreed with the trustees requires a cash payment of £300,000 in the current year, increasing by 2.25% per annum thereafter.

People

- I am very grateful for the dedication and patience shown by our employees. Our front line staff have worked hard to address any customer concerns regarding the Volkswagen emissions issue.
- As announced on 31 July 2015, Mark Harrison, our Finance Director, is due to retire in July 2016. As is our policy, we have engaged independent executive search consultants to recruit his successor.
- Across the Company we have seen hard work and professional application rewarded with strong growth in both sales and aftersales.

Dividend

- The Board has decided to increase the interim dividend to 7.25p per Ordinary Share. This will be paid on 8 January 2016 to shareholders on the register at close of business on 11 December 2015.

Current trading and outlook

- The six months to 30 September 2015 have seen us deliver new car sales ahead of the market in addition to impressive growth in used car sales and aftersales. The economy remains steady and with continuing low interest rates we expect that European manufacturers will channel new vehicles to the UK market and support us with attractive marketing offers. We saw a recovery in new car margins in the second quarter as this marketing support became more apparent. However, the Society of Motor Manufacturers and Traders has reported a dip of 1% in the new car market in October 2015 and this, together with the well documented issues regarding Volkswagen, suggests that trading in the second half may be more challenging.

Simon G M Caffyn

Chief Executive

27 November 2015

Condensed Consolidated Statement of Financial Performance

for the half year ended 30 September 2015

Half year to 30 September 2015

		Underlying	Non-underlying (note 3)	Total
	Note	£'000	£'000	£'000
Revenue		117,678	–	117,678
Cost of sales		(104,174)	–	(104,174)
Gross profit		13,504	–	13,504
Operating expenses		(11,374)	(21)	(11,395)
Operating profit before other income		2,130	(21)	2,109
Other income		–	272	272
Operating profit		2,130	251	2,381
Finance expense	4	(583)	–	(583)
Net finance expense on pension scheme		–	(87)	(87)
Net finance expense		(583)	(87)	(670)
Profit before taxation		1,547	164	1,711
Income tax expense	5	(260)	(33)	(293)
Profit for the period from continuing operations		1,287	131	1,418
Continuing operations earning per share				
Basic	6			51.4p
Diluted	6			50.7p
Non GAAP measure				
Underlying basic earnings per share	6	46.6p		
Underlying diluted earnings per share	6	46.0p		

*non-underlying items – see note 3



Half year to 30 September 2014

Year ended 31 March 2015

Underlying* £'000	Total £'000	Underlying* £'000	Total £'000
103,912	103,912	210,314	210,314
(91,727)	(91,727)	(185,207)	(185,207)
12,185	12,185	25,107	25,107
(10,411)	(10,461)	(21,410)	(12,675)
1,774	1,724	3,697	12,432
–	390	–	794
1,774	2,114	3,697	13,226
(582)	(661)	(1,225)	(1,307)
–	(240)	–	(481)
(582)	(901)	(1,225)	(1,788)
1,192	1,213	2,472	11,438
(211)	(165)	(318)	(2,183)
981	1,048	2,154	9,255
	38.0p		335.5p
	37.5p		330.7p
35.6p		78.1p	
35.1p		77.0p	

Condensed Consolidated Statement of Comprehensive Income

for the half year ended 30 September 2015

	Half year to 30 September 2015 £'000	Half year to 30 September 2014 £'000	Year to 31 March 2015 £'000
Profit for the period	1,418	1,048	9,255
Other comprehensive income			
Remeasurement of net defined liability	(661)	(433)	(2,766)
Deferred tax on remeasurement	132	86	553
Other comprehensive income, net of tax	(529)	(347)	(2,213)
Total comprehensive income for the period	889	701	7,042



Condensed Consolidated Statement of Financial Position

at 30 September 2015

	30 September 2015 £'000	30 September 2014 £'000	31 March 2015 £'000
Non-current assets			
Property, plant and equipment	37,275	37,494	37,984
Investment property	–	521	–
Goodwill	286	286	286
Deferred tax asset	–	577	–
Total non-current assets	37,561	38,878	38,270
Current assets			
Inventories	33,840	30,631	31,896
Trade and other receivables	8,399	7,003	8,164
Cash and cash equivalents	1,824	91	1,746
Non-current asset held for sale	–	1,400	–
Total current assets	44,063	39,125	41,806
Total assets	81,624	78,003	80,076
Current liabilities			
Interest bearing loans and borrowings	500	4,000	500
Trade and other payables	36,602	30,793	35,931
Tax liabilities	515	188	446
Total current liabilities	37,617	34,981	36,877
Net current assets	6,446	4,144	4,929
Non-current liabilities			
Interest bearing loans and borrowings	11,125	11,625	11,375
Preference shares	1,237	1,237	1,237
Deferred tax liability	613	–	705
Retirement benefit obligations	5,997	11,852	5,388
Total non-current liabilities	18,972	24,714	18,705
Total liabilities	56,589	59,695	55,582
Net assets	25,035	18,308	24,494
Equity			
Share capital	1,439	1,439	1,439
Share premium account	272	272	272
Capital redemption reserve	282	282	282
Non-distributable reserve	1,724	2,390	1,724
Other reserve	106	55	81
Retained earnings	21,212	13,870	20,696
Total equity	25,035	18,308	24,494

Consolidated Statement of Changes in Equity

for the half year ended 30 September 2015

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Non-distributable reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2015	1,439	272	282	1,724	81	20,696	24,494
Total comprehensive income							
Profit for the period	–	–	–	–	–	1,418	1,418
Other comprehensive income	–	–	–	–	–	(529)	(529)
Total comprehensive income for the period	–	–	–	–	–	889	889
Transactions with owners:							
Dividends	–	–	–	–	–	(373)	(373)
Share-based payment	–	–	–	–	25	–	25
At 30 September 2015	1,439	272	282	1,724	106	21,212	25,035

for the half year ended 30 September 2014

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Non-distributable reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2014	1,439	272	282	2,390	30	13,500	17,913
Total comprehensive income							
Profit for the period	–	–	–	–	–	1,048	1,048
Other comprehensive income	–	–	–	–	–	(347)	(347)
Total comprehensive income for the period	–	–	–	–	–	701	701
Transactions with owners:							
Dividends	–	–	–	–	–	(331)	(331)
Share-based payment	–	–	–	–	25	–	25
At 30 September 2014	1,439	272	282	2,390	55	13,870	18,308



for the year ended 31 March 2015

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Non- distributable reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2014	1,439	272	282	2,390	30	13,500	17,913
Total comprehensive income							
Profit for the period	–	–	–	–	–	9,255	9,255
Other comprehensive income	–	–	–	–	–	(2,213)	(2,213)
Total comprehensive income for the year	–	–	–	–	–	7,042	7,042
Transactions with owners:							
Dividends	–	–	–	–	–	(517)	(517)
Issue of shares – SAYE scheme	–	–	–	–	–	5	5
Transfer	–	–	–	(78)	–	78	–
Realised surplus on disposal of land and buildings	–	–	–	(588)	–	588	–
Share-based payment	–	–	–	–	51	–	51
At 31 March 2015	1,439	272	282	1,724	81	20,696	24,494

Condensed Consolidated Cash Flow Statement

for the half year ended 30 September 2015

	Half year to 30 September 2015 £'000	Half year to 30 September 2014 £'000	Year to 31 March 2015 £'000
Cash flows from operating activities			
Profit before taxation	1,711	1,213	11,438
Adjustments for:			
Net finance expense	670	901	1,788
Depreciation and amortisation	576	521	1,080
Impairment of property, plant and equipment	–	–	20
Change in retirement benefit obligations	(142)	(170)	(9,222)
Gain on disposal of property, plant and equipment	(272)	(390)	(814)
Share-based payments	25	25	51
Increase in inventories	(1,944)	(3,778)	(5,043)
Increase in trade and other receivables	(235)	(201)	(1,051)
Increase in payables	671	1,197	6,030
Cash generated from/(used by) operations	1,060	(682)	4,277
Income taxes	(183)	–	(11)
Interest paid	(583)	(672)	(1,225)
Net cash generated from/(used) in operating activities	294	(1,354)	3,041
Investing activities			
Proceeds on disposal of property, plant and equipment (net of sale costs)	1,304	36	2,295
Purchases of property, plant and equipment	(897)	(1,959)	(3,027)
Net cash used in investing activities	407	(1,923)	(732)
Financing activities			
Secured loans repaid	(250)	(250)	(500)
Issue of shares – SAYE scheme	–	–	5
Dividends paid to shareholders	(373)	(331)	(517)
Net cash used in financing activities	(623)	(581)	(1,012)
Net increase/(decrease) in cash and cash equivalents	78	(3,858)	1,297
Cash and cash equivalents at beginning of period	1,746	449	449
Cash and cash equivalents at end of period	1,824	(3,409)	1,746



Notes to the Set of Financial Information

for the half year ended 30 September 2015

1. General information

Caffyns plc is a company domiciled in the United Kingdom. The address of the registered office is Saffrons Rooms, Meads Road, Eastbourne BN20 7DR.

These condensed consolidated interim financial statements for the half year to 30 September 2015 and similarly for the half year to 30 September 2014 are unaudited. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2015.

The figures for the year ended 31 March 2015 have been extracted from the statutory accounts, filed with the Registrar of Companies on which the auditor gave an unqualified opinion and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

These statements have been reviewed by the Company's auditor and a copy of their review report is set out at the end of these statements.

These consolidated interim financial statements were approved by the directors on 27 November 2015.

2. Accounting policies

The annual financial statements of Caffyns plc are prepared in accordance with IFRSs as adopted by the European Union. The set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union. This interim financial report has been prepared under the historical cost convention as modified by the fair value accounting of defined benefit schemes and share-based payment transactions. As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, this set of financial statements has been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31 March 2015.

Segmental reporting

Based upon the management information reported to the Group's chief operating decision maker, the Chief Executive, in the opinion of the directors, the Group only has one reportable segment. There are no major customers amounting to 10% or more of the Group's revenue. All revenue and non-current assets derive from, or are based in, the United Kingdom.

Notes to the Set of Financial Information

for the half year ended 30 September 2015

2. Accounting policies (continued)

Basis of preparation: Going concern

The condensed financial statements have been prepared on a going concern basis which the directors consider appropriate for the reasons set out below:

The Group meets its day to day working capital requirements through short-term stocking loans and bank overdraft and medium-term revolving credit facilities. The overdraft and revolving credit facilities include certain covenant tests. The failure of a covenant test would render these facilities repayable on demand at the option of the lenders.

The directors have undertaken a detailed review of trading and cash flow forecasts for a period in excess of one year from the date of this Half Year Report which projects that the facility limits are not exceeded over the duration of the forecasts. These forecasts have made assumptions in respect of future trading conditions, particularly volumes and margins of new and used car sales, aftersales and operational improvements together with the timing of capital expenditure. The forecasts take into account these factors to an extent which the directors consider to be reasonable, based on the information that is available to them at the time of approval of this financial information. These forecasts indicate that the Group will be able to operate within the financing facilities that are available to it and meet the covenant tests with sufficient margin for reasonable adverse movements in expected trading conditions.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For those reasons, they continue to adopt the going concern basis in preparing this Half Year Report.



3. Non-underlying items

	Half year to 30 September 2015 £'000	Half year to 30 September 2014 £'000	Year to 31 March 2015 £'000
Other income:			
Impairment of property, plant and equipment	–	–	(20)
Net profit on disposal of investment property	–	–	431
Net profit on disposal of property, plant and equipment	272	390	383
Other income (net)	272	390	794
Within operating expenses:			
Gain on change of service cost of defined pension scheme	–	–	8,861
Service cost on pension scheme	(21)	–	(21)
Losses incurred on closed businesses	–	–	(66)
Redundancy costs	–	(39)	(39)
	(21)	(39)	8,735
Interest on overdue taxation relating to prior years	–	(79)	(82)
Net finance income and service cost on pension scheme	(87)	(251)	(481)
Within net finance expense	(87)	(330)	(563)
Total non-underlying items before taxation	164	21	8,966

The net financing return and service cost on pension obligations in respect of the defined benefit scheme closed to future accrual is presented as a non-underlying item due to the volatility of this amount. Agreement was reached with the trustees of the Group's defined benefit pension scheme in the year ended 31 March 2015 that the inflation measure used in payment increases for pensions in excess of GMP would change from RPI to CPI for members (or dependants of members) who were in service on or after 1 April 1991. The Directors recorded this change as a plan amendment through the Income Statement. The change from RPI to CPI resulted in a gain in the Income Statement of £8,861,000.

Notes to the Set of Financial Information

for the half year ended 30 September 2015

4. Finance expense

	Half year to 30 September 2015 £'000	Half year to 30 September 2014 £'000	Year to 31 March 2015 £'000
Interest payable on bank borrowings	162	236	489
Vehicle stocking plan interest	316	237	509
Financing costs amortised	54	58	125
Interest on overdue taxation (see note 3)	–	79	82
Preference dividends	51	51	102
Total finance costs	583	661	1,307

There was no interest capitalised in additions to freehold properties (2014: £8,000 at a rate of 3.8%).

5. Taxation

	Half year to 30 September 2015 £'000	Half year to 30 September 2014 £'000	Year to 31 March 2015 £'000
Current UK corporation tax			
Charge for the period	(252)	(4)	(249)
Adjustment in respect of prior years	–	24	–
Total tax (charge)/credit	(252)	20	(249)
Deferred tax			
Origination and reversal of timing differences	(90)	(185)	(1,969)
Adjustments recognised in the period for deferred tax of prior periods	49	–	35
Total charge	(41)	(185)	(1,934)
Total tax charged in the Statement of Financial Performance	(293)	(165)	(2,183)
The tax (charge)/credit arises as follows:			
On normal trading	(260)	(211)	(318)
Non-underlying	(33)	46	(1,865)
Total charge	(293)	(165)	(2,183)

Taxation for the half year has been provided at the effective rate of taxation of 20% (2014: 21%) expected to apply to the whole year on ordinary trading. Tax on non-underlying items is provided at the actual rate applicable.



6. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. Treasury shares are treated as cancelled for the purposes of this calculation.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post-tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the earnings and the weighted average number of shares used in the calculations are set out below.

	Half year to 30 September 2015 £'000	Half year to 30 September 2014 £'000	Year to 31 March 2015 £'000
Basic			
Profit before tax	1,711	1,213	11,438
Taxation	(293)	(165)	(2,183)
Earnings	1,418	1,048	9,255
Basic earnings per share	51.4p	38.0p	335.5p
Diluted earnings per share	50.7p	37.5p	330.7p
Adjusted			
Profit before tax	1,711	1,213	11,438
Adjustment: Non-underlying items (note 3)	(164)	(21)	(8,966)
Underlying profit before tax	1,547	1,192	2,472
Taxation	(260)	(211)	(318)
Underlying earnings	1,287	981	2,154
Underlying earnings per share	46.6p	35.6p	78.1p
Diluted earnings per share	46.0p	35.1p	77.0p

The number of fully paid ordinary shares in issue at the period end was 2,759,678 (2014: 2,757,213). The weighted average shares in issue for the purposes of the earnings per share calculation were 2,759,678 (2014: 2,757,213). The shares granted under the Company's SAYE scheme are dilutive. The weighted average number of dilutive shares under option at fair value was 39,133 (2014: 35,409) giving a total diluted weighted average number of shares of 2,798,811 (2014: 2,792,622).

The Directors consider that underlying earnings per share figures provide a better measure of comparative performance.

Notes to the Set of Financial Information

for the half year ended 30 September 2015

7. Dividends

Ordinary shares of 50p each

The interim dividend proposed at the rate of 7.25p per share (2014: 6.75p) is payable on 8 January 2016 to shareholders on the register at the close of business on 11 December 2015. The shares will be marked ex-dividend on 10 December 2015.

Preference shares

Preference dividends have been paid in October 2015. The next preference dividends are payable in April 2016. The cost of the preference dividends has been included within finance costs.

8. Pensions

The net liability for defined benefit obligations has increased from £5,388,000 at 31 March 2015 to £5,997,000 at 30 September 2015. The increase of £609,000 comprises the net charge to the Statement of Financial Performance of £108,000 and a net remeasurement loss charged to Reserves of £661,000 less contributions of £160,000. Although liabilities reduced following an increase in the discount rate from 3.3% at 31 March 2015 to 3.7% at 30 September 2015, asset values reduced by a greater amount after taking into account benefits paid.

9. Related party transactions

There have been no new related party transactions that have taken place in the first six months of the current financial year that have materially affected the financial position or performance of the Group during that period and there have been no material changes in the related party transactions described in the last Annual Report that could do so.



10. Risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Board believes these risks and uncertainties to be consistent with those disclosed in our latest Annual Report, including general economic factors, their impact on the Group's defined benefit pension scheme, liquidity and financing, manufacturers' dependency and stability, used car prices and regulatory compliance.

11. Responsibility statement

We confirm to the best of our knowledge:

- a) the Half Year Report has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- b) the Half Year Report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules (indication of important events during the first six months and their impact on the set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year); and
- c) the Half Year Report includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules (disclosure of related parties' transactions and changes therein).

By order of the Board

S G M Caffyn

Chief Executive

M S Harrison

Finance Director

27 November 2015

Independent Review Report

to Caffyns plc

Introduction

We have reviewed the condensed set of financial statements in the Half Year Report for the six months ended 30 September 2015 which comprises the Condensed Consolidated Statement of Financial Performance, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Condensed Consolidated Cash Flow Statement and the related notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company's members, as a body, in accordance with ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a review 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 review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The Half Year Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Half Year Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this Half Year Report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.



Our responsibility

Our responsibility is to express a conclusion on the condensed set of financial statements in the Half Year Report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Half Year Report for the six months ended 30 September 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Grant Thornton UK LLP

Auditor

Gatwick

27 November 2015

Shareholder Notes



Our Dealerships



Audi

Brighton: 200 Dyke Road, Brighton BN1 5AT (01273 610654)

Eastbourne: Edward Road, Eastbourne BN23 8AS (012313 344383)

Worthing: Broadwater Road, Worthing BN14 8AH (01903 373028)



Land Rover

Lewes: Brooks Road, Lewes BN7 2DN (01273 610641)



Skoda

Ashford: The Boulevard, Ashford TN24 0GA (01233 273075)

Tunbridge Wells: North Farm Industrial Estate, Tunbridge Wells TN2 3EL (01892 256407)



Seat

Tunbridge Wells: North Farm Industrial Estate, Tunbridge Wells TN2 3EL (01892 256211)



Vauxhall

Ashford: Monument Way, Orbital Park, Ashford TN24 0HB (01233 273072)



Volkswagen

Worthing: Nightingale Avenue, Worthing BN12 6FH (01903 373048)

Haywards Heath: Station Garage, Market place, Haywards Heath RH16 1DN (01444 650164)

Eastbourne: Hammonds Drive, Eastbourne BN23 6PW (01323 344393)

Hove: Victoria Road, Portslade BN41 1YD (01273 610604)

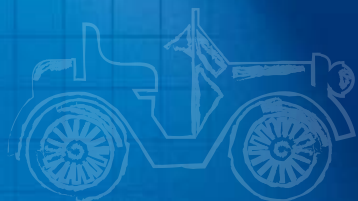
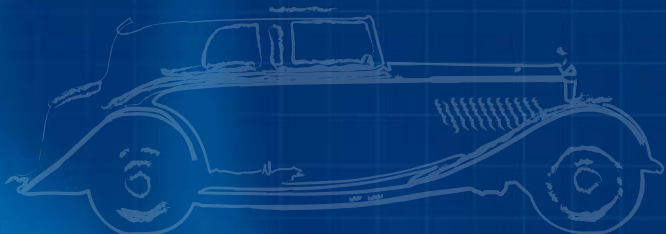
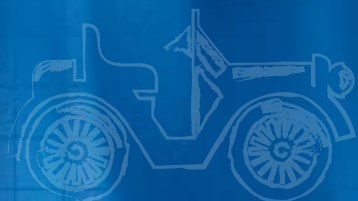


Volvo

Eastbourne: Lottbridge Drove, Eastbourne BN23 6PJ (01323 344371)

Head Office

Eastbourne: Meads Road, Eastbourne BN20 7DR (01323 730201)



Caffyns plc

Meads Road

Eastbourne

East Sussex

BN20 7DR

caffyns.co.uk

