20230526113806

ÅRSREDOVISNING

för

International Motors Nordic AB

Org.nr. 556443-4974

Styrelsen och verkställande direktören får härmed avlämna årsredovisning för räkenskapsåret 2022-01-01 - 2022-12-31

Innehåll	**Sida**
- förvaltningsberättelse	2
- resultaträkning	4
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Undertecknad styrelseledamot i International Motors Nordic AB intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämma den 12 maj 2023.
Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Malmö 2023-05-12

Christer Blomdell

20230526113807

ÅRSREDOVISNING

för

International Motors Nordic AB

Org.nr. 556443-4974

Styrelsen och verkställande direktören får härmed avlämna årsredovisning för räkenskapsåret 2022-01-01 - 2022-12-31

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International Motors Nordic AB
Org.nr. 556443-4974

FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i KSEK.

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Verksamheten
Företagets verksamhet jämte förvaltning av aktier i rörelsedrivande dotterbolag är att tillhandahålla administrativa tjänster till övriga bolag i koncernen.

Företagets säte är Burlöv.

Flerårsjämförelse*

	2022	2021	2020	2019	2018
Nettoomsättning	69 925	44 285	34 742	30 565	34 116
Res. efter finansiella poster	6 391	5 835	3 377	3 956	129 539
Res. i % av nettoomsättningen	9,13	13,17	9,72	12,94	379,70
Balansomslutning	209 301	207 375	196 118	273 137	318 759
Soliditet (%)	22,61	22,12	21,04	14,14	47,88

*Definitioner av nyckeltal, se noter

Omsättningen har ökat då vidarefakturerade marknadsföringskostnader ökat i kombination med att vissa transporter numera faktureras till bolaget som sedan vidarefakturerar detta till koncernbolag.

Ägarförhållanden
Koncernen består av International Motors Nordic AB samt dess helägda dotterbolag Subaru Nordic AB, Great Wall Motors Nordic AB, IM Properties Nordic AB, Isuzu Sverige AB, I.M Automotive AB samt dotterdotterbolaget Daihatsu (Sverige) AB. International Motors Nordic AB är moderbolag, men med stöd av ÅRL 7 kap 2§ upprättas inte någon koncernredovisning. Övergripande koncernredovisning upprättas av IM Group Ltd, Storbritannien.

Väsentliga händelser under räkenskapsåret
Under året har bolaget förvärvat aktierna i IM Automotive AB som är generalagent i Sverige för ORA-bilar och reservdelar till dessa.
Verksamheterna i dotterbolagen Isuzu Sverige AB och Subaru Nordic AB har påverkats negativt av leveranstörningar på grund av komponentbrist inom fordonsindustrin.

Väsentliga händelser efter räkenskapsårets slut
Verksamheterna i dotterbolagen Isuzu Sverige AB, Subaru Nordic AB och IM Automotive har påverkats negativt av leveransstörningar på grund av komponentbrist inom fordonsindustrin.

Förändringar i eget kapital

	Aktiekapital	Övrigt bundet eget kapital	Övrigt fritt eget kapital	Årets resultat	Summa fritt eget kapital
Belopp vid årets ingång	1 000	0	40 273	4 600	44 873
Resultatdisp. enl. beslut av årsstämma:			4 600	-4 600	0
Årets vinst				1 456	1 456
Belopp vid årets utgång	1 000	0	44 873	1 456	46 329

International Motors Nordic AB
Org.nr. 556443-4974

Resultatdisposition (kronor)

Förslag till disposition av bolagets vinst i kr

Till årsstämmans förfogande står	
balanserad vinst	44 872 733
årets vinst	1 456 057
	46 328 790
Styrelsen föreslår att	
i ny räkning överföres	46 328 790
	46 328 790

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

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International Motors Nordic AB
Org.nr. 556443-4974

RESULTATRÄKNING

	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Rörelsens intäkter m.m.			
Nettoomsättning	2	69 925	44 285
		69 925	44 285
Rörelsens kostnader			
Övriga externa kostnader	3	-34 753	-15 626
Personalkostnader	4	-32 262	-26 518
Avskrivningar av materiella anläggningstillgångar		-74	-79
Övriga rörelsekostnader		-246	-63
		-67 335	-42 286
Rörelseresultat		2 590	1 999
Resultat från finansiella poster			
Ränteintäkter från koncernföretag		4 368	4 368
Övriga ränteintäkter och liknande resultatposter		14	0
Räntekostnader		0	-12
Räntekostnader till koncernföretag		-581	-520
		3 801	3 836
Resultat efter finansiella poster		6 391	5 835
Bokslutsdispositioner			
Lämnade koncernbidrag		-4 500	0
		-4 500	0
Resultat före skatt		1 891	5 835
Skatt på årets resultat	5	-435	-1 235
Årets resultat		**1 456**	**4 600**

International Motors Nordic AB
Org.nr. 556443-4974

BALANSRÄKNING

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	6	290	401
Summa materiella anläggningstillgångar		290	401
Finansiella anläggningstillgångar			
Andelar i koncernföretag	7	94 627	94 527
Fordringar hos koncernföretag	8	91 410	72 892
Summa finansiella anläggningstillgångar		186 037	167 419
Summa anläggningstillgångar		186 327	167 820
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		8 078	0
Aktuell skattefordran		12 194	11 393
Övriga fordringar		1 697	1 657
Summa kortfristiga fordringar		21 969	13 050
Kassa och bank			
Kassa och bank		1 005	26 505
Summa kassa och bank		1 005	26 505
Summa omsättningstillgångar		22 974	39 555
SUMMA TILLGÅNGAR		**209 301**	**207 375**

BALANSRÄKNING

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	9	1 000	1 000
Summa bundet eget kapital		1 000	1 000
Fritt eget kapital			
Balanserat resultat		44 873	40 273
Årets resultat		1 456	4 600
Summa fritt eget kapital		46 329	44 873
Summa eget kapital		47 329	45 873
Kortfristiga skulder			
Leverantörsskulder		2 922	235
Skulder till koncernföretag		143 723	149 634
Övriga skulder		2 800	2 568
Upplupna kostnader och förutbetalda intäkter	10	12 527	9 065
Summa kortfristiga skulder		161 972	161 502
SUMMA EGET KAPITAL OCH SKULDER		**209 301**	**207 375**

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NOTER

Not 1 Redovisnings- och värderingsprinciper

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Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning. Principerna är oförändrade jämfört med föregående år.

Fordringar
Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Övriga tillgångar, avsättningar och skulder
Övriga tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Intäktsredovisning
Inkomsten redovisas till det verkliga värdet av vad som erhållits eller kommer att erhållas. Företaget redovisar därför inkomsten till nominellt värde (fakturabelopp) om ersättningen erhålls i likvida medel direkt vid leverans. Avdrag görs för lämnade rabatter.

Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för ackumulerade avskrivningar och eventuella nedskrivningar. Tillgångarna skrivs av linjärt över tillgångarnas bedömda nyttjandeperiod förutom mark som inte skrivs av. Nyttjandeperioden omprövas per varje balansdag. Följande nyttjandeperioder tillämpas:

	Antal år
Inventarier, verktyg och maskiner	3 - 5 år

Inkomstskatt
Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Aktuell skatt värderas till det sannolika beloppet enligt de skattesatser och skatteregler som gäller på balansdagen.

Ersättningar till anställda
Pensioner
Avgiftsbestämda pensionsplaner
Avgifter för avgiftsbestämda pensionsplaner kostnadsförs löpande.

Fordringar och skulder i utländsk valuta
Monetära fordringar och skulder i utländsk valuta har räknats om till balansdagens kurs.

Valutakursdifferenser som uppkommer vid reglering eller omräkning av monetära poster redovisas i resultaträkningen det räkenskapsår de uppkommer, antingen som en rörelsepost eller som en finansiell post utifrån den underliggande affärshändelsen.

UPPLYSNINGAR TILL ENSKILDA POSTER

Not 2 Inköp och försäljning inom koncernen	2022	2021
Andel av försäljningen som avser koncernföretag	100,00%	100,00%
Andel av inköpen som avser koncernföretag	17,43%	11,55%

NOTER

Not 3	Ersättning till revisorer	2022	2021
	BDO Sweden AB		
	Revisionsuppdrag	120	120
		120	120

Med revisionsuppdrag avses revisors arbete för den lagstadgade revisionen och med revisionsverksamhet olika typer av kvalitetssäkringstjänster. Övriga tjänster är sådant som inte ingår i revisionsuppdrag, revisionsverksamhet eller skatterådgivning.

Not 4	Personal	2022	2021
	Medelantal anställda		
	Medelantalet anställda bygger på av bolaget betalda närvarotimmar relaterade till en normal arbetstid.		
	Medelantal anställda har varit	38,00	36,00
	varav kvinnor	11,00	10,00
	varav män	27,00	26,00
	Löner, ersättningar m.m.		
	Löner, ersättningar, sociala kostnader och pensionskostnader har utgått med följande belopp:		
	Styrelsen och VD:		
	Löner och ersättningar	1 823	1 826
	Tantiem	1 894	534
	Pensionskostnader	730	770
		4 447	3 130
	Övriga anställda:		
	Löner och ersättningar	18 135	15 260
	Pensionskostnader	1 671	1 573
		19 806	16 833
	Sociala kostnader	7 797	6 277
	Summa styrelse och övriga	32 050	26 240
	Könsfördelning i styrelse och företagsledning		
	Antal styrelseledamöter	3	3
	varav kvinnor	0	0
	varav män	3	3

Avgångsvederlag
Mellan bolaget och verkställande direktören finns avtal om rätt till avgångsvederlag motsvarande sex månadslöner.

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NOTER

Not 5	**Skatt på årets resultat**	**2022**	**2021**
	Aktuell skatt	-435	-1 235
		-435	-1 235
	Avstämning av effektiv skatt		
	Resultat före skatt	1 891	5 835
	Skattekostnad 20,60% (20,60%)	-390	-1 202
	Skatteeffekt av:		
	Ej avdragsgilla kostnader	-45	-33
	Skatt hänförlig till tidigare år	0	0
	Summa	-435	-1 235

Not 6	**Inventarier, verktyg och installationer**	**2022-12-31**	**2021-12-31**
	Ingående anskaffningsvärde	707	497
	Inköp	161	210
	Försäljningar/utrangeringar	-211	0
	Utgående ackumulerade anskaffningsvärden	657	707
	Ingående avskrivningar	-306	-227
	Årets avskrivningar	-74	-79
	Utgående ackumulerade avskrivningar	-367	-306
	Utgående redovisat värde	290	401

Not 7 Andelar i koncernföretag

Företag **Organisationsnummer**	**Säte**	**Antal/Kap. andel %**	**Redovisat värde** **2022-12-31**	**Redovisat värde** **2021-12-31**
Great Wall Motors Nordic AB 556782-5541	Burlöv	5 000 100,00%	500	500
Subaru Nordic AB 556418-8117	Burlöv	9 000 100,00%	53 535	53 535
IM Properties Nordic AB 556766-4080	Malmö	1 000 100,00%	20 311	20 311
Isuzu Sverige AB 556373-3053	Malmö	20 000 100,00%	20 181	20 181
IM Automotive AB 559360-2377	Malmö	1 000 100,00%	100	0
			94 627	94 527

Uppgifter om eget kapital och resultat	**Eget kapital**	**Resultat**
Great Wall Motors Nordic AB	2 580	0
Subaru Nordic AB	650 906	80 857
IM Properties Nordic AB	67 115	8 756
Isuzu Sverige AB	16 672	9 858
IM Automotive AB	295	195

Not 8	**Fordringar hos koncernföretag**	**2022-12-31**	**2021-12-31**
	Ingående anskaffningsvärde	72 892	72 892
	Tillkommande	18 542	0
	Avgående	-24	0
	Utgående ackumulerade anskaffningsvärden	91 410	72 892
	Utgående redovisat värde	91 410	72 892

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NOTER

Not 9 Upplysningar om aktiekapital

	Antal aktier	Kvotvärde per aktie
Antal/värde vid årets ingång	10 000	100,00
Antal/värde vid årets utgång	10 000	100,00

Not 10 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Personalrelaterade kostnader	11 101	7 436
Räntekostnader	0	101
Marknadsrelaterade kostnader	1 265	736
Övriga upplupna kostnader	161	792
	12 527	9 065

Not 11 Väsentliga händelser efter räkenskapsårets slut

Verksamheterna i dotterbolagen Isuzu Sverige AB,Subaru Nordic AB och IM Automotive AB har även efter balansdagen påverkats negativt av leveransstörningar på grund av komponentbrist inom fordonsindustrin.

Not 12 Definition av nyckeltal

Soliditet
Justerat eget kapital i procent av balansomslutning

Malmö
2023-05-12

Andrew Edmiston

Christer Blomdell
Verkställande direktör

Gary Hutton

Fredrik Löfqvist

Vår revisionsberättelse har lämnats den 12/5 - 2023.

BDO Sweden AB

Martin Borg
Auktoriserad revisor

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REVISIONSBERÄTTELSE

Till bolagsstämman i International Motors Nordic AB
Org.nr. 556443-4974

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för International Motors Nordic AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av International Motors Nordic ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet "Revisorns ansvar". Vi är oberoende i förhållande till International Motors Nordic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

MB

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för International Motors Nordic AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet "Revisorns ansvar". Vi är oberoende i förhållande till International Motors Nordic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Helsingborg den 12 maj 2023

BDO Sweden AB

Martin Borg

Auktoriserad revisor

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I.M. Group Limited

Report and Consolidated Financial Statements

Year Ended

31 December 2022

Company Number 03456018

I.M. GROUP LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2022

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Lord Edmiston
A M Edmiston
G E Hutton

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Company number

03456018

Auditor

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I.M. GROUP LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their Strategic Report and the financial statements for the year ended 31 December 2022.

Review of the business

The Consolidated Statement of Total Comprehensive Income is set out on page 22-23 and shows the profit for the year.

During the year, the Group operated in three distinct sectors. The principal activities of the Group were:

- Property investment, management, development and construction (The Property Division);
- the importation and franchised distribution of motor vehicles and parts in the United Kingdom, Ireland, Sweden, Denmark, Finland and the Baltic Republics (The Automotive Division); and
- the provision of and servicing of finance, and the selling of related financial products (The Finance Division).

As part of a Group reorganisation, the Property and Finance divisions were demerged from I.M. Group Limited (IM Group) on 31 December 2022. These financial statements include results up to the date of the demerger. Following on from the reorganisation the Group's principal activity will be primarily that of the IM Group's Automotive Division.

The Principal activity of the company is that of a Holding Company to the Automotive division with shared resource activity for other fellow subsidiaries of I.M. Group (Jersey) Holdings Limited.

The Group is in a strong financial position with net assets at 31 December 2022, following the demerger of £224.1m (2021 - £771.3m) and continues to expand its activities through the development of existing business operations and seeking strategically placed acquisitions. The directors consider it important for the Group to retain its cash and short-term resources to finance such opportunities when they arise.

The directors are satisfied with the performance of the Group during the year.

Overview

The global COVID-19 pandemic of 2020 created immense challenges across the economy. 2021, whilst less directly impacted by measures to curb the impact of the pandemic, continued to be challenging with continued uncertainty around the impact of business interruption as well as supply side constraints becoming more apparent, impacting both output levels and pricing.

During the year, the Group took all reasonable steps to safeguard the financial health of the business balancing the needs of short-term strategic decisions, with the long-term sustainability of the Group. These measures included refining and stress testing cashflow forecasts, actively taking steps to increase financial headroom. The Group has continued to support our employees, safeguarding both their physical and mental health, while driving improvements to productivity to secure the long-term sustainability of the business.

2022's financial result was very positive, and the Directors are satisfied with the performance of the Group's divisions. Whilst the direct business outage consequences of the pandemic feel like they are behind us, 2021 was fraught with many global challenges, in particular supply side material cost and availability. These issues feel to have been compounded in 2022 due to political tensions in Ukraine and post pandemic inflation pressures. Despite turbulent market forces, the management team have worked tirelessly to generate a positive result for the business whilst continuing to secure the long-term future of the Group. The Directors are very proud that the Group was able to make Charitable Donations of £53.0m (2021 - £32.0m) during the year.

The Directors would like to congratulate and say a big thank you to all employees of the Group who have worked tirelessly to keep the Group operating effectively and profitably during extremely difficult times. We appreciate that individuals have faced a lot of personal uncertainty and are impacted by increases in the cost of living, yet they have stayed focussed on the core activities of the business and made this year a success. The Group's performance has demonstrated how versatile and flexible our team can be. Our employees are true to the Group's core values and able to compromise their own personal needs for the sustainability and success of the business.

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Review of the business (continued)

(i) Property division

Despite the turbulent economic backdrop of a falling market, the Property division was able to report profit before tax and donations of £32m, successfully overachieving on the market benchmark.

The primary key performance indicator for the business is 'total return on capital employed before tax and charitable donations' which for the year under review was 6.1%. This compares very favourably with the MSCI[1] IPD UK index which shows a total return for 2021 of negative 9.1%.

The diversified structure of the Property Division continues to provide a stable base with strong positive cash generation from the core investment portfolio. This allows the development divisions to focus on medium and long-term projects with higher returns. The nature of these development projects may cause the reported profits to fluctuate significantly above a base level depending on the timing of the development projects.

Strategic changes to reduce our exposure to offices and retail assets in the UK have been successful with the capital generated now deployed into sustainable urban logistics assets and ongoing logistic park developments which will be net zero in construction with a minimum EPC rating of A in line with our Sustainable Futures path to net zero. As a result of this, the fair value write down on our investment portfolio was restricted to a net £35m, reflecting the resilient nature of the investment portfolio.

The commercial development division generated a profit of £15m primarily from the delivery of completed units, with value generated through successful planning applications on new developments offset by softer assumed exit yields. The pipeline of future commercial development sites remains strong.

Spitfire Homes, our housebuilding division, reported turnover of £74m (2021 - £63m). The average private sale price decreased to £479,000 (2021 - £566,000) Plot sale volumes increased to 155 (2021 – 108) for 2022. Spitfire generated a profit before tax of £3.8m for the year (2021 - £1.2m).

The housing market has remained resilient through 2022 despite the headwinds of increasing mortgage costs, falling real wages and fuel & other costs increasing to squeeze household budgets. However, with base rates now at 5%, expectations that they will reach 6% later in H2 2023, there seems little doubt that strong headwinds are building for the housing market. Spitfire continue to consistently sell properties ahead of build completion although we are seeing sales take longer to convert from initial. Despite the headwinds, we are confident that the fundamentals are supportive for the housebuilding sector.

In the US, the development of a flagship lifestyle centre at Brookfield, Wisconsin with 400,000 sq ft of retail and 244 residential apartments continues. The expansion of this development to the west will provide improved economies of scale around the operating costs of the centre as well as enhanced value through the symbiotic relationships inherent in a well-planned and well operated high end mixed use development.

Our US joint venture IM Kensington Developments LLC has now successfully completed three retail led developments in Illinois. We have six ongoing development sites across Illinois, Colorado, Kansas and Minnesota, with a further five sites under contract across Colorado, Arizona and Illinois. While economic conditions have become more challenging across the United States, we have seen resilience in the markets and sectors we are active in, which now include residential as well as retail led development.

As part of a group reorganisation carried out on 31 December 2022, the Group disposed of its interest in its Property division. Further details are disclosed in note 8 of these financial statements.

(1) MSCI Investment Property Database, UK monthly index of total returns of directly held standing property investments.

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Review of the business (continued)

(ii) Automotive division

Consolidated turnover, for the year was £334.8m (2021 - £316.2m) and the Automotive division achieved a gross profit of £81.2m (2021 - £56.6m). After the deduction of overheads and before management charges the group generated an operating profit, the Group's operating profit was £40.0m (2021 - £20.8m).

Whilst early 2021 saw notable business interruptions due to government controls to mitigate the impact of the pandemic, midway through 2021 it became apparent that supply side limitations were impacting the return to pre-pandemic volume levels, caused primarily by well documented shortages of semiconductors and shipping delays. Supply shortages in the automotive industry continued into 2022 and the business continued to work very closely with manufacturers and dealers to maximize stock availability and manage customer expectations. The management team adapted to work with uncertain, and lower than anticipated volumes, carefully controlling the Group's cost base and looking for opportunities to generate other sources of income.

During the year, the Automotive division re-established its long-standing relationship with Great Wall Motors to import new EV product and parts into the UK, Nordic and Irish markets. Manufacturer and shipping delays meant that most of this stock landed during Q4 2022 increasing the Automotive divisions year end stock holding significantly on the prior year. The division is excited to be bringing this new brand into the passenger car marketplace and looks to invest significantly in building a strong dealer network and creating brand awareness.

The key financial performance indicators of the Automotive Division are turnover, gross profit, profit before tax and cash generation. These matters are disclosed in detail within these financial statements. The directors do not consider that there are any key (measurable) non-financial performance indicators.

The primary drivers of this year's Automotive division result was the performance of Isuzu (UK) Limited ('Isuzu UK'), Subaru (UK) Limited ('Subaru UK') and Subaru Nordic AB ('Subaru Nordic'). These results are supported by the stability of aftersales profits and profit from our associate, International Motors Finance Limited. The result also includes a full year's performance of Mitsubishi's parts and aftersales business.

Isuzu UK's trading performance in 2022 was positive for the year with commercial vehicles primarily sold to private and small business customers. Despite continued supply restrictions, Isuzu UK has continued to invest significantly in brand awareness to maximize the opportunity in the current D-Max model, a product that has proven very popular with pick-up customers. The Directors see that Isuzu is well placed in the UK Pick-up market, with key competitor Mitsubishi leaving the segment in September 2021 and the market demand in 2022 outstripping supply. Isuzu UK has achieved higher than budgeted sales volumes, despite on-going supply constraints and is cautiously optimistic about further growth in volumes in 2023. The company enters the new year with a strong order book and is committed to investing in the Isuzu brand.

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Review of business and key performance indicators (continued)

Isuzu has an established dealer network with national coverage. New interest from external parties in taking up the franchise has been strong. Isuzu continues to lead as a quality reliable pick-up. During the year Isuzu UK has maintained marketing activity including the continuation of a sponsorship agreement with the Welsh Rugby Union that is generating brand awareness in the UK.

The Directors have been satisfied with Subaru UK's performance, albeit curtailed due to supply restrictions. The Group is positive about the outlook for the brand and has launched the Subaru Solterra into the market, being the Brand's first full EV product.

On 1 October 2021, the Group acquired the parts distribution and aftersales business for Mitsubishi Motors in the UK. Following the strategic decision to no longer sell cars in the UK, the previous owner/distributor sold its aftersales business to International Motors Limited. The acquisition is a good fit for IM allowing it to capitalize on capacity at its central fulfilment facility in the West Midlands. The Group takes pride in representing the Mitsubishi brand in the UK and will continue to ensure that customers receive a good level of aftersales care and parts availability at least equal to that under its former ownership. 2022's result for Mitsubishi met expectations and the business is well established within IM's infrastructure.

Parts and accessory sales have performed well showing consistently satisfactory performance. The directors are pleased with the result for the year and are positive about the future performance of the parts business and anticipating continued growth in accessory sales.

2021 saw a positive Q1 result for I.M. European Motors Limited. On 31 March 2021, the distribution agreement for the sale of Citroen vehicles and parts ceased and the results of this business categorized as discontinued in the prior year.

The directors were pleased with the overall results of the Automotive division as the group capitalised on well established relationships with our dealer network and manufacturers. The directors remain conscious of potential headwinds for the economies in our primary markets together with continued uncertainty surrounding the UK exit from the European Union, the War in Ukraine, inflationary pressures, exchange rate volatility and the more recent impact of COVID-19.

The Automotive division continues to benefit from the diversity provided by the different franchises and the exposure to markets in different countries. The directors expect this to enable the International Motors Group to continue supporting the development of emerging brands in the UK and Nordic markets and look for other investment opportunities, while delivering sustainable profits in line with the long-term strategies of the Group.

The latest revaluation of the defined benefit pension deficit was performed by the Group's actuaries as at 31 December 2022. Actuarial gains/losses recognised on the schemes net assets are taken to Other Comprehensive Income. 2022's Balance Sheet sees a decrease in the scheme deficit to £Nil (2021 - £1.6m). The scheme had a surplus of £13.3m which was restricted to £Nil as there was no unconditional right to this surplus. The scheme continues to be funded as required and the group has more than sufficient liquid assets to honour the scheme deficit obligations.

(iii) Finance division

In 2022 Specialist Motors Finance Limited generated a profit before taxation of £8.8m (2021 - £5.4m). The company has seen its consumer loan-book increase in size during the year and at 31 December 2022 it was £201.1m (2021 - £167.8m).

As part of a group reorganisation carried out on 31 December 2022, the Group disposed of its interest in its Finance division. Further details are disclosed in note 8 of these financial statements.

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Funding and going concern

The Group generated pre-tax profit during the year of £32.9m (2021 - £132.2m). This result was after Charitable Donations of £53.0m (2021 - £32.0m). At 31 December 2022, following the Group reorganisation (note 8) the Group had net assets of £224.1m (2021 - £771.3m). Included within net current assets is a positive 'Cash at Bank and in Hand' position of £106.0m (2021 - £224.7m). The Directors consider this year's performance to be positive, given the economic backdrop, and provides strong evidence of the robust and well diversified nature of the Group.

The directors of I.M. Group Limited and its subsidiaries ('the Group') have prepared a detailed cash flow forecast ("the forecast") for the Group for the period to 31 December 2024 ("the period") which shows the Group trading cash flows and expected available bank facilities for the period.

The executive directors of I.M. Group Limited were fully involved in the preparation and detail of the Group forecast. The funding facilities available to the Group are generally term loans or overdrafts and are primarily in place for at least the period. The bank funding facilities are subject to covenants. Following a reorganisation on 31 December 2022 the I.M. Group funding facilities also include short term funding of £59.1m (2021 - £210.1m) provided by the ultimate controlling party and the pension scheme of the ultimate controlling party. The short-term funding also includes £Nil (2021 - £60.0m) due to the ultimate parent undertaking.

The forecast shows that the Group will be able to operate and meet its external liabilities as they fall due for payment during the period within available borrowings and other funding. The forecast also shows that the Group will continue to meet its covenant requirements during the period. The forecast includes the assumption that short term funding provided by the ultimate controlling party will remain fully available to the Group during the period.

In the preparation of the forecast and these financial statements the directors have considered the potential further impact of trading conditions following the COVID-19 outbreak and consider that the risk and impact on the group have eased throughout Europe and other key market countries, in particular China where social distancing regulations have more recently been relaxed. Further risks continue to exist in the economy and automotive sector, these include supply side risks, as production demand for vehicles and parts remains high. Labour and shipping constraints have now become more prevalent despite the manufacturers having greater raw material supply.

The directors consider that the forecasts prepared for the going concern assessment reflect a reasonably prudent trading position for the Group and that this still shows significant headroom available for all months during the period.

After careful consideration the directors consider that the Group forecast is achievable, that sufficient facilities will continue in place throughout the period in order for the Group to operate and meet its liabilities as they fall due for payment. Therefore, the Directors consider that it is appropriate to prepare the financial statements on a going concern basis.

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Monitoring and managing risk

The Group has an established, structured approach to risk management. The Group's activities expose it to a variety of financial risks, including the effects of market changes, credit, liquidity, cash flow, exchange rate and interest rate risks. The Group has adopted risk management policies that seek to mitigate these risks in a cost effective manner.

The Directors understand that in order to generate a return it is necessary to face a level of risk. The key is to ensure these risks remain within acceptable levels agreed by the Board. The Directors believe that the structure allows the Group not just to identify, measure and manage risk, but also to respond quickly where opportunities are identified, giving a competitive advantage. The Group operates in the automotive sector and has a diversified product mix of commercial, electric and passenger vehicles including sale of vehicle parts and accessory. This diversification mitigates exposure to sector specific risks.

The Directors consider the principal risks and uncertainties to the Group to be as follows:

Exposure to foreign currency

Both the Group's property and automotive divisions are exposed to the risk of fluctuating exchange rates.

Overseas property net asset values can be directly affected by currency variations. Property assets are funded locally where possible in matching currency. The Group utilises derivative financial instruments in order to achieve the foreign exchange hedging levels targeted by the Board. Levels of unhedged currency exposure are monitored on an ongoing basis.

The Group's financial performance is exposed to the risk of adverse movements in the value of sterling against the Japanese Yen and the Euro increasing the purchase price of vehicles. In a competitive market place the Group is not always able to recover these additional costs by increasing its selling price. The Group's automotive division manages these risks by entering a forward contract for the relevant currency at the time an order is placed.

Market risk

The Group is exposed to market risk as a result of its operations, particularly relating to the demand for its products and services. However, the Directors consider that they are close enough to the market to be able to react quickly to changes and hence the impact on the Group's performance.

Adverse interest rate movements

The Group is exposed to adverse interest rate movements. This risk is largely mitigated through the use of derivative instruments, including interest rate swaps and caps. Hedging levels are monitored on an ongoing basis.

Political and economic risk

The Group is exposed to political and economic risks such as Brexit implications and disruptions to product availability, driven by a worsening shortage of a range of components, including semiconductors which has led to reduced distribution volumes. Disruption and component shortages are expected to ease in 2023.

The Group holds a diversified business model which mitigates economic risk impacting a specific sector or region. The Group operates across the United Kingdom, Germany, Ireland, Sweden, China and the United States of America. Significant cash reserves are maintained within the Group. The Group treasury function is managed on a centralised basis.

2022 saw uncertainty surrounding the ongoing political climate and the war in Ukraine. The Group has a strong net asset position, including a high level of cash reserves which, along with vigilant management will place the Group in the best position to continue its long history of trading profitably in ever changing circumstances.

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Monitoring and managing risk (continued)

Covenant breach

The Group has financial covenants attached to its debt facilities and therefore exposed to the risk of facility withdrawal should compliance with the Covenants not be met. Financial covenants are monitored by management on an ongoing basis and reported to the banks in accordance with agreed terms. Where appropriate, modelling is undertaken to determine the impact on covenants as part of the Group's decision-making process.

Credit risk

Credit risk is the risk of loss in value of financial assets due to counterparties failing to meet all or part of their obligations. The Group performs ongoing credit evaluation of its customers' financial condition and has implemented policies that require appropriate credit checks on potential customers before sales are made, monitoring of accounts and prompt collection of outstanding balances.

The Group has no significant concentration of credit risk with exposure spread over a large number of tenants and customers. The finance division assess all customers via a wide range of underwriting scoring systems and reduces risk by taking appropriate security for funds advanced.

Regulatory risk

Regulatory risk is the risk that the Group is exposed to financial penalties and reputational damage should industry regulations surrounding its various business activities be breached.

The Group has a central Risk and Compliance function that is dedicated to identifying and mitigating financial and regulatory risk within the Group, in particular around the preservation of sensitive data (GDPR).

Regulatory risk within the finance division is carefully managed through a specialist compliance function to ensure the Group is compliant with Financial Conduct Authority principles.

Cyber security risks

As we invest in our digital capability, gather and hold more data and rely ever more heavily on technology platforms, we open up new opportunities for cyber attacks, many of which are well-funded and well organised. Attacks can be aimed at accessing confidential data, extracting money, or causing business interruption. The Group is developing new technology platforms and digital capabilities.

The Group has appointed a Chief Information Officer and continues to evolve its understanding and defences against cyber security breaches.

Liquidity and fund pricing risk

Liquidity risk is the risk that the Group does not have sufficient liquid assets to meet its obligations as they fall due. Pricing risk relates to the unavailability of external funding at acceptable pricing. The impact of unavailable funding would be a negative impact on the Group's liquidity and ability to grow the business effectively.

The Group's cash resources are managed centrally to ensure that Group companies have sufficient liquid assets to meet their obligations.

Liquidity is maintained at a prudent level through management of Group resources and the Group ensures there is an adequate liquidity buffer to cover contingencies. Significant cash reserves are held by the Group to support future ventures.

The Group maintains sufficient cash and open committed credit lines from its bankers and Group funding opportunities in order to meet its funding requirements. Group management monitors cash flow as part of its day to day control procedures. The Group has strong relationships with a range of banks, which reduces credit and liquidity risks.

20230814000062

Monitoring and managing risk (continued)

A major health and safety incident

The Group's activities include manual activities and the operation of machinery and vehicles, sometimes in confined spaces. These activities expose our colleagues to the risk of serious or fatal injury. The use of and disposal of chemicals and other substances risks harm to the environment.

The Group retains a policy that health and safety arrangements are always a priority as we have no tolerance of health and safety risk exposure. The Group has defined business procedures in place to ensure active management of all health and safety matters, and there is regular reporting of performance in this area to Directors of the Board.

In particular in relation to the COVID-19 pandemic, the risk of a serious injury or death to an employee, member of the public or any other person poses a serious risk to the reputation and profitability of the Group. The Group has demonstrated its resilience during the COVID pandemic with systems in place to enable efficient remote working and procedures to ensure the safety of employees while allowing Group operations to continue with minimal impact.

Streamlined Energy and Carbon Report

I.M. Group Limited is a large, family owned, international company based in the Midlands. The Group operates a diverse portfolio of companies in the automotive, property and finance sectors. Our specialist expertise and local market knowledge is used to support our business partners achieve the goals.

We recognise that the automotive and built environment sectors have a key role to play in mitigating and adapting to climate change and as we continue this journey towards net zero, we are pleased to share our Streamlined Energy and Carbon Report.

Reporting period

The reporting period for this data is 1 January 2022 to 31 December 2022, in line with the financial reporting period. 2021 is used as previous year comparison, while 2020 is used as the baseline year, as this was the first year that the group recorded and reported data.

Scope

The scope includes IM Group UK operations. Reported energy consumption and associated carbon emissions include gas and electricity consumption, fuel consumption from on-site construction plant / equipment and transport. Transport includes company cars and business travel in employee-owned vehicles.

Measurement methodology

The reporting methodology used is the GHG Reporting Protocol - A Corporate Accounting and Reporting Standard, with Spitfire Homes electing to use an operational control approach for this report. This reporting is in compliance with the Streamlined Energy and Carbon Reporting ("SECR") legislation for large unquoted companies. Electricity and gas consumption data has been sourced directly from suppliers using Annual Quantity (AQ) data from the energy supplier and invoices provided by fuel supplier.

Emission factors used are based on those issued from the UK Department of Business Energy and Industrial Strategy (BEIS) and The Department of Environment, Farming and Rural Affairs (DEFRA) in 2022.

Scope 1 - includes emissions associated with natural gas consumption, gas oil, propane, butane and company cars.

Scope 2 - includes emissions associated with electricity consumption and is calculated based on a location-based approach.

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Measurement methodology (continued)

The intensity ratio presented is calculated based on total tonnes CO2e emissions in the reporting period divided by the number of employees in the UK, as at the 31 December 2022.

Year on Year Variances

During 2022 IM Group extended its automotive brands offer to include ORA an all-electric vehicle range.

Our property group made nine acquisitions, totalling circa 278,000 sq ft and divested three assets, while in 2021 we sold a large office park and a shopping centre part way through the year. Spitfire Homes saw an increase in the number of new homes constructed and sold in the period.

At the end of 2021 the property group began the refurbishment of an office building removing the gas supply, which had accounted for 263 tonnes of CO2e in 2021.

We have also continued to improve our reporting processes, leading to improved data clarity. These changes help to explain year on year variance in energy consumption and associated scope 1 and 2 emissions reported.

Greenhouse gas emissions, energy use data and intensity ratio for the period 1 January 2022 to 31 December 2022

Greenhouse gas emissions, energy use data and intensity ratio	**2022**	2021 (restated)[1]
UK Energy consumption		
Energy consumption used to calculate emissions (kWh)	**9,417,383**	9,441,411*
On-Site Renewable Generation		
Solar energy produced (kWh)	**16,618**	13,830
Scope 1 emissions in metric tonnes CO2e		
Purchased gas	**506**	675*
Gas Oil	**543**	232
Propane	**7**	1
Butane	**2**	1
Owned transport	**196**	255*
Scope 2 emissions in metric tonnes CO2e (Location based)		
Purchased electricity	**532**	691
Total gross emissions in metric tonnes CO2e	**1,786**	1,855*
Intensity ratio Tonnes CO2e per employee	**4**	4

[1] Prior period figures with an asterisk (*) have been restated to correct a calculation error within the Spitfire Homes division. In addition to this, 46 metric tonnes of CO2e related to fuel purchased by company fuel cards was classified incorrectly in 2021 but has now been *amended in the comparative numbers above to be shown within scope 1*

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Energy and Carbon Strategy

IM Group are committed to supporting the UK Government's commitment to be net zero by 2050. The company recognises the need to continue to improve data collection across its Scope 1 and 2 emissions and in support plans to launch a group wide sustainability strategy in 2023.

Energy and carbon performance commentary

During the reporting year IM Group companies have continued to focus on energy and carbon issues and took action to manage and reduce our greenhouse gas emissions.

These included:

- Launching an all new, Electric Vehicle automotive Great Wall Motors ORA brand to the UK. In addition to increasing its electric vehicle offer with the launch of Solterra, for Subaru UK.

- Practical completion of our project at Mercia Park, Jn 11, M42, delivering around 2.9 million square foot commercial space for Jaguar Land Rover. This is our first commercial development to be constructed in accordance with the UKGBC Net Zero Carbon Buildings Framework to achieve net zero carbon in construction by offsetting some 112K tonnes of CO2.

- Practical completion of Bourn, our office refurbishment project in Coventry. This newly refurbished office includes the use of photo-voltaic panels, providing around 12% of the buildings energy needs, achievement of an EPC A rating, BREEAM Very Good and conversion from gas to an all-electric mechanical and electrical system using 100% renewable sourced energy. The building also promotes and aims to encourage sustainable travel with the provision of 16 EV car charging points as well a dedicated cycle hub.

- Trialled the use of innovative, low carbon technologies such as solar panels and battery storage on our Spitfire Homes project at Eckington.

- Gave our employees greater choice by introducing into zero emission vehicles (electric vehicles) into our company car fleet for the first time.

- We have continued to engage with Climate Impact Partners to further support our commitment to Net Zero Construction. Offsetting around 114K tonnes of CO2e by surrendering high quality, verified carbon credits (certified by the International Carbon Reduction and Offset Alliance (ICROA) and Gold Standard).

- Joining forces with other leading industry organisations to champion the development of the UK Net Zero Building Standard (NZBS), which will be published in December 2023.

20230814000065

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The board of directors consider that the decisions they have made during the financial year and the way they have acted have promoted the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act). The Board meets on a regular basis and the agenda typically includes reports on current trading and financial performance from the Brand Directors, legal and governance updates, a review of the strategic plan and more detailed discussions of areas of particular importance. The Board considers the Company's key stakeholders to include employees, dealers, customers, suppliers and the local community as well as its controlling shareholder and bankers.

Long-term decisions

The Board discusses proposals for new business opportunities, capital expenditure and efficiency initiatives. Whilst financial benefit and shareholder return is one of the key decision criteria, the long-term effect on the Group's going concern, the environment, job security for our employees, value and service for our customers and fair trading terms with our suppliers are also considered.

The Board recognises its responsibility to act responsibly between all its stakeholders. The key goals of the automotive division are to enhance employee satisfaction, dealer satisfaction, customer satisfaction, growth and profitability. The management team fully appreciate that motivated and empowered employees will in turn create motivated effective dealers improving customer satisfaction and therefore the long-term sustainability of the business.

Stakeholder engagement

The table below provides a summary of how the Board consider the Company's stakeholders and their concerns in decision making and demonstrates that in conducting the business of the Company over the course of the year ended 31 December 2022, the directors have complied with Section 172(1) of the Companies Act 2006.

	Primary issue	*Why engage*	*How we engage*	*Influence on decision making*
Employees	It is critical for the future success of the business that we develop, retain and attract talent.	To understand how we can provide stimulating and challenging career opportunities for our teams to develop their skills within a considerate and supportive environment.	We work hard to create an open culture, encouraging constructive and honest dialogue throughout the business. We strive to follow our core values of integrity, *togetherness*, respect and commitment in the way we work with each other across the Group.	The Group operates with a flat management structure and this direct interaction between directors and employees helps the Board to make decisions relating to people development, working environments and the attraction of talent. In 2022, an extensive staff survey was carried out to canvas views and opinions, which has led to a planned increase in the flexibility and choice around employee benefit packages for 2023.

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Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 (continued)

Stakeholder engagement (continued)

	Primary issue	*Why engage*	*How we engage*	*Influence on decision making*
Customers / Dealers	There continues to be considerable change in how people buy vehicles. As a successful business we need to be providing our customers with what they want now and, in the future, not just what they have wanted in the past.	We need to understand the people and businesses that use our products in order to meet their increasing expectations. Across the Group we aim to build strong relationships with our customers.	We seek feedback on customer and dealer satisfaction through surveys and forum meetings.	The Board are influenced through direct contact with dealers and customers as well as the feedback and specific information communicated through our teams. For example, we carry out periodic dealer surveys which are used in making decisions.
Professional Advisors	Engagement with our professional advisers and debt providers is a fundamental part of securing a consistent working relationship. We engage with suppliers and joint venture partners to promote our ESG standards.	This engagement allows us to benefit from the expertise across existing and potential suppliers, joint venture partners and debt providers to support the long-term success of the Group. We believe that aligning interests creates greater mutual success.	We share our strategy and expectations with our key partners and assign key contacts to build close working relationships built around our Group core values.	The board includes directors directly responsible for relationships with our partners in their primary areas. This informs our decision making as a board. As an example, our relationships with our banking partners provide us with an understanding of the debt and foreign exchange markets which is applied in board meetings to inform decisions around acquisitions, foreign currency purchases.

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Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 (continued)

Stakeholder engagement (continued)

	Primary issue	*Why engage*	*How we engage*	*Influence on decision making*
Communities	Environmental concerns and local issues are combined with social challenges around equality, health, skills, affordable housing and social cohesion.	Understanding our communities allows us to help create successful, inclusive and sustainable places in an environmentally responsible way.	Many of our employees are embedded in the communities that we serve. At director level we maintain positive relationships with local authorities who understand the needs of their local communities.	Since it began trading the I.M. Group has donated in excess of £450m to Christian Vision, a charity founded by Lord Edmiston that seeks to address the social challenges that concern all of us. Since 2020 we have increased our support for community mentoring projects with staff taking responsibility for one of more individuals in the community and our teams support a number of local schools with time and resources provided by Grace Foundation, a registered charity.
Shareholder	Delivering sustainable capital growth and income over the long term with an appropriate balance of risk and return in the context of wider market uncertainty.	We have a clear responsibility to engage with the owner of the business, whose views are an important driver of our strategy.	We hold quarterly shareholder meetings where the owner can engage directly with the senior management team. There are also regular informal discussions held on a one-to-one basis.	The owner provides direct feedback on strategic plans proposed by the directors, which is then factored into the final corporate strategy. The decision to donate units from The Hub to Charity in August 2022 was taken as a result of discussions with the ultimate shareholder. The units were donated from our demerged Property division (see note 8)

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Stakeholder values

Our engagement with stakeholders continues to evolve and improve and the Board recognises that fostering these relationships along with maintaining the Group's reputation for high standards of business conduct is essential for the Group's long-term success. We have dedicated divisional Managing Directors and teams in each country the Group operates in. The I.M. Group Board of Directors has set key values underpinning the Group's strategy and has ensured that all its employees fully understand and work with the values at all times. These values are:

Respect - We are consistent in our approach to business and relationships. We treat each other with respect at all times. We promote openness, listen, demonstrate understanding and are respectful of one another's circumstances.

Commitment - Actions speak louder than words. We can be trusted to do what we say we will do and are accountable for our performance. We are committed to our brand and protect and uphold the reputation of our businesses which have been built through decades of dedication to delivery.

Togetherness - Together we are a team, built around trust and humility. We share in our success and the burden of the challenges we face. Together we engender a sense of security and belonging.

Integrity - Our business is built upon integrity. Those who connect with us-colleagues, partners, suppliers and customers can trust that we will strive to do what is right and do what we say we will do.

There has been continuing development to improve the Group's procurement procedures. The Group is clear on its policy of only trading with partners that share common values. The Group has ensured all employees are aware of antislavery legislation and their personal duty of care.

Trading updates

The Board considered trading performance from across the Group's operations, discussed operational issues such as implementation of new technology, vehicle stock availability, manufacturer relationships, sales volumes, market share and margins.

Strategic Goals

At quarterly board meetings, the Board discusses its strategic plan, including growth aspirations and new business opportunities.

In order to formulate the plan, the Board considers management's assessment of recent trading performance, market trends (and in particular product developments with regards to environmental sustainability), the competitive position of our automotive brands and new opportunities. Based on the above, the Board is able to direct its short-term goals against long term vision and values. The Group's plan encompasses identification of the desired growth opportunities, development of the strategy to create relationships and capacity for this growth including the necessary enhancement of the Group's IT infrastructure and organisational capability.

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Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 (continued)

Financial updates

The Board discussed performance against budget with particular focus on underperforming parts of the business, reviewed the monthly rolling forecast, discussed funding requirements, reviewed liquidity position and considered payment of shareholder dividends.

Sustainability

The Board is acutely aware of its responsibility to safeguard the environment and of the evolving European legislation on vehicle emission targets and its impact of the environment. Management continue to work with government agencies, automotive industry partners and manufacturers to ensure its products are as environmentally efficient as possible, whilst been competitively priced and fit for purpose. The Board continues to look for other business opportunities in the automotive sector, in particular the import and distribution of electric and hybrid vehicles.

The Board are also committed to creating a sustainable future together. We provide quality products and services to our customers and will strive to minimise the environmental impact of our activities.

Given the diversity of the Group's business portfolio, implementation of our 2050 net zero ambitions is worked out on an individual division basis and is overseen by the Board under three pillars – Place, Planet and People supported by our partnerships and practices. Each division has their own vision as to how this will be out worked through partnerships and practices.

G E Hutton
Director

Date: 07 July 2023

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

Dividends

An interim ordinary dividend of £Nil (2021 - £Nil) was paid during the year. The Directors do not recommend the payment of a final dividend.

Financial instruments

Information regarding financial instruments is set out within the Strategic Report and in note 26.

Directors

The directors during the year were as follows:

Lord Edmiston
Mr A M Edmiston
Mr G E Hutton

Disabled employees

The Group supports the employment of disabled people whenever possible giving full and fair consideration to applications for employment made by disabled persons and having regard for their particular aptitudes and abilities. Where existing employees become disabled during their employment, where practicable, the Group will provide continued employment and provide training, career development and promotion.

Employee involvement

During the year, the policy of providing employees with information about the Group has continued through the Group publication, in which employees have also been encouraged to present their suggestions and views on the Group's activities. Internal e-mail communication is used to provide employees systematically with information on matters of concern to them as employees.

Staff discussion meetings are held on a regular basis, whereby employees achieve a common awareness of the financial and economic factors affecting the performance of the Group.

Future developments and going concern

Information regarding future developments and going concern is set out within the Strategic Report.

Charitable donations

Donations to charitable organisations during the year totalled £53,031,000 (2021 - £31,958,000).

Political donations

The Group and Company made political donations of £Nil (2021 - £31,000). This includes £Nil (2021 - £31,000) paid to the Conservative party.

Post balance sheet events

Details of events that have occurred since 31 December 2022 are set out in note 36 to the financial statements.

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Qualifying third party indemnity provisions

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors during the year. These provisions remain in force at the reporting date.

Statement of engagement with suppliers, customers and others in a business relationship with the company

The directors have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Group during the financial year. These considerations are included in the Statement by the directors in performance of their statutory duties in accordance with s172 within the Strategic Report.

Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 Group and Company and of the profit or loss of the Group and 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. They 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.

Auditor

The Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditor for the purpose of their audit and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the auditor is unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting, in accordance with section 485 of the Companies Act 2006.



G E Hutton
Director

Date: 07 July 2023

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Independent Auditor's Report to the Members of I.M. Group Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of I.M. Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cashflows, the Company Balance Sheet and the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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 Group's and Parent 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.

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

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Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard..

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

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Extent to which the audit was capable of detecting irregularities, including fraud:

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:

- We gained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates and considered the risk of non-compliance of fraud to the entity.
- We designed audit procedures to detect material misstatements due to fraud and error.
- We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements, including, but not limited to, UK GAAP, Companies Act 2006 and certain requirements for UK tax legislation.
- Our tests included, but were not limited to, agreement of the financial statement disclosures to underlying supporting documentation, review of any correspondence with regulators and legal advisors and enquiries made of management.
- We also addressed the risk of management override of controls, including testing journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.
- We designed audit procedures that specifically address the fraud risk due to improper revenue recognition. Through our tailored procedures, we were able to mitigate the fraud risk by focusing on where management may feel pressure to achieve expected results to meet covenants or achieve bonus's.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Geraint Jones
BFDDB6955DB642A...

Geraint Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 07 July 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

20230814000075

I.M. GROUP LIMITED
CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Continuing operations 2022 £'000	Discontinued operations 2022 £'000	Total 2022 £'000	Continuing operations 2021 £'000	Discontinued operations 2021 £'000	Total 2021 £'000
Turnover	3	344,422	338,837	683,259	318,525	440,921	759,446
Cost of sales		(260,205)	(240,623)	(500,828)	(261,985)	(298,558)	(560,543)
Gross profit		84,217	98,214	182,431	56,540	142,363	198,903
Distribution costs		(24,767)	-	(24,767)	(19,092)	-	(19,092)
Administrative expenses		(15,055)	(37,594)	(52,649)	(20,252)	(31,582)	(51,834)
(Loss) /Gain from changes in fair value of investment properties		-	(41,564)	(41,564)	-	5,905	5,905
Charitable donations	4	(3,230)	(49,801)	(53,031)	(11,958)	(20,000)	(31,958)
Other operating income	5	-	23,550	23,550	4,316	37,519	41,835
Operating profit/ (loss)	6	41,165	(7,195)	33,970	9,554	134,205	143,759
Share of results of associates	19	1,950	-	1,950	1,896	-	1,896
Interest receivable and similar income	11	6,727	18,568	25,295	3,025	8,887	11,912
Interest payable and similar charges	12	(7,472)	(20,878)	(28,350)	(7,267)	(18,079)	(25,346)
Profit/(loss) before taxation		42,370	(9,505)	32,865	7,208	125,013	132,221
Taxation	13	(4,798)	239	(4,559)	(1,341)	(26,788)	(28,129)
Profit/(loss) for the financial year		37,572	(9,266)	28,306	5,867	98,225	104,092
Actuarial gains on defined benefit plans	30	1,606	-	1,606	6,747	-	6,747
Currency translation differences		(1,367)	5,243	3,876	(4,028)	(1,788)	(5,816)
Taxation relating to other comprehensive income	13	(402)	-	(402)	(1,687)	-	(1,687)
Other comprehensive income / (expense) for the year		(163)	5,243	5,080	1,032	(1,788)	(756)
Total comprehensive income for the year		37,409	(4,023)	33,386	6,899	96,437	103,336

The notes on pages 31 to 77 form part of these financial statements

20230814000076

I.M. GROUP LIMITED
CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 Total £'000	2021 Total £'000
Profit for the financial year attributable to:		
Owners of the parent	**25,499**	92,543
Non-controlling interests	**2,807**	11,549
Profit for the financial year	**28,306**	104,092
Total comprehensive income for the year attributable to:		
Owners of the parent	**29,197**	91,787
Non-controlling interest	**4,189**	11,549
Total comprehensive income for the year	**33,386**	103,336

The notes on pages 31 to 77 form part of these financial statements

20230814000077

I.M. GROUP LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

Company Registration No. 03456018

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Intangible assets	14		**4,895**		8,061
Tangible fixed assets	15		**52,452**		55,454
Investment properties	16		**-**		639,151
Fixed asset investments	17		**16,293**		14,713
			73,640		717,379
Non-current assets					
Debtors	20		**-**		69,294
Consumer loan assets	22		**-**		121,341
			-		190,635
Current assets					
Stocks	21	**134,183**		267,225	
Consumer loan assets	22	**-**		48,297	
Debtors	23	**100,647**		95,617	
Cash at bank and in hand		**105,954**		224,748	
		340,784		635,887	
Current liabilities					
Creditors: amounts falling due within one year	24	**(160,228)**		(422,527)	
Net current assets			**180,556**		213,360
Total assets less current liabilities			**254,196**		1,121,374
Creditors: Amounts falling due after more than one year	25		**(17,441)**		(318,256)
Provisions for liabilities	28		**(12,607)**		(30,268)
Pension liability	30		**-**		(1,575)
Net assets including pension liability			**224,148**		771,275

The notes on pages 31 to 77 form part of these financial statements

20230814000078

I.M. GROUP LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

Company Registration No. 03456018

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Capital and reserves					
Called up share capital	31		**69**		69
Other reserves	32		**19,110**		19,978
Profit and loss reserves	32		**204,969**		737,467
Capital and reserves attributable to owners of the parent Company			**224,148**		757,514
Capital and reserves attributable to non-controlling interests			**-**		13,761
Total equity			**224,148**		771,275

The financial statements on pages 22 to 77 were approved by the board of directors and authorised for issue on 07 July 2023 and are signed on its behalf by:

G E Hutton
Director

The notes on pages 31 to 77 form part of these financial statements

I.M. GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £'000	Other reserves £'000	Profit and loss reserve £'000	Controlling interests £'000	Non-controlling interests £'000	Total £'000
Balance at 1 January 2022		**69**	**19,978**	**737,467**	**757,514**	**13,761**	**771,275**
Profit for the year		-	-	25,499	25,499	2,807	28,306
Other comprehensive income / (loss):							
Actuarial gains on defined benefit plans	30	-	-	1,606	1,606	-	1,606
Currency translation differences on overseas subsidiaries		-	-	2,494	2,494	1,382	3,876
Tax relating to other comprehensive income		-	-	(402)	(402)	-	(402)
Total comprehensive income for the year		**-**	**-**	**29,197**	**29,197**	**4,189**	**33,386**
Transactions with owners in their capacity as owners:-							
Capital introduced by non-controlling interest		-	-	-	-	996	996
Distribution to non-controlling interest		-	-	-	-	(6,987)	(6,987)
Demerger of subsidiary undertakings - distribution	8,38	-	(868)	(561,695)	(562,563)	(11,959)	(574,522)
Total transactions with owners in their capacity as owners		**-**	**(868)**	**(561,695)**	**(562,563)**	**(17,950)**	**(580,513)**
Balance at 31 December 2022		**69**	**19,110**	**204,969**	**224,148**	**-**	**224,148**

The notes on pages 31 to 77 form part of these financial statements

I.M. GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £'000	Other reserves £'000	Profit and loss reserve £'000	Controlling interests £'000	Non-controlling interests £'000	Total £'000
Balance at 1 January 2021		**69**	**19,978**	**645,680**	**665,727**	**74**	**665,801**
Profit for the year		-	-	92,543	92,543	11,549	104,092
Other comprehensive income / (loss):							
Actuarial gains on defined benefit plans	30	-	-	6,747	6,747	-	6,747
Currency translation differences on overseas subsidiaries		-	-	(5,816)	(5,816)	-	(5,816)
Tax relating to other comprehensive income		-	-	(1,687)	(1,687)	-	(1,687)
Total comprehensive income for the year		**-**	**-**	**91,787**	**91,787**	**11,549**	**103,336**
Transactions with owners in their capacity as owners:-							
Capital introduced by non-controlling interest		-	-	-	-	4,300	4,300
Distribution to non-controlling interest		-	-	-	-	(2,215)	(2,215)
Currency translation differences on overseas subsidiaries		-	-	-	-	53	53
Total transactions with owners in their capacity as owners		**-**	**-**	**-**	**-**	**2,138**	**2,138**
Balance at 31 December 2021		**69**	**19,978**	**737,467**	**757,514**	**13,761**	**771,275**

The notes on pages 31 to 77 form part of these financial statements

20230814000081

I.M. GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Cash (used in) / generated from operations	37	**(31,146)**	114,136
Corporation tax paid		**(4,731)**	(24,773)
Net cash from operating activities		**(35,877)**	89,363
Investing activities			
Interest received		**143**	254
Purchase of intangible assets	14	**(1,330)**	(4,883)
Purchase of tangible fixed assets	15	**(2,099)**	(4,832)
Purchase of investment property		**(158,301)**	(170,924)
Disposal of subsidiary, net of cash disposed	38	**(69,408)**	1,046
Acquisition of subsidiary	39	**-**	1,514
Proceeds on disposal of intangible fixed assets		**693**	-
Proceeds on disposal of tangible fixed assets		**61,433**	363,065
New cash (outflow) / inflow from investing activities		**(168,869)**	185,240
Financing activities			
Interest paid		**(28,196)**	(24,454)
Proceeds from borrowings		**171,832**	86,150
Repayment of borrowings		**(44,041)**	(304,591)
Settlement of derivative financial instruments		**(8,268)**	503
Capital introduced by Non Controlling Interest		**996**	4,300
Distribution to Non Controlling Interest		**(6,987)**	(2,215)
Net cash generated from / (used in) financing activities		**85,336**	(240,307)
Net (decrease) / increase in cash and cash equivalents		**(119,410)**	34,296
Cash and cash equivalents at beginning of year		**224,748**	192,604
Foreign exchange gains / (losses) on cash and cash equivalents		**616**	(2,152)
Cash and cash equivalents at end of year		**105,954**	224,748

The notes on pages 31 to 77 form part of these financial statements

20230814000082

I.M. GROUP LIMITED
COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible fixed assets	15		**11,924**		12,188
Fixed asset investments	17		**36,504**		39,082
			48,428		51,270
Current assets					
Debtors	23	**115,994**		113,887	
Cash at bank and in hand		**52,097**		31,181	
		168,091		145,068	
Current liabilities					
Creditors: Amounts falling due within one year	24	**(204,042)**		(192,341)	
Net current liabilities			**(35,951)**		(47,273)
Total assets less current liabilities			**12,477**		3,997
Creditors: Amounts falling due after more than one year					
Provisions for liabilities			-		(5)
Net assets			**12,477**		3,992
Capital and reserves					
Called up share capital	31		**69**		69
Other reserves	32		**250**		250
Profit and loss reserves	32		**12,158**		3,673
Total equity			**12,477**		3,992

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The Group profit for the year includes profit after tax of £8.49m (2021 – loss after tax of £7.48m) which is dealt with in the financial statements of the parent Company.

The financial statements on pages 22 to 77 were approved by the board of directors and authorised for issue on 07 July 2023 and are signed on its behalf by:

G E Hutton
Director

The notes on pages 31 to 77 form part of these financial statements

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I.M. GROUP LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £'000	Other reserves £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2021	69	250	11,148	11,467
Loss for the year	-	-	(7,475)	(7,475)
Total comprehensive loss for the year	-	-	(7,475)	(7,475)
Balance at 31 December 2021	**69**	**250**	**3,673**	**3,992**
Balance at 1 January 2022	**69**	**250**	**3,673**	**3,992**
Profit for the year	-	-	8,485	8,485
Total comprehensive profit for the year	-	-	8,485	8,485
Balance at 31 December 2022	**69**	**250**	**12,158**	**12,477**

The notes on pages 31 to 77 form part of these financial statements

20230814000084

1 Accounting policies

Company information

I.M. Group Limited ("the Company") is a limited Company domiciled and incorporated in England and Wales. The registered office is The Gate, International Drive, Solihull, Birmingham, B90 4WA.

The Group consists of I.M. Group Limited and all of its subsidiaries. The Group's operations and principal activities are set out in the Strategic Report on page 2.

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and under the historical cost convention modified to include investment properties and certain financial instruments at fair value.

The consolidated financial statements are presented in sterling which is the presentational currency of the Group. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Reduced disclosures

The Company has taken advantage of the exemptions from the following disclosure requirements, under FRS102's reduced disclosure framework:

- **Section 4 'Statement of Financial Position'** – Reconciliation of the opening and closing number of shares.
- **Section 7 'Statement of Cash Flows'** – Presentation of a statement of Cash Flow and related notes and disclosures.
- **Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues'** – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- **Section 33 'Related party disclosures'** – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of I.M. Group Limited. The consolidated financial statements of I.M. Group Limited are these financial statements.

Basis of consolidation

The consolidated financial statements incorporate those of I.M. Group Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control commences until the date that control ceases. All financial statements are made up to 31 December 2022.

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1 **Accounting polices (continued)**

Basis of consolidation (continued)

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Going Concern

The Group generated pre-tax profit during the year of £32.9m (2021 - £132.2m). This result was after Charitable Donations of £53.0m (2021 - £32.0m). At 31 December 2022, following the Group reorganisation (note 8) The Group had net assets of £224.1m (2021 - £771.3m). Included within net current assets is a positive 'Cash at Bank and in Hand' position of £106.0m (2021 - £224.7m). The Directors consider this year's performance to be very positive, given the economic backdrop, and provides strong evidence of the robust and well diversified nature of the Group.

The directors of I.M. Group Limited and its subsidiaries ('the Group') have prepared a detailed cash flow forecast ("the forecast") for the Group for the period to 31 December 2024 ("the period") which shows the Group trading cash flows and expected available bank facilities for the period.

The executive directors of I.M. Group Limited were fully involved in the preparation and detail of the Group forecast. The funding facilities available to the Group are generally term loans or overdrafts and are primarily in place for at least the period. The bank funding facilities are subject to covenants. Following a reorganisation on 31 December 2022 the I.M. Group funding facilities also include short term funding of £59.1m (2021 - £210.1m) provided by the ultimate controlling party and the pension scheme of the ultimate controlling party. The short-term funding also includes £Nil (2021 - £60.0m) due to the ultimate parent undertaking.

The forecast shows that the Group will be able to operate and meet its external liabilities as they fall due for payment during the period within available borrowings and other funding. The forecast also shows that the Group will continue to meet its covenant requirements during the period. The forecast includes the assumption that short term funding provided by the ultimate controlling party will remain fully available to the Group during the period.

In the preparation of the forecast and these financial statements the directors have considered the potential further impact of trading conditions following the COVID-19 outbreak and consider that the risk and impact on the group have eased throughout Europe and other key market countries, in particular China where social distancing regulations have more recently been relaxed. Further risks continue to exist in the economy and automotive sector, these include supply side risks, as production demand for vehicles and parts remains high. Labour and shipping constraints have now become more prevalent despite the manufacturers having greater raw material supply.

The directors consider that the forecasts prepared for the going concern assessment reflect a reasonably prudent trading position for the Group and that this still shows significant headroom available for all months during the period.

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1 **Accounting polices (continued)**

Basis of consolidation (continued)

Going Concern (continued)

After careful consideration the directors consider that the Group forecast is achievable, that sufficient facilities will continue in place throughout the period in order for the Group to operate and meet its liabilities as they fall due for payment. Therefore, the Directors consider that it is appropriate to prepare the financial statements on a going concern basis.

Turnover

(i) Automotive division

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods to external customers and Automotive dealers in the ordinary nature of the business. Turnover represents sales of vehicles, parts and accessories. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover is recognised when the significant risks and rewards of ownership have passed to the customer and turnover can be reliably measured. Risks and rewards are considered to have passed to the customer when the vehicles are invoiced and physically dispatched or registered. Turnover is shown net of Value Added Tax.

(ii) Property division

Turnover is recognised at the fair value of the consideration received or receivable for the sale of goods and services to external customers in the ordinary course of business. Turnover is shown net of Value Added Tax.

Turnover comprises rents receivable on the Group's investment properties, which is measured on a straight-line basis, taking account of any lease incentives over the lease term.

Turnover also comprises gross sale proceeds on development properties which are recognised on the date of completion or on the date of exchange if an unconditional binding agreement is in place. Additional details on the recognition of turnover on construction contracts is provided in a separate policy note below.

(iii) Finance division

Interest income is recognised in Turnover in the Statement of Comprehensive Income for all consumer loan assets measured at amortised cost using the effective interest rate method (EIR). The EIR is the rate that exactly discounts estimated future cash flows of each consumer loan asset back to the present value of the advance plus introducer's commission. Agreement set-up fees and option fees are included in the calculation of the EIR. Interest income continues to accrue on all impaired consumer loan assets throughout the life of the consumer loan.

Fees charged to borrowers on the early settlement of consumer loans are credited to the Statement of Comprehensive Income as charged whereas fees charged to borrowers for being in default are credited to the Statement of Comprehensive Income when paid

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1 **Accounting polices (continued)**

Other income - Government grants

Government grants received for employment related expenditure and job retention schemes are recognised as other operating income.

Interest

All other interest receivable and payable is recognised in the Statement of Comprehensive Income on an accruals basis.

Interest expense on debt which funds consumer loan assets is charged to the Statement of Comprehensive Income using the EIR of the debt instrument.

Intangible fixed assets - goodwill

Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the administrative expenses over the directors' estimate of its useful economic life of 5 to 20 years.

Tangible fixed assets

Tangible fixed assets other than investment properties are measured at historic cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, and long leasehold assets, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

Freehold buildings	4% per annum
Leasehold buildings	Over the term of the lease
Plant and equipment	At appropriate rates between 5% and 40% per annum
Aircraft	Straight line over 15 years
Motor vehicles	Straight line over 4 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Land and buildings are accounted for separately even when acquired together.

Assets under construction are not depreciated.

Where the aircraft is subject to major inspection, an element of the original asset cost is allocated to an inspection or overhaul component. The cost allocated to the overhaul is depreciated to the expected date of the next overhaul, enabling the cost of the next overhaul to be capitalised. The aircraft is included within Plant and Equipment in Note 15.

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1 **Accounting polices (continued)**

Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value. Fair value is determined by suitably qualified individuals and approved by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss. Acquisitions and disposals of investment properties are usually recognised when unconditional exchange of legally binding and irrecoverable contracts occurs and where it is reasonable to assume at the balance sheet date that completion of the acquisition or disposal will occur.

Gains and losses on disposals are determined by comparing the proceeds, net of sales costs, with the carrying amount and are recognised in other operating income or costs in the Statement of Comprehensive Income.

Investment properties in the course of construction

Properties under construction are initially measured at cost and subsequently measured at fair value where a reliable measure of fair value is available without undue costs or effort. Changes in fair value are recognised in the Statement of Comprehensive Income.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the Statement of Comprehensive Income. Loans made to associated undertakings are included in note 17.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the Group has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities. The consolidated profit and loss account includes the appropriate share of these companies' results. The Group's share of post-acquisition retained profits and reserves are added to the cost of the investment in the consolidated balance sheet.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The consolidated profit and loss account includes the appropriate share of these companies' results.

The Group's share of post-acquisition retained profits and reserves are added to the cost of the investment in the consolidated balance sheet.

Carbon offset instruments

Instrument managed services for emission reductions are held for the purpose of offsetting against greenhouse gas (GHG) emissions arising from the commercial developments over a ten-year period.

Carbon offset instruments are initially recognised at cost and classified as intangible assets. At each reporting date they are assessed for impairment, any impairment loss is recognised immediately in profit or loss.

On practical completion of the relevant commercial development carbon offset instruments are retired, and transferred as an additional cost to that development.

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1 **Accounting polices (continued)**

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Consumer loan assets

Consumer loan assets are initially recorded at the amount advanced to consumers plus introducer commissions. Subsequently, consumer loan assets are increased by interest and reduced by cash collections and any allowance for impairment and amortisation of introducer commissions.

Impairment losses on consumer loan assets

The directors assess on an on-going basis whether there is objective evidence that a consumer loan asset is impaired and requires a deduction in its carrying value for that impairment. A consumer loan asset is impaired only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the loan. Objective evidence may include evidence that a borrower is experiencing financial difficulty or has missed payments or where the consumer loan has been defaulted or where the underlying security has been destroyed.

Impairment is then calculated by estimating cash flows for such impaired loans and discounting such cash flows to a present value using the EIR and comparing this figure with the carrying value. All such impairments are charged to cost of sales in the Consolidated Statement of Comprehensive Income.

Stocks

Stock includes:

- Vehicle parts and other goods valued at the lower of cost and net realisable value.

- Land held for development and short term work in progress are stated at cost including attributable direct overheads reduced to estimated net realisable value where appropriate. No element of profit is included in the valuation of work in progress. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Vehicle stocks are initially valued at the spot rate of exchange and lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, the Group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment loss in the Statement of Comprehensive income.

Reversals of impairment losses are also recognised in the Statement of Comprehensive Income.

Appropriations of investment property to stock occurs at the point that the intention to hold the asset for an investment return ceases.

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1 **Accounting polices (continued)**

Construction contracts

When the outcome of a construction contract in relation to stocks can be estimated reliably and it is probable that the contract will be profitable, turnover and costs are recognised based on the stage of completion of the contract.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract turnover is recognised only to the extent of contract costs that are recoverable and the contract costs are expensed as incurred.

The Group uses the "percentage of completion method" to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded for contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets, depending on their nature, and provided it is probable they will be recovered.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The Group, and the Company, has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Non-derivative financial assets

The Group's non-derivative financial assets comprise the following:

Trade debtors and other debtors, accrued income, funds held in escrow and amounts due from Group undertakings - these are measured on initial recognition at transaction price and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired.

Cash at bank and in hand - comprises cash on hand and demand deposits that are subject to an insignificant risk of changes in value.

(ii) Non-derivative financial liabilities

The Group's non-derivative financial liabilities comprise bank and other borrowings, trade creditors, other creditors, accruals and amounts due to Group undertakings. Non-derivative financial liabilities are recognised on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest method.

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1 Accounting policies (continued)

Financial instruments (continued)

(iii) Derivative financial instruments

The Group's derivative financial instruments comprise of interest rate swaps and foreign currency forward contracts.

Interest rate swaps are initially accounted for and measured at fair value on the date the swap is entered into and subsequently measured at fair value. The resulting gain or loss is recognised in the Statement of Comprehensive Income immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Comprehensive Income depends on the nature of the hedge relationship. A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Foreign currency forward contracts are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to fair value at each reporting end date. The resulting gain or loss is recognised in the Statement of Comprehensive Income immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Comprehensive Income depends on the nature of the hedge relationship.

Hedge accounting – net investment in foreign operations

The effective portion of changes in the fair value of derivatives that are designated and qualify as net investment hedges are recognised in Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Income within interest receivable and similar income or interest payable and similar charges as appropriate.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Equity instruments and dividends

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group. Interim dividends are recognised when paid.

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1 **Accounting policies (continued)**

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive Income in the period it arises.

Vehicle warranty

The warranty provisions are in respect of future payments for vehicle repairs under product warranty. The Group recognises a provision for warranty obligations where the extent of cover exceeds that offered by the manufacturer. The provision is measured at the expected cost of repair, based on historical warranty claim data. Any subsequent revisions to the warranty are recognised in the Statement of Comprehensive Income.

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1 Accounting policies (continued)

Provisions (continued)

Service plans provision

The Service plan provision relates to future vehicle service commitments. The Group has an obligation to satisfy dealer claims for customer vehicle servicing fulfilled under pre-purchased service plans. The Group recognises a provision to honour these service plans measured based upon the estimated cost of fulfilment utilising projected parts pricing and dealer labour rates.

Conduct remediation provision

Conduct remediation provisions comprise the estimated cost of making redress payments to consumers associated with inappropriate judgement in the execution of the Company's prior business activities. This relates to proactive PPI redress, customer initiated PPI complaints, and handling of some prior, closed PPI complaints.

The provision is calculated using a number of key assumptions which involve significant management judgement such as (i) the response rates to proactive PPI mailings and the prior rejected PPI complaints mailings; (ii) the percentage of such responses that are upheld as being valid upon review; and (iii) the percentage of customer initiated complaints, by consumer loan product, that are upheld by The Financial Ombudsman Service.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to the Statement of Comprehensive Income are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method and is based on actuarial advice. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The other finance interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The other finance interest is recognised in the Statement of Comprehensive Income as other finance revenue or cost.

Re-measurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

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1 **Accounting policies (continued)**

Retirement benefits (continued)

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Leases

All leases are classified as operating leases.

Rent receivable from operating leases, including lease incentives awarded, are recognised on a straight-line basis over the term of the relevant lease.

Rent payable under operating leases, including any lease incentives received, are charged to The Statement of Comprehensive Income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date or the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined. All translation differences are taken to the Statement of Comprehensive Income, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

Discontinued operations

As part of a group reorganisation the Property and Finance divisions were demerged from the Group on 31 December 2022 and their results subsequently classified as discontinued operations.

The results of the discontinued operations are set out on the face of the consolidated income statement and are included up to the effective date of disposal using the merger accounting method of accounting. Other information relating to the discontinued operations is set out in note 8 of these financial statements.

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2 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 Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions 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 discussed below.

Critical accounting estimates and assumptions

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Product warranty provisions

The warranty provisions are in respect of future payments for vehicle repairs under product warranty. The Group recognises a provision for warranty obligations where the extent of cover exceeds that offered by the manufacturer. The provision is measured at the expected cost of repair, based on historical warranty claims data. Any subsequent revisions to the warranty are recognised in the Statement of Comprehensive Income.

Service plan provisions

The Service plan provision relates to future vehicle service commitments. The Group has an obligation to satisfy dealer claims for customer vehicle servicing fulfilled under pre-purchased service plans. The Group recognises a provision to honour these service plans measured based upon the estimated cost of fulfilment utilising projected parts pricing and dealer labour rates.

Net realisable value of stocks

Stock is stated at the lower of cost or net realisable value, and the Group use judgment and estimate to determine the net realisable value of stock at the end of each reporting period.

Due to vehicle aging, the Group estimates the open market value of stock lines at the end of its reporting period and then writes down the cost of stocks to net realisable value. The net realisable value of the stock is mainly determined based on assumptions of future and historic demand within a specific time horizon and current market value.

The Group has ongoing procedures for assessing the carrying value of work in progress and identifying where this is in excess of net realisable value. The estimates and judgements for both revenue and costs for each property under development were based on information available at, and pertaining to, 31 December 2022. Any subsequent adverse changes in market conditions may result in additional provisions being required and margins that have been assumed in the current year not being achieved.

Valuation of investment properties

Valuations performed by suitably qualified individuals and approved by the directors have been used to determine the fair value of investment properties. The valuations are performed according to RICS rules, using appropriate levels of professional judgement for the prevailing market conditions. Professional judgement is applied in determining such things as an appropriate yield for a given property and estimated rental values. Further information is disclosed in note 16.

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2 **Critical accounting estimates and judgements (continued)**

Critical accounting estimates and assumptions (continued)

Valuation of investment properties (continued)

On 31 December 2022 the Group disposed of its interest in its Property division (see note 8). At the balance sheet date, transactions with the discontinued operations ceased to be recognised in the Group consolidation. This transaction is reflected in note 16 of these financial statements.

Fair value of forward contracts

At each reporting date, the fair values of forward contracts are assessed against the carrying value of the financial asset or financial liability. The directors' estimate the fair value of forward contracts by reference to market value to settle the contract which is provided by the Company's bank. The fair value movement is recognised immediately in the Statement of Comprehensive Income.

Pension scheme valuation

The valuation of the net defined benefit pension scheme liability is determined on an actuarial basis using the projected unit method discounted at a rate using the current rate of return on high quality corporate bonds of equivalent term and currency to the liability. Assumptions are made about the mortality of the beneficiaries of the pension scheme, and future rates of inflation. The assumptions underlying this calculation are discussed in more detail in note 30. Significant changes to the assumptions underlying these calculations over the next financial year could result in significant changes to the carrying value of the pension scheme liability.

Where a surplus on a defined benefit scheme arises, the rights of the Trustees to prevent the Group obtaining a refund of that surplus in the future are considered in determining whether it is necessary to restrict the amount of the surplus that is recognised. The UK defined benefit scheme is in surplus at 31 December 2022. As there is no unconditional right to the surplus it does not meet the requirements of recoverability under FRS102 therefore a surplus of £13.3m has not been recognised.

Critical areas of judgement

Impairment of consumer loan assets

Management perform analysis of historical consumer loan asset data and segregate groups of the consumer loan asset base that share similar characteristics. Loans within these segregated groups are analysed on an annual basis to determine how each group behaves. This behavioural analysis is used to calculate a provisioning rate for consumer loan assets that are classed as impaired. The Directors estimate that these provisioning rates will be accurate for at least one year and are reviewed, and where necessary, updated annually.

Business combination

When a business combination occurs, the directors consider the fair value of assets and liabilities acquired, including an assessment of intangible assets, with goodwill recognised as the excess of the cost of the business combination over the fair value of the company's share of net assets acquired. In making this assessment, the directors determine fair values based upon available evidence at the acquisition date.

Discontinued operations

When a separate major line of a business has been disposed of, the results are to be shown as discontinued operations on the Statement of Comprehensive Income. The directors determine this based upon the distinct divisions that operate in the Group.

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3 Turnover

An analysis of the Group's turnover is as follows:

	2022 £'000	2021 £'000
Class of business		
Continuing operations		
Automotive	**344,422**	318,525
Discontinued operations		
Property	**300,632**	407,259
Finance	**38,205**	33,662
	338,837	440,921

	2022 £'000	2021 £'000
Geographical regions		
Continuing operations		
United Kingdom	**218,232**	168,412
Europe	**124,205**	148,617
Rest of the world	**1,985**	1,496
	344,422	318,525
Discontinued operations		
United Kingdom	**302,187**	364,559
Rest of the world	**36,650**	76,362
	338,837	440,921

4 Charitable donations

	2022 £'000	2021 £'000
Christian Vision	**49,801**	30,000
Other	**3,230**	1,958
	53,031	31,958

A donation of £49,801,000 (2021 – £30,000,000) was made during the year to Christian Vision. Christian Vision is a registered charity (UK registration number 02842414) formed by Lord Edmiston, his family and close associates, of which they are trustees.

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5 Other operating income

	2022 £'000	2021 £'000
Profit on sale of investment properties	**19,293**	37,975
Loss on sale of subsidiary (note 38)	**-**	(1,714)
Management charges and other income	**4,257**	5,539
Coronavirus Job Retention Scheme grants	**-**	35
	23,550	41,835

6 Operating profit / (loss)

	2022 £'000	2021 £'000
Operating profit / (loss) is stated after charging:		
Fair value losses / (gains) on investment properties and properties under construction	**41,564**	(5,905)
Loss on sale of subsidiary (note 38)	**-**	1,714
Foreign exchange (gains) / losses	**(279)**	323
Depreciation of tangible fixed assets	**3,595**	4,050
Profit on disposal of tangible fixed assets	**(434)**	(690)
Amortisation of intangible assets	**1,826**	1,381
Operating lease charges	**144**	688
Coronavirus Job Retention Scheme grants	**-**	(35)

7 Auditor's remuneration

	2022 £'000	2021 £'000
Fees payable to the Company's auditor		
For audit services:		
Audit of the Subsidiary's financial statements	**694**	608
Audit of the Group's and Company's financial statements	**57**	52
For other services:		
Taxation and other services	**99**	235
	850	895

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8 Discontinued operations

As part of a Group reorganisation carried out on 31 December 2022, the parent entity I.M. Group Limited, disposed its interest in I.M. Properties Plc, a wholly owned subsidiary. During the year I.M. Properties Plc contributed loss after tax of £15.9m (2021 – post tax profit of £93.8m). The disposal in the company was completed at the nominal book value of £0.06m to IMG Jersey Holdings Limited. The net assets on the date of disposal were £546.9m (note 38).

On 31 December 2022, the parent entity I.M. Group Limited disposed its interest in Specialist Motor Finance Group Limited, a wholly owned subsidiary. During the year, Specialist Motor Finance Group contributed post tax profit of £6.5m (2021 - £4.0m). The disposal in the company was completed at the nominal book value of £7.9m to IMG Jersey Holdings Limited. The net assets on the date of disposal were £24.7m (note 38).

The Funding Corporation Group Limited, a wholly owned subsidiary of the parent entity I.M. Group Limited, disposed its interest in The Funding Corporation Limited on 31 December 2022. During the year The Funding Corporation Limited contributed post tax profit of £0.05m (2021 - £0.35m). The disposal in the company was completed at the nominal book value of £4.9m to IMG Jersey Holdings Limited. The net assets on the date of disposal were £11.0m (note 38).

The consolidated results show a reduction in reserves. As this is a transaction with the shareholder at an undervalue this has been shown as a distribution.

9 Employees

The average number of persons (including directors) employed during the year was:

	Group 2022 No	Group 2021 No	**Company 2022 No**	Company 2021 No
Administrative	**342**	364	**27**	25
Selling and distribution	**183**	139	**-**	-
	525	503	**27**	25

Their aggregate remuneration comprised:

	Group 2022 £'000	Group 2021 £'000	**Company 2022 £'000**	Company 2021 £'000
Wages and salaries	**28,415**	23,929	**1,293**	1,173
Social security costs	**4,095**	3,264	**159**	135
Pension costs	**2,276**	1,996	**92**	65
	34,786	29,189	**1,544**	1,373

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10 Directors' remuneration

	2022 £'000	2021 £'000
Emoluments (including benefits in kind)	**211**	275

There were no directors for whom retirement benefits are accruing under defined benefit schemes (2021 - Nil).

Remuneration disclosed above includes £167,000 (2021 – £215,000) paid to the highest paid director. There were no Company pension contributions paid by the Group in respect of the highest paid director.

The Group's key management personnel are considered to be the Directors of the Company. The Directors have authority and responsibility for planning, directing and controlling the activities of the Group. The total amount paid in respect of key management personnel was £236,000 (2021 - £308,000).

11 Interest receivable and similar income

	2022 £'000	2021 £'000
Deposit and short-term interest	**253**	259
Fair value movements on financial instruments	**25,042**	11,653
	25,295	11,912

12 Interest payable and similar charges

	2022 £'000	2021 £'000
Interest on loans and overdrafts	**17,046**	10,409
Other interest and similar charges	**11,304**	13,484
Fair value movements on derivative instruments	**-**	1,453
	28,350	25,346

13 Taxation

	2022 £'000	2021 £'000
Current tax		
UK corporation tax on profits for the current period	**5,931**	31,147
Adjustments in respect of prior periods	**(4,110)**	(1,382)
Foreign current tax on profits for the current period	**1,904**	1,679
Total current tax charge	**3,725**	31,444
Deferred tax		
Origination and reversal of timing differences	**277**	(11,894)
Effect of tax rate change on opening balance	**-**	4,305
Adjustments in respect of prior years	**557**	4,274
Total deferred tax	**834**	(3,315)
Taxation on profit	**4,559**	28,129

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13 Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 – higher than) the standard rate of corporation tax in the UK of 19% (2021 – 19%). The differences are explained below:

	2022 £'000	2021 £'000
Profit before taxation	**32,865**	132,221
Less share of profit of associates	**(1,950)**	(1,896)
	30,915	130,325
Expected tax charge based on a corporation tax rate of 19% (2021 – 19%)	**5,874**	24,762
Effects of:		
Fixed asset differences	**(12,146)**	(2,133)
Expenditure not deductible for tax purposes	**(565)**	408
Income not eligible for tax purposes	**(356)**	-
Provision for film partnership trade losses	**3,975**	-
Share of profit of associates	**371**	360
Overseas taxation	**18**	47
Adjustments in respect of prior years	**(4,110)**	(1,382)
Adjustments in respect of prior years – deferred tax	**557**	4,274
Differences in tax rates	**242**	710
Deferred tax asset not recognised	**10,769**	191
Rate adjustments to opening and closing deferred tax	**(4)**	863
Other differences	**(66)**	29
Total tax charge for the year	**4,559**	28,129

Charges to deferred tax relating to prior periods relate to fixed asset timing differences.

Factors that may affect future tax charges

In the 2021 Spring Budget, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This was substantively enacted in 2021 and has therefore been used to measure UK deferred taxes in both 2021 and 2022, to the extent the related timing differences are expected to reverse in 2023 or later.

In addition to the amount charged to the Statement of Comprehensive Income, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £'000	2021 £'000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	**402**	1,687

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14 Intangible assets

Group

	Goodwill on consolidation £'000	Carbon offset instruments £'000	Computer software £'000	Total £'000
Cost				
At 1 January 2022	18,777	2,913	3,694	25,384
Additions	-	-	1,330	1,330
Disposals	-	(693)	-	(693)
Demerger of group undertakings (note 8)	-	(2,220)	(633)	(2,853)
At 31 December 2022	**18,777**	**-**	**4,391**	**23,168**
Amortisation				
1 January 2022	16,372	-	951	17,323
Amortisation charged in the year	501	424	901	1,826
Demerger of group undertakings (note 8)	-	(424)	(452)	(876)
31 December 2022	**16,873**	**-**	**1,400**	**18,273**
Net book value				
31 December 2022	**1,904**	**-**	**2,991**	**4,895**
31 December 2021	2,405	2,913	2,743	8,061

The carrying amount of goodwill as at 31 December 2022 is allocated entirely to I.M. MAPS (UK) Limited (2021 – I.M. MAPS (UK) Limited).

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15 *Tangible fixed assets*

Group

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Plant and equipment £'000	Total £'000
Cost				
1 January 2022	37,955	5,853	35,816	79,624
Exchange adjustment	(187)	186	(131)	(132)
Additions	49	21	2,029	2,099
Disposals	-	-	(1,862)	(1,862)
Demerger of group undertakings (note 8)	-	(53)	(6,668)	(6,721)
At 31 December 2022	**37,817**	**6,007**	**29,184**	**73,008**
Depreciation				
1 January 2022	6,475	426	17,269	24,170
Exchange adjustment	(43)	(124)	(133)	(300)
Charge for the year	1,066	276	2,253	3,595
Disposals	-	-	(398)	(398)
Demerger of group undertakings (note 8)	-	(35)	(6,476)	(6,511)
At 31 December 2022	**7,498**	**543**	**12,515**	**20,556**
Net book value				
At 31 December 2022	**30,319**	**5,464**	**16,669**	**52,452**
At 31 December 2021	31,480	5,427	18,547	55,454

Included within freehold land and buildings is freehold land amounting to £9,837,000 (2021 - £9,788,000) which is not depreciated.

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15 Tangible fixed assets (continued)

Company

	Freehold land and buildings £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 January 2022	15,617	158	15,775
Additions	49	39	88
Disposals	-	(39)	(39)
At 31 December 2022	**15,666**	**158**	**15,824**
Depreciation			
1 January 2022	3,544	43	3,587
Charge for the year	273	40	313
At 31 December 2022	**3,817**	**83**	**3,900**
Net book value			
At 31 December 2022	**11,849**	**75**	**11,924**
At 31 December 2021	12,073	115	12,188

Included within freehold land and buildings is freehold land amounting to £9,837,000 (2021 - £9,788,000) which is not depreciated.

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16 Investment properties

	Freehold	Properties under construction	Total
	£'000	£'000	£'000
Group			
Fair value			
1 January 2022	372,079	267,072	**639,151**
Additions	94,362	47,561	**141,923**
Disposals	(85,603)	(2,087)	**(87,690)**
Exchange differences	-	21,159	**21,159**
Transfer	12,680	(12,680)	-
Fair value losses	(35,113)	(6,451)	**(41,564)**
Demerger of subsidiary undertaking (note 8)	(358,405)	(314,574)	**(672,979)**
31 December 2022	-	-	-

17 Fixed asset investments

	Other investments	Associated undertakings	Total
	£'000	£'000	£'000
Group			
Cost			
At 1 January 2022	582	14,643	15,225
Share of profit after tax	-	1,580	1,580
At 31 December 2022	**582**	**16,223**	**16,805**
Impairment			
At 1 January 2022	512	-	512
At 31 December 2022	**512**	-	**512**
Carrying amount			
At 31 December 2022	**70**	**16,223**	**16,293**
At 31 December 2021	70	14,643	14,713

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17 Fixed asset investments (continued)

Company

	2022 £'000	2021 £'000
Investments in subsidiaries	**36,504**	39,082

Movements in fixed asset investments

	Other Investments £'000	Investment in subsidiaries £'000	Total £'000
Cost			
At 1 January 2022	582	54,626	55,208
Demerger of subsidiary undertakings (see note 8)	-	(7,943)	(7,943)
At 31 December 2022	**582**	**46,683**	**47,265**
Impairment			
At 1 January 2022	512	15,614	16,126
Impairment reversal	-	(5,365)	(5,365)
At 31 December 2022	**512**	**10,249**	**10,761**
Carrying amount			
At 31 December 2022	**70**	**36,434**	**36,504**
At 31 December 2021	70	39,012	39,082

In the opinion of the Directors, the aggregate value of the Company's realisable investment in subsidiary undertakings is not less than the amount included in the balance sheet.

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18 Subsidiary undertakings

Details of the subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Country of incorporation	Class of shareholding	Proportion of nominal value held Directly	Indirectly	Nature of business
I.M. Facilities Limited (1)	England and Wales	Ordinary	100%	-	Facilities management services
I.M. Aviation Limited (1)	England and Wales	Ordinary	-	100%	Aircraft and charter travel services
International Motors Limited (1)	England and Wales	Ordinary	-	100%	Holding Company
I.M. MAPS (UK) Limited(1)	England and Wales	Ordinary	-	100%	Vehicle part sales
Subaru (UK) Limited (1)	England and Wales	Ordinary	-	100%	Vehicle and parts distribution
Isuzu (UK) Limited (1)	England and Wales	Ordinary	-	100%	Vehicle and parts distribution
I.M. Parts and Service Limited (1)	England and Wales	Ordinary	-	100%	Vehicle parts and accessories distributors
I.M. NEV Motor Distributors (UK) Limited(1)	England and Wales	Ordinary	-	100%	Vehicle and parts distributors
Daihatsu Vehicle Distributors Limited (1)	England and Wales	Ordinary	-	100%	Vehicle part sales
Great Wall Motor Distributors (UK) Limited (1)	England and Wales	Ordinary	-	100%	Vehicle part sales
I.M. Trade Assist Limited (1)	England and Wales	Ordinary	-	100%	Technical support and consultancy
I.M. UK Trade Company Limited (1)	England and Wales	Ordinary	-	100%	Vehicle cleaning and parts distribution
International Motors (Ireland) Limited (3)	Ireland	Ordinary	-	100%	Holding and management
I.M. European Motors Limited (3)	Ireland	Ordinary	-	100%	Vehicle distributors
I.M. Automotive Limited (Ireland) (3)	Ireland	Ordinary	-	100%	Vehicles, parts and accessories distributors
I.M. New Energy Vehicles Ireland Limited(3)	Ireland	Ordinary	-	100%	Vehicle distribution
International Motors Nordic AB (Sweden) (4)	Sweden	Ordinary	-	100%	Vehicles and parts distributors
I.M. Properties Nordic AB (Sweden) (4)	Sweden	Ordinary	-	100%	Property investment
Subaru Nordic AB (Sweden) (4)	Sweden	Ordinary	-	100%	Vehicles and parts distributors
Isuzu Sverige AB (Sweden) (4)	Sweden	Ordinary	-	100%	Vehicle distributors
Great Wall Motors Nordic AB (Sweden) (4)	Sweden	Ordinary	-	100%	Vehicle distributors
I.M. Automotive AB(4)	Sweden	Ordinary	-	100%	Vehicle distributors
I.M. Insurance Company Limited (Guernsey) (2)	Guernsey	Ordinary	-	100%	Insurance Company
Beijing I.M. Trade Consultancy Company Limited (6)	China	Ordinary	-	100%	Trade consultancy
Beijing I.M. Trading Company Limited (7)	China	Ordinary	-	100%	Vehicle parts and accessories
Beijing VCA Technology Service Company Limited (7)	China	Ordinary	-	100%	Trade consultancy
I.M. Group (Ensleigh) Limited (1)	England and Wales	Ordinary	75%	25%	Property investment
Ensleigh Property Management Company Ltd (1)	England and Wales	Ordinary	100%	-	Property management
The Funding Corporation Group Limited (1)	England and Wales	Ordinary	100%	-	Holding Company

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18 Subsidiary undertakings (continued)

Name of undertaking	Country of incorporation	Class of shareholding	Proportion of nominal value held Directly	Indirectly	Nature of business
Daihatsu (Svergie) AB (Sweden) (4)	Sweden	Ordinary	-	100%	Dormant
I.M. Finance Limited (1)	England and Wales	Ordinary	-	100%	Dormant
KVD Limited (1)	England and Wales	Ordinary	-	100%	Dormant
I.M. NELCV (UK) Limited (1)	England and Wales	Ordinary	-	100%	Dormant
Great Wall Motor Company Limited (1)	England and Wales	Ordinary	-	100%	Dormant
Mahindra Cars Distributors (UK) Limited (1)	England and Wales	Ordinary	-	100%	Dormant
I.M. NSC (UK) Limited (1)	England and Wales	Ordinary	-	100%	Dormant
I.M. Financial Services Limited (1)	England and Wales	Ordinary	-	100%	Dormant
Great Wall Motors Limited (3)	Ireland	Ordinary	-	100%	Dormant

Registered office address:

1. The Gate, International Drive, Solihull, Birmingham, B90 4WA
2. 11 New Street, St Peter Port, Guernsey, GY1 2PF
3. I.M. House, NVD Complex, Brownsbarn, Baldonell, Co. Dublin
4. Box 21041, 200 21 Malmo, Starrvägen 15 232 61 61 Arlov
5. Room 102, Tower 4, No.10 Yard, Ronghua South Road, YiZhuang Economic Development Area, Beijing, 100176, P.R. China
6. Room 103-1, No.4 Building, Tower 4, RongHua South Road, YiZhuang, Beijing Economic- Technological Development Area, Beijing, 100176, P.R. China.
7. Room 103-2, No.4 Building, Tower 4, RongHua South Road, YiZhuang, Beijing Economic- Technological Development Area, Beijing, 100176, P.R. China.
8. City Point, 65 Haymarket Terrace, Edinburgh, United Kingdom

19 Associates

Details of the Group's associates at 31 December 2022 are as follows:

Name of undertaking	Class of shareholding	Proportion of nominal value held directly	Nature of business
International Motors Finance Limited	Ordinary 'B' shares of £1 each	100%	Finance facilities for retail customers and motor dealers

The Company does not hold any Ordinary 'A' shares in issue, and therefore by virtue of International Motor Finance Limited's articles of association, only holds 49% of the participation rights in the investee entity. The loans to associated undertakings relate to a subordinated loan to International Motors Finance Limited (IMFL) which is only repayable subsequent to the discharge of all creditors of IMFL. During the year, International Motors Finance Limited opted to make loan repayments of £Nil (2021 - £Nil).

The registered office of International Motors Finance Limited is St William House, Tresillian Terrace, Cardiff, CF10 5BH.

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19 Associates (continued)

The net assets and results of International Motors Finance Limited are as follows:

	2022 £'000	2021 £'000
Current assets	**151,075**	146,131
Creditors: Amounts falling due within one year	**(120,162)**	(118,442)
Net assets	**30,913**	27,689
Net assets attributable to the Group	**15,147**	13,568
Turnover	**6,058**	5,638
Net expenses	**(2,078)**	(1,768)
Profit for the year before taxation	**3,980**	3,870
Profit for the year attributable to the Group (before taxation)	**1,950**	1,896

20 Non-current assets

	Group	
	2022 £'000	2021 £'000
Other debtors	**-**	69,294

Other debtors in 2021 relates to funds held in escrow and are net proceeds from a land sale in the year.

21 Stocks

	Group	
	2022 £'000	2021 £'000
Vehicles and parts for resale	**134,183**	61,687
Work in progress	**-**	178,715
Land held for development	**-**	26,823
	134,183	267,225

The consolidated cost of inventories expensed in the period and included within cost of sales was £429,524,000 (2021 - £500,986,000). Impairment losses relating to aged inventories and included within cost of sales amounted to £1,568,000 (2021 - £1,536,000).

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22 Consumer loan assets

Total consumer loan assets are analysed as follows:

	2022 £'000	2021 £'000
Non-current	-	121,341
Current	-	48,297
	-	169,638

Consumer loan assets are further analysed by contractual maturity as follows:

	2022 £'000	2021 £'000
Less than one year	-	48,297
More than one year but less than 5 years	-	120,880
More than 5 years	-	461
	-	169,638

Consumer loan assets analysed by security is as follows:

	2022 £'000	2021 £'000
Hire purchase	-	167,788
Secured personal loans	-	1,850
	-	169,638

Personal loans are secured against a residential property.

Consumer loan assets are analysed by arrears position as follows:

	2022 £'000	2021 £'000
Not in arrears	-	155,025
Past due but not impaired	-	5,747
Past due and impaired	-	14,066
Gross consumer loan assets	-	174,838
Less: allowance for impairment	-	(5,200)
	-	169,638

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22 Consumer loan assets (continued)

Allowance for impairment

	2022 £'000	2021 £'000
At 1 January	**5,200**	4,471
Charge for the year	**5,412**	4,496
Impairment gains for the year	**(441)**	(544)
Amounts written-off during the year	**(3,333)**	(3,223)
Demerger of group undertakings (note 8)	**(6,838)**	-
	-	5,200

On 31 December 2022 the Group disposed of its interest in its Property and Finance divisions (see note 8). At the balance sheet date, transactions with the discontinued operations ceased to be recognised in the Group consolidation. The note above reflects the demerger.

23 Debtors

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due within one year:				
Trade debtors	**29,003**	25,378	**1,735**	20
Corporation tax recoverable	**7,382**	10,100	**-**	-
Corporation tax – group relief	**-**	-	**6,056**	2,413
Amounts due from Group undertakings	**52,175**	-	**105,983**	109,323
Derivative financial assets	**2,423**	1,631	**-**	-
Other debtors	**5,261**	13,218	**1,793**	1,982
Prepayments and accrued income	**4,138**	43,183	**360**	149
Deferred tax asset (note 29)	**265**	2,107	**67**	-
	100,647	95,617	**115,994**	113,887

The impairment gain recognised in the Consolidated Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £2,280,000 (2021 – £25,000).

The impairment charge recognised in the Company Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £Nil (2021 –£Nil).

Included within Group debtors is a deferred tax asset of £Nil (2021 - £791,000) and derivative financial instruments of £Nil (2021 - £Nil) due after more than one year.

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24 Creditors: Amounts falling due within one year

	Group		Company	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Bank loans and overdrafts	**-**	32,149	**-**	-
Other loans	**-**	91,000	**-**	-
Loan notes	**59,100**	59,100	**59,100**	59,100
Corporation tax payable	**5,112**	3,176	**3,975**	-
Other taxation and social security	**15,574**	16,620	**609**	781
Derivative financial instruments	**-**	1,141	**-**	-
Trade creditors	**17,585**	33,805	**87**	145
Amounts due to fellow Group undertakings	**17,010**	60,001	**134,648**	128,349
Other creditors	**2,851**	48,034	**50**	4
Accruals and deferred income	**42,996**	77,501	**5,573**	3,962
	160,228	422,527	**204,042**	192,341

Included within Other loans in 2021 is £20.0m that was secured on the share capital of I.M. Properties Plc. The loan was repaid during the year. Further details of the Other loans are given in Note 35 to these financial statements.

The loan notes are to be redeemed on the first to occur of: i) a change in control of The Funding Corporation Group Limited; ii) death of the vendor; iii) I.M. Group Limited going into administration; iv) an encumbrance taking possession or a receiver being appointed; v) an order being made or an effective resolution being passed for the winding up of all members of The Funding Corporation Group Limited; and vi) The Funding Corporation Group Limited going into administration. Until the loan stock is repaid in full, interest is payable at 8.25% per annum.

25 Creditors: Amounts falling due after more than one year

	Group		Company	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Bank loans and overdrafts	**17,441**	267,588	**-**	-
Other loans	**-**	49,449	**-**	-
Derivative financial instruments	**-**	1,219	**-**	-
	17,441	318,256	**-**	-

On 31 December 2022 the Group disposed of its interest in its Property and Finance divisions (see note 8). At the balance sheet date, transactions with the discontinued operations ceased to be recognised in the Group consolidation. The notes above reflect the demerger.

Included within total bank loans and overdrafts of £17.4m (2021 - £299.7m) are loans amounting to £Nil (2021 - £162.7m) which are secured by fixed and floating charges on the assets of a number of subsidiaries and additional charges over the rental income of those subsidiaries. Bank loans, where utilised for the purchase of investment properties, are primarily secured against those properties.

Also included within Other bank loans and overdrafts is £17.4m (2021 - £18.0m) which is unsecured.

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25 Creditors: Amounts falling due after more than one year (continued)

The Group headed by I.M. Properties Plc operates a combined hedging policy on its bank debt against interest rate movements utilising a combination of interest rate cap and swap contracts. As at 31 December 2022 the group had hedged Nil of sterling debt and Nil of debt in total across the group worldwide (2021 – 96% and 69% respectively).

Also included within total bank loans and overdrafts is a Term and Revolving Facility Agreement. This is comprised of a committed £Nil (2021 - £20.0m) Revolving Credit Facility and £Nil (2021 - £175.0m) Term Loan Facility. All loans are due for repayment in October 2024. At 31 December 2022 £Nil (2021 - £Nil) of the Revolving Credit Facility was drawn and £Nil (2021 - £119.0m) of the Term Loan Facility was drawn. The loans are secured on the various assets of the Company. The facilities above reflect the demerger transaction (see note 8).

26 Financial instruments

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Financial assets				
Financial assets measured at amortised cost	**192,393**	537,309	**161,608**	142,506
Derivative financial instruments	**2,423**	1,631	**-**	-
	194,816	538,940	**161,608**	142,506
Financial liabilities				
Financial liabilities measured at amortised cost	**152,377**	706,982	**199,458**	191,560
Derivative financial instruments	**-**	2,360	**-**	-
	152,377	709,342	**199,458**	191,560

Financial assets measured at amortised cost comprise of bank and cash balances, trade debtors, consumer loan assets, other debtors, accrued income and amounts owed by Group undertakings.

Financial liabilities measured at amortised cost comprise of bank loans, other loans, loan notes, trade creditors, amounts owed to Group undertakings, other amounts due to related parties, other creditors and accruals.

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26 Financial instruments (continued)

Interest rate swaps

The Group's interest rate risk arises from interest received on cash deposits and interest paid on borrowings. Cash deposited and borrowings issued at variable rates expose the Group to cash flow interest rate risk. Cash deposited and borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group uses derivative financial instruments (interest rate swaps and caps) to hedge interest rate risk exposures. Interest rate swaps are used to alter the interest rate basis of the Group's and subsidiaries' debt, allowing changes from fixed to floating rate or vice versa. These either cap or fix the interest rate chargeable on a portion of the Group's bank loans.

The Group's net derivative financial assets are measured at fair value of £2.4m (2021 – financial liability of £0.7m) and comprise of foreign exchange trades (2021 - interest rate swaps, interest rate caps and foreign exchange trades).

The fair value of the Group's interest rate swaps is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates.

On 31 December 2022 the Group disposed of its interest in its Property and Finance divisions (see note 8). At the balance sheet date, transactions with the discontinued operations ceased to be recognised in the Group consolidation. The notes below reflect the demerger.

At 31 December 2022, if interest rates on borrowings at that date had been 100 basis points higher with all other variables held constant, post tax profit (2021 – post-tax profit) for the year would have been £Nil lower (2021 - £0.4m lower), mainly as a result of interest rate exposure on floating rate borrowings.

The notional principal amount of outstanding interest rate swap contracts at 31 December 2022 was £Nil (2021 - £111.8m). At 31 December 2022, the fixed interest rates are £Nil and floating rates are £Nil (2021 – fixed interest rates vary from 1.10% to 1.75% and floating rates from 0.23% to 0.50%).

Hedge accounting – net investment in foreign operations

The Group uses foreign exchange contracts to hedge the foreign currency gains and losses arising on its investments in overseas operations. The net fair value of the foreign exchange contracts is an asset of £Nil (2021 - asset of £0.3m) with £Nil (2021 - £0.9m) shown within financial liabilities and £Nil (2021 - £1.2m) shown within financial assets. During the year, there was no recorded ineffectiveness in the hedge and as such the whole of the loss in the year of £Nil (2021 - loss of £1.7m) has been recorded in other comprehensive income.

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27 Borrowings

	Group	
	2022 £'000	**2021 £'000**
Bank loans	**17,441**	299,737
Other loans	**59,100**	259,550
	76,541	559,287
Payable within one year	**59,100**	242,250
Payable within one to two years	**17,441**	246,438
Payable within two to five years	**-**	70,599
	76,541	559,287

Other loans includes £Nil (2021 - £60.0m) which relates to amounts owed to IMG Jersey Holdings Limited, an immediate parent undertaking.

28 Provisions for liabilities

	Group	
	2022 £'000	**2021 £'000**
Product warranty and service	**7,148**	9,333
Service p lan	**2,519**	6,433
Conduct remediation	**-**	393
Deferred tax liabilities	**2,940**	14,109
	12,607	30,268

Movements on provisions apart from retirement benefits.

	Product warranty £'000	Conduct remediation £'000	Service plan £'000	Deferred taxation £'000	Total £'000
Group					
1 January 2022	9,333	393	6,433	14,109	30,268
Exchange adjustment	(110)	-	-	(3)	(113)
Utilised in the year	(1,254)	-	(3,608)	-	(4,862)
Movement to Other Comprehensive Income	-	-	-	1,165	1,165
Charged/(Credited) to the Statement of Comprehensive Income	1,384	30	(306)	(606)	502
Released during the year	(2,205)			-	(2,205)
Demerger of group subsidiary undertakings (note 8)	-	(423)	-	(11,725)	(12,148)
31 December 2022	**7,148**	**-**	**2,519**	**2,940**	**12,607**

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29 Deferred taxation

	Deferred Taxation £'000
Company	
1 January 2022	5
Credited to the statement of comprehensive income	(72)
31 December 2022 (note 23)	**(67)**

	Group		Company	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Deferred tax liabilities	**2,940**	14,109	**-**	5
Deferred tax assets	**(265)**	(2,107)	**(67)**	-
Net position at 31 December 2022	**2,675**	12,002	**(67)**	5

The major deferred tax liabilities and assets recognised are:

	Group		Company	
Deferred tax liabilities:	**2022 £'000**	**2021 £'000**	**2022 £'000**	**2021 £'000**
Accelerated capital allowances	**2,940**	2,677	**-**	5
Valuation of land and buildings	**-**	11,432	**-**	-
	2,940	14,109	**-**	5

The major deferred tax liabilities and assets recognised are:

	Group		Company	
Deferred tax assets:	**2022 £'000**	**2021 £'000**	**2022 £'000**	**2021 £'000**
Other timing differences	**265**	942	**67**	-
Derivative financial instruments measured at fair value	**-**	771	**-**	-
Pension scheme	**-**	394	**-**	-
	265	2,107	**67**	-

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30 Retirement benefits scheme

The Group operates a defined contribution scheme as its principal pension arrangement.

The Group's previous pension arrangement is the International Motors Limited Retirement Benefits Scheme ("The Scheme"), a defined benefit scheme. With effect from 1 January 2003 The Scheme was closed to new members and from 1 January 2013 it was closed to future service accrual for existing members. The Scheme provides members with benefits related to salary and service at rates defined under the rules. The benefits are financed by payments to administered funds held separately from the Group. From 6 April 1997 members were contracted out of SERPS on a money purchase basis, whilst maintaining a minimum guaranteed pension.

The Scheme is run on a basis that does not enable individual companies within the Group to identify their share of the underlying assets and liabilities. As a consequence the whole Group liability in respect of The Scheme has been included in International Motors Limited.

From 1 January 2003 a stakeholder Pension Plan, which is of a defined contribution nature, has been available to new employees and other entrants.

The Group participates in other pension arrangements for senior executives. All such schemes are of a defined contribution nature.

The cost to the Group for all schemes during the year was £2,216,000 (2021 - £1,996,000). The amount outstanding at the year-end included within accruals was £Nil (2021 - £Nil).

The most recent comprehensive actuarial valuation took place as at 31 December 2021. Independent consulting actuaries, Hughes Price Walker Ltd, have updated the results of this valuation and adjusted the assumptions for market conditions at this balance sheet date.

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30 **Retirement benefits scheme (continued)**

Reconciliation of present value of plan liabilities:

	2022 £'000	2021 £'000
At the beginning of the year	**(47,116)**	(49,830)
Interest cost	**(930)**	(738)
Actuarial gains	**16,563**	2,226
Benefits paid	**1,190**	1,226
Plan liabilities at 31 December 2022	**(30,293)**	(47,116)

Reconciliation of present value of plan assets:

	2022 £'000	2021 £'000
At the beginning of the year	**45,541**	40,693
Interest income	**899**	601
Actuarial (losses) / gains	**(1,679)**	4,521
Contributions	**-**	952
Benefits paid	**(1,190)**	(1,226)
Pension surplus restricted	**(13,278)**	-
Plan assets at 31 December 2022	**30,293**	45,541

The UK defined benefit scheme is in surplus at 31 December 2022. As there is no unconditional right to the surplus it does not meet the requirements of recoverability under FRS102 therefore a surplus of £13.3m has not been recognised.

Composition of plan assets:

	2022 %	2021 %	2022 £'000	2021 £'000
Equities	**70.4%**	47.8%	**21,326**	21,789
Property	**34.3%**	24.5%	**10,390**	11,140
Bonds	**20.2%**	9.1%	**6,127**	4,136
Other	**16.9%**	16.9%	**5,127**	7,692
Annuities	**2.0%**	1.7%	**601**	784
Pension surplus restricted	**(43.8%)**	-	**(13,278)**	-
Total plan assets			**30,293**	45,541

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30 Retirement benefits scheme (continued)

The value of the plan assets and liabilities were:

	2022 £'000	2021 £'000
Fair value of plan assets	**30,293**	45,541
Less present value of plan liabilities	**(30,293)**	(47,116)
Net pension scheme liability	**-**	(1,575)

The amounts recognised in the Statement of Comprehensive Income are as follows:

	2022 £'000	2021 £'000
Net interest on defined benefit liability	**(31)**	(137)

The amounts recognised in other comprehensive income are as follows:

	2022 £'000	2021 £'000
Return on plan assets less income on assets	**(1,679)**	4,521
Actuarial losses on liabilities	**16,563**	2,226
Pension surplus restricted	**(13,278)**	-
Total re-measurements recognised in other comprehensive income	**1,606**	6,747

Reconciliation of defined benefit obligation were as follows:

	2022 £'000	2021 £'000
Opening defined benefit obligation	**(1,575)**	(9,137)
Actuarial gains	**1,606**	6,747
Employer contributions	**-**	952
Expense recorded in Statement of Comprehensive Income	**(31)**	(137)
Closing defined benefit obligation	**-**	(1,575)

The cumulative amount of actuarial gain recognised in the Statement of Total Comprehensive Income was £1,606,000 (2021 – £6,747,000).

The Group expects to contribute £Nil to its defined benefit pension scheme in 2023. The policy of the Group is to cash fund the pension scheme from its own cash reserves to provide sufficient liquid resource to service scheme liabilities.

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30 Retirement benefits scheme (continued)

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

Main financial assumptions	**2022**	**2021**
Discount rate	**4.9%**	2.0%
Rate of price inflation:		
- RPI	**3.9%**	3.5%
- CPI	**3.2%**	2.7%
Rate of increase for pensions in deferment:		
- Leavers before to 01/08/08	**3.2%**	2.7%
- Leavers from 01/08/08, service to 31/12/10	**3.9%**	3.5%
- Leavers from 01/08/08, service from 01/01/11	**2.5%**	2.5%
Rate of increase for pensions in payment:		
- RPI inflation, max 5%	**3.7%**	3.3%
- RPI inflation, max 2.5%	**2.3%**	2.2%

Retirements	**Normal retirement age**	Normal retirement age
Commutation	**50% of maximum**	50% of maximum

The mortality assumptions and life expectancies:

	2022	**2021**
Base table	**100% S3NxA**	100% S3NxA
Future improvements	**CMI 2021 Core**	CMI 2020 Core
Long term rate	**1.25%**	1.25%
Expected future lifetime from age 65:		
- Male currently aged 65	**22.3 years**	22.2 years
- Male currently aged 45	**24.7 years**	24.7 years
- Female currently aged 65	**23.6 years**	23.5 years
- Female currently aged 45	**26.1 years**	26.1 years

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31 Share capital

	69,012 Ordinary shares of £1 each £'000
Allotted, issued and fully paid:	
At 1 January 2022 and 31 December 2022	69

Ordinary share rights

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

32 Reserves

Other reserve

Other reserve relates to a historical, non-distributable reserve arising on a previous Group reorganisation.

Profit and loss reserves

The profit and loss reserve represents cumulative profits and losses net of distributions to owners.

Non-controlling interest

The equity in subsidiaries not attributable, directly or indirectly, to the owners of the Company.

33 Financial commitments, guarantees and contingent liabilities

The Company has entered into unlimited cross-guarantees with other Group undertakings, guaranteeing for each undertakings bank overdraft and other facilities available which have Group limits of £0.4m (2021 - £1.3m).

On 31 December 2022 the Group disposed of its interest in its Property and Finance divisions (see note 8). At the balance sheet date, transactions with the discontinued operations ceased to be recognised in the Group consolidation. The notes below reflect the demerger.

The group headed by I.M. Properties PLC has entered into a guarantee in relation to a private rental scheme in Cardiff. The maximum contractual liability in relation to the guarantee is £Nil (2021 - £52.2m).

The group headed by IM Properties Development Ltd has entered into a guarantee in relation to a bond facility that Spitfire Bespoke Homes Ltd have with our external bond providers (NHBC, Premier, Checkmate, LABC) of £Nil (2021 - £1.0m) should there be any default in contracted housing activity by Spitfire Bespoke Homes Ltd.

The group headed by I.M. Properties PLC and IM Property Investments (USA) LLC have entered into limited guarantees in relation to bank funding for a series of construction and development loans in the United States. As at 31 December 2022 the combined maximum exposure of these guarantees is Nil (2021 - $29.3m).

The Group had gross capital commitments of £Nil (2021 - £31.0m) as at 31 December 2022.

Interest rate swaps

The notional principle amount of outstanding interest rate swap contracts at 31 December 2022 was £Nil (2021 - £111.8m).

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34 Operating lease commitments

Lessee:

At the year end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £'000	2021 £'000
Within one year	-	114
Between one and five years	-	455
	-	569

Lessor:

At the year end date the Group had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

	2022 £'000	2021 £'000
Less than one year	-	17,839
Between one and five years	-	71,039
After five years	-	180,408
	-	269,286

On 31 December 2022 the Group disposed of its interest in its Property and Finance divisions (see note 8). At the balance sheet date, transactions with the discontinued operations ceased to be recognised in the Group consolidation. The notes above reflect the demerger.

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35 Related party transactions

The company is controlled by IMG Jersey Holdings Ltd which owns 100% of the issued share capital. The company's ultimate controlling party is Lord Edmiston who has control of the issued share capital of IMG Jersey Holdings Ltd.

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 section 33.1A not to disclose transactions with wholly owned subsidiaries of IMG Jersey Holdings Ltd.

Lord Edmiston

Included within creditors payable within one year are loan notes payable to Lord Edmiston. Details of the terms of these loan notes are disclosed in note 24. Interest of £4.9m (2021 - £4.9m) has been charged to the Statement of Comprehensive Income during the year.

The Group made a charitable donation of £49.8m (2021 – £30.0m) to Christian Vision in the form of five investment properties with a market value of £73.6m for which proceeds of £23.8m were received. Christian Vision is a registered charity (UK registration number 02842414) formed by Lord Edmiston, his family and close associates, of which they are trustees.

On 31 December 2022 the Group disposed of its interest in its Property and Finance divisions (see note 8). At the balance sheet date, transactions with the discontinued operations ceased to be recognised in the Group consolidation. The notes below with the related party reflect the demerger.

Management fees of £0.5m (2021 - £0.5m) were charged to Christian Vision. At the year end amounts of £Nil (2021 - £0.6m) were due from Christian Vision.

The Group has a US dollar denominated unsecured loan with Lord Edmiston repayable by 31 December 2024. At the year-end £Nil (2021 - £49.4m) was due to Lord Edmiston. Interest of £2.7m (2021 - £2.4m) has been charged to the Statement of Comprehensive Income on this loan in the year.

The Group has a further unsecured loan from Lord Edmiston of £Nil (2021 - £71.0m). The loan is interest free and repayable on demand.

Property division

The group has a series of short-term loan facilities with the International Motors Executive Pension Scheme, of which Lord Edmiston and his close family are trustees and beneficiaries. At the year-end the facilities had been repaid in full (2021 - £20.0m was due to the Pension Scheme). Interest of £0.4m (2021 - £0.9m) has been charged to Statement of Comprehensive Income on these facilities during the year.

On 1 March 2021 Lord Edmiston acquired 100% of the A Ordinary shares of IMP Hill Top Estates Limited, a group company. On 22 December 2022 interim dividends totalling £4.4m were paid to Lord Edmiston. On 23 December 2022 a fellow director acquired 100% of the A Ordinary shares of IMP Hill Top Estates Limited. At 31 December 2022 profit of £0.7m is attributable to this non-controlling interest (2021 - £4.5m).

On 31 December 2022 the Group disposed of its interest in its Property and Finance divisions (see note 8). At the balance sheet date, transactions with the discontinued operations ceased to be recognised in the Group consolidation.

As part of the demerger transaction, on 31 December 2019 the property division acquired the share capital of IMP Investments Limited for £60.0m which represented the book value of the investment held by IMG Jersey Holdings Ltd. At 31 December 2022 £Nil (2021 - £60.0m) remains outstanding.

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35 Related party transactions (continued)

Automotive division

At 31 December 2022, the automotive division had a loan due to A M Edmiston, a director of the Company, of £36,000 (2021 – due to A M Edmiston £6,000). The Group operates an ongoing current account facility with A M Edmiston that periodically goes overdrawn. Loan balances are repaid on a regular basis. Interest charged during the year in respect of this balance was £Nil (2021 - £Nil).

At 31 December 2022, the automotive division had a loan due to G E Hutton, a director of the Company, of £9,000 (2021 – £18,000). The Group operates an ongoing current account facility with G E Hutton that periodically goes overdrawn. Loan balances are repaid on a regular basis. Interest charged during the year in respect of this balance was £Nil (2021 - £Nil).

The automotive division has an agreement with International Motors Finance Limited, an associated undertaking, in respect of finance facilities available for retail customers and motor dealers.

During the year sales (before the deduction of dealer sales incentives and rebates) of £171.3m (2021 - £93.3m) were made by the Group to this undertaking and interest of £0.7m (2021 - £0.5m) was charged to the Group in respect of vehicle stock finance.

During the year sales of £66,000 (2021 - £89,000) were made to individuals related to A M Edmiston, a director of the Company. £Nil (2021 - £Nil) amounts were outstanding at the year end.

Included within Note 17 'Associated undertakings' of the consolidated financial statements is an amount loaned to International Motors Finance Limited. The balance due from International Motors Finance Limited at 31 December 2022 was £1.0m (2021 - £1.0m).

Other related party transactions

The Company owns 75% of the allotted share capital of I.M. Group (Ensleigh) Limited. In 2018 Ensleigh Property Management Company Limited, a wholly owned subsidiary of the entity acquired 25% of share capital of I.M. Group (Ensleigh) Limited. I.M. Group Limited indirectly owns 100% share capital of I.M. (Group) Ensleigh Limited. During the year ended 31 December 2013 the Company entered into a rolling facility agreement with I.M. Group (Ensleigh) Limited with a maximum value of £12.0m.

At 31 December 2022 total amounts owed by the Group to I.M. Group (Ensleigh) Limited was £7.4m (2021 – £7.1m). In 2022, interest charged on the amounts owed was £0.3m (2021 - £0.2m).

Key management of the Company are considered to be the directors. The total remuneration of the directors is covered in note 10.

36 Post balance sheet events

There have been no other significant events affecting the Company since the year end.

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37 Cash generated from operations

	2022 £'000	2021 £'000
Profit for the financial year	**28,306**	104,092
Adjustments for:		
Corporation tax expense recognised in Statement of Comprehensive Income	**4,559**	28,129
Gain on disposal of tangible fixed assets	**(433)**	(690)
Fair value gains on foreign exchange contracts	**(22,360)**	(9,179)
Fair value gains / (losses) on investment properties and properties under construction	**41,564**	(5,905)
Charitable donation of investment property	**49,801**	-
Amortisation, write-off and impairment of intangible assets	**1,826**	1,381
Depreciation of tangible fixed assets	**3,595**	4,050
Defined benefit pension contributions	**-**	(952)
Share of profit from associates	**(1,580)**	(1,536)
Loss on sale of subsidiary	**-**	1,714
Exchange adjustments	**(9,832)**	(2,615)
Rent smoothing adjustment for lease incentives	**(886)**	(2,584)
Gain on sale of investment properties and properties under construction	**(19,293)**	(37,975)
Interest received	**(4,894)**	(11,912)
Interest payable	**28,351**	25,346
Operating cash flows before movements in working capital	**98,724**	91,364
(Increase) / Decrease in stock	**(109,759)**	58,990
Increase in trade and other debtors	**(96,589)**	(107,057)
Increase in trade and other creditors	**79,497**	72,388
Increase in provisions	**(3,019)**	(1,549)
	(129,870)	22,772
Cash (used in) / generated from operations	**(31,146)**	114,136

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37 Cash generated from operations (continued)

Net debt reconciliation

	At 1 January 2022	Cash flow	Other non-cash changes	Discontinued operations	At 31 December 2022
	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	224,748	(37,205)	616	(82,205)	105,954
Bank loans	(299,737)	(147,791)	(11,474)	441,561	(17,441)
Other loans	(259,550)	20,000	520	179,930	(59,100)
Interest rate derivative financial instruments	(2,360)	-	2,360	-	-
Total	**(336,899)**	**(164,996)**	**(7,978)**	**539,286**	**29,413**

Non-cash movements relate to:

Foreign exchange gains/(losses) on cash at bank, bank loans and other loans denominated in foreign currencies.

Interest rate derivative financial instruments represents the movement in the fair value of the derivative.

There are no restrictions over the use of the cash and cash equivalents balances which comprise cash at bank and in hand.

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38 Disposal of subsidiary

Demerger of I.M. Properties Group

On 31 December 2022, the group demerged its interest in its Property division headed by I.M. Properties Plc which was a 100% subsidiary of I.M. Group Limited. The transaction was completed at the nominal book value of £0.06m to IMG Jersey Holdings Limited.

The assets demerged were as follows.

	£'000
Net assets/(liabilities) on demerger	
Investment property	672,979
Tangible & Intangible assets	1,830
Stock	248,958
Debtors	154,716
Cash at bank	69,517
Creditors	(116,428)
Borrowings - with fellow group undertakings	(60,001)
Borrowings - with shareholder	(126,303)
Borrowings - with third parties	(287,492)
Provision for liabilities	(10,786)
See note 8	**546,990**

Demerger of Specialist Motors Finance Group

On 31 December 2022, the group demerged its interest in its Finance division headed by Specialist Motors Finance Group Limited which was a 100% subsidiary of I.M. Group Limited. The transaction was completed at the nominal book value of £7.89m to IMG Jersey Holdings Limited.

The assets demerged were as follows.

	£'000
Net assets/(liabilities) on demerger	
Consumer loan assets (non-current assets)	145,734
Consumer loan assets (current assets)	55,347
Debtors	5,195
Cash at bank	9,842
Creditors	(3,449)
Provisions	(939)
Borrowings - with fellow group undertakings	(39,355)
Borrowings - with third parties	(147,693)
See note 8	**24,682**

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38 **Disposal of subsidiary (continued)**

Demerger of The Funding Corporation Group

On 31 December 2022, the group demerged its interest in its Finance division headed by The Funding Corporation Limited which was a 100% subsidiary of The Funding Corporation Group Limited. I.M. Group Limited owns 100% shareholding in The Funding Corporation Group Limited. The transaction was completed at the nominal book value of £4.85m to IMG Jersey Holdings Limited.

The assets demerged were as follows.

	£'000
Net assets/(liabilities) on demerger	
Tangible & Intangible assets	358
Consumer loan assets (non-current assets)	853
Consumer loan assets (current assets)	599
Debtors	8,605
Cash at bank	2,846
Creditors	(1,800)
Provisions	(423)
See note 8	**11,038**

Disposal of subsidiary (2021)

On 9 April 2021 the group disposed of I.M. Properties (Mell Square 1) Limited which was a 100% subsidiary for £1,617,000.

The loss on the disposal in 2021 of I.M. Properties (Mell Square 1) Limited has been calculated as follows.

	£'000	£'000
Cash proceeds		1,617
Net assets/(liabilities) on disposal		
Investment property	34,127	
Trade debtors	1,195	
Prepayments and accrued income	1,289	
Sundry debtors	324	
Cash at bank	226	
Bank loan	(27,739)	
Other creditors	(14)	
Accruals and deferred income	(1,295)	
Group balances	(4,883)	
Corporation tax	(179)	
Other taxes	(65)	
		2,986
Costs of disposal		345
Loss on disposal (see note 5)		**(1,714)**

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39 Business combination

Acquisition of Mitsubishi Aftersales and Spare Parts (2021)

On 1 October 2021 the Company acquired the business of aftersales services and spare parts for passenger cars and light commercial vehicles manufactured by Mitsubishi Motors Group in the UK. Net consideration received for the acquisition was £1,514,000, including directly attributable legal and professional costs, of £189,000.

In calculating the goodwill arising on acquisition, the fair value of the net assets of Mitsubishi Aftersales have been assessed. The book and fair values of net assets acquired are summarised in the following table:

	Book Value	Fair Value Adjustments	Fair Value
	£'000	£'000	£'000
Fixed assets:			
Tangible	387	-	387
	387	-	387
Current assets:			
Stocks	3,659	-	3,659
Debtors	298	-	298
Total assets	4,344	-	4,344
Creditors:			
Due within one year	(225)	-	(225)
Net assets before provisions	4,119	-	4,119
Provisions:			
Warranty	(719)	150	(569)
Other provisions	(7,603)	-	(7,603)
Net liabilities	(4,203)	150	(4,053)

	£'000
Cash consideration received	(1,703)
Net liabilities acquired	4,053
Acquisition costs	189
Goodwill on Acquisition	2,539

As a result of the fair value assessment of the acquired net assets, the directors have reduced the warranty provision by £150,000 to reflect their re-assessment of the anticipated future costs of fulfilling committed customer vehicle warranty obligations.

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39 Business Combination (continued)

Cash flows

The net inflow of cash arising from the acquisition of Mitsubishi Aftersales and Spare Parts was as follows:

	£'000
Cash consideration received, as above	**1,703**
Acquisition costs	**(189)**
Net inflow of cash	**1,514**

The results of Mitsubishi Parts and Aftersales since its acquisition are as follows:

	£'000
Turnover	**6,914**
Loss for the period after tax	**(545)**

40 Ultimate parent company and ultimate controlling party

The immediate parent undertaking and controlling entity is IMG Jersey Holdings Limited, a Company incorporated in Jersey. The largest and only Group of publicly available financial statements in which the results of the Company are consolidated is that prepared by I.M. Group Limited.

Consolidated financial statements for I.M. Group Limited are available to the public from Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The ultimate controlling party is Lord Edmiston, who owns 100% of the issued share capital of IMG Jersey Holdings Limited.