21 May 2013

Vertu Motors plc ("Vertu" or "Group")

Final results for the year ended 28 February 2013

Vertu Motors plc, the UK automotive retailer with a network of 96 sales and aftersales outlets across the UK, announces its audited results for the year ended 28 February 2013.

	Year ended 28 February 2013	**Year ended 29 February 2012**	**% change**
Revenue	£1,259.3m	£1,088.3m	+15.7%
Adjusted EBITDA*	£13.5m	£12.3m	+9.8%
Adjusted operating profit continuing operations	£11.0m	£8.4m	+31.0%
Adjusted operating profit*	£9.4m	£8.4m	+11.9%
Adjusted profit before tax*	£8.2m	£7.3m	+12.3%
Adjusted earnings per share*	3.22p	3.19p	+0.9%
EBITDA	£9.8m	£10.8m	-9.3%
Operating profit	£5.4m	£6.7m	-19.4%
Exceptional charges	£3.3m	£1.3m	+153.8%
Profit before tax	£4.5m	£5.5m	-18.2%
Earnings per share	1.77p	2.53p	-30.0%
Operating cash inflow	£13.0m	£7.5m	+73.3%
Net (debt) cash	(£6.2m)	£3.5m	-277.1%
Net assets per share	53.3p	50.4p	+5.8%
Tangible net assets per share	43.7p	41.6p	+5.0%

* adjusted for exceptional charges, amortisation of intangible assets and share based payments charge

Highlights

Continued growth in all areas of the business

- Revenue up 15.7% to £1.3bn with like-for-like revenues up 6.0%
- Delivered close to 95,000 new and used vehicles in the year
- Higher margin service revenues rose 4.5% on a like-for-like basis – the third successive year of growth
- Adjusted operating profit from continuing operations up 31.0% as integrated acquisitions deliver an enhanced performance
- Operating cash inflow up to £13.0m from £7.5m
- Dividend up 16.7% as full year increased to 0.7p (2012 : 0.6p)

Acquisition and turnaround strategy driving profit growth

- Number of outlets increased to 96 (2012 : 83) with 20 new outlets acquired or opened in the year
- Acquisitions undertaken in previous periods continue to exhibit performance improvements

Strong balance sheet

- Low level of net debt at £6.2m; 46% of adjusted EBITDA

Current Trading and Outlook

- March and April trading performance significantly ahead of prior year and budget levels
- Disposal of loss-making Iveco operation expected to complete 31 May 2013 will enhance earnings and generate cash inflow
- New car retail market in UK showing continued growth with Group like-for-like volumes in March and April up 15.0% : UK private registrations up 13.8%
- Strong pipeline of potential acquisition opportunities being pursued

Robert Forrester, Chief Executive of Vertu said:

"The Group has delivered a record underlying operating profit reflecting both better market conditions and the delivery of an enhanced performance from acquired businesses, which have benefited from the Vertu turnaround model. There is more to come as we continue to drive operational improvements in newly acquired dealerships that remain significantly below Group average in terms of returns.

The recent announcement of the disposal of the loss-making Iveco division will improve our margins and hence our results. The Board is focused on building a scaled, automotive retail group with strong, deep manufacturer relationships and this transaction is an important milestone in concentrating this focus.

The Board remains confident in the future, reflected in our increased dividend. The Board also has a continuing appetite to acquire further dealerships for both existing and new manufacturer partners."

For further information please contact:

Vertu Motors plc
Robert Forrester, CEO — On the day tel: 020 7831 3113 and thereafter Tel: 0191 491 2111
Michael Sherwin, FD — Tel: 0191 491 2114

Panmure Gordon (UK) Limited — Tel: 020 7886 2500
Hugh Morgan
Callum Stewart
Adam Pollock
Victoria Boxall

Espirito Santo Investment Bank — Tel: 020 7456 9191
Richard Crawley
John Millar
Alastair Maclachlan
Jamie Richards

FTI Consulting
Billy Clegg — Tel: 020 7831 3113

Notes to Editors

Vertu Motors is a UK automotive retailer with a network of 96 sales and aftersales outlets across the UK. Its dealerships operate predominantly under the Bristol Street Motors, Vertu Honda and Macklin Motors brand names. Manufacturer partners are Alfa Romeo, Chrysler Jeep, Citroen, Fiat, Ford, Honda, Hyundai, Mazda, Nissan, Peugeot, Renault/Dacia, SEAT, Suzuki, Vauxhall and Volvo. The Group also operates the Bristol Street Versa Mobility wheelchair accessible vehicle conversion business.

Vertu Motors was established in November 2006 and quoted on AIM in December 2006, with the strategy to consolidate the UK automotive retail sector. It is intended that the Group will continue to acquire automotive retail operations to grow a scaled dealership group. The Group's acquisition strategy is supplemented by a focused organic growth strategy to drive operational efficiencies through its national dealership network.

The Group currently operates 94 franchised sales outlets and 2 non-franchised sales operations from 76 locations across the UK.

Vertu Motors group websites - www.vertumotors.com / www.vertucareers.com

Vertu Motors brand websites - www.bristolstreet.co.uk / www.vertuhonda.com / www.macklinmotors.co.uk / www.volvocarsderby.co.uk

Chairman's Report

Since flotation in December 2006, the Group has established itself as a major player in the United Kingdom automotive retail sector. The Group now operates 96 sales outlets up from 78 this time last year. In this report the Board is reporting strong growth in revenue, adjusted operating profit, operating cashflows and in dividends.

The Board has maintained a consistent strategy since flotation to grow a scaled automotive retail group and has so far achieved this through acquiring principally volume franchised dealerships in the UK. The highly fragmented nature of the automotive retail sector means that significant growth remains possible through continued strategic acquisitions. In addition, the Board has been seeking to broaden the franchises held by the Group into the premium segment and, importantly, several of the premium manufacturers have already confirmed their approval of the Group as a potential franchise partner. As an example of this strategic development, the Group's first Volvo operation commenced trading in March 2013. This development will help the creation of a balanced portfolio as the Group seeks to mirror the market share of manufacturers in the UK in the Group's portfolio of franchised dealerships.

The Group's strategy is to deliver enhanced business performance from acquired dealerships through the implementation of consistent business processes and systems. Dealership management quality is a critical factor in achieving this and the recruitment, development and retention of high performing motor retail professionals is of paramount importance. The Group has therefore developed a culture which seeks to attract and retain top performers. The success of this strategy is evidenced by the fast pace of growth since the first acquisition in 2007 and the turnaround of acquired dealerships to date in a challenging economic period. The acquisitions undertaken in recent periods have still to reach maturity in terms of performance enhancement and this should enable the Group to deliver further organic profit growth over the medium term.

Our objective is to deliver an outstanding motoring experience to our customers and, in turn, secure significant gains in vehicle sales and market share in our local territories. The increase in each vehicle parc, coupled with high levels of customer retention, is designed to drive higher aftersales activity levels, thereby, allowing the Group to deliver improvements in profitability. The UK new car market has seen strong growth over the last 12 months as manufacturers faced with catastrophic declines in market demand in Continental Europe have capitalised on the relatively benign consumer environment in the UK. The SMMT forecasts that this growth will continue over the next few years and the Board believes that operational gearing benefits will further accelerate the Group's profitability as new car volumes rise with a knock on effect in aftersales.

The monthly cost of motoring for the UK consumer continues to be under pressure with high fuel and insurance costs. The Board is pleased to note that the UK Government has not continued the Fuel Duty Escalator which could have had a marked negative impact on the consumer. Manufacturers are responding to the challenge of motoring costs by producing increasingly fuel efficient new models and by offering attractive finance deals to help with affordability. The Group is also helping consumers to better manage their monthly cost of motoring by offering tailored monthly service plans which fix the cost of the annual service and MOT test. This goes hand in hand with strategies to retain more and more customers into the higher margin aftersales operations.

The Group has continued to expand through acquisitions with 20 outlets either opened at new locations or acquired during the financial year. These outlets generated a further £79.5m of revenue in the year ended 28 February 2013 and contributed an adjusted operating loss of £1.6m. This loss reflected both the start-up nature of a number of the operations and historical underperformance in others. In addition, the fact that all acquisitions in the year were acquired after the peak trading month of March also contributed to these losses. Consequently, the Board expects these dealerships to contribute a significantly improved performance in 2013/14.

The Group continually reviews all operations to ensure they will deliver shareholder value in the medium term. During the year the Group closed a used car sales outlet, seven franchised sales outlets and four accident repair centres. Subsequent to the year end the Group has exchanged contracts with a third party to dispose of its Iveco heavy commercial vehicles business. Completion of this transaction is expected to take place on 31 May 2013. The business to be disposed of comprises three outlets and will see the Group exit from the activity of selling heavy trucks which the Board considers to be non-core. The costs of these closures and the asset impairments associated with this disposal have been shown as exceptional costs in these financial statements and the Board is confident that these actions will be earnings enhancing in 2013/14.

We have a first rate, scalable and highly motivated operational team and I would like to take this opportunity of thanking every member of the team for their dedication and hard work during the year, helping to create and strengthen the unique culture within the business.

Current Trading and Outlook

The Group has traded significantly ahead of the prior year and our budget in March and April reflecting the stronger new car market and increased contribution from recently acquired dealerships.

March is the most significant month for the profitability of UK automotive retail as a consequence of the plate change and its impact on new car demand and the seasonality of servicing. UK new car registrations to private buyers ("the retail market") in March and April increased by 13.8% showing a continuation of the strong growth seen throughout last year. The Group's like-for-like new retail volumes increased by 15.0% and manufacturer targets were achieved at a high level reflecting the strong penetration of the Group's local retail markets. Profitability from new retail sales moved forward strongly as a consequence and was also aided by the newly acquired dealerships for which this was their first March within the Group.

The Group's like-for-like used retail volumes were flat year-on-year in March and April. Margins strengthened and the Group delivered an enhanced profit performance in used cars. Dealerships acquired in recent years are again exhibiting improved used car returns as they move towards Group average performance.

Service profitability since the year-end has run ahead of the prior year and continues to benefit from the customer retention initiatives being executed by the Group.

The outlook for the new car market in the UK remains favourable with anticipated growth in the private market. The used car market remains stable, and aftersales represents an opportunity for growth as customer service and retention is improved. The Board remains confident that the Group is well placed to maximise the opportunity for profitable growth as recent acquisitions are turned around and the core business continues to improve profitability. The Board considers there is considerable potential for future acquisition growth and to add new franchises to the Group's portfolio.

Dividends

The Board has proposed an increase in the final dividend to 0.45 pence per share. Taken together with the interim dividend of 0.25 pence per share, this provides a total dividend for the year of 0.7 pence per share (2012 : 0.6p), an increase of 16.7%.

P R Williams
Non-Executive Chairman

Chief Executive's Review

Portfolio Development

During the year the Group has continued to invest in its rapid growth strategy and has expanded the number of sales outlets from 83 at 29 February 2012 to 96 sales outlets through acquisitions and opening new start-up dealerships. The Group now operates its 96 sales outlets from 76 locations including three Iveco outlets which await imminent disposal.

The current dealership portfolio is summarised below:

Dealership Numbers	**May**	**May**
Car Franchises	**2013**	**2012**
Ford	21	20
Vauxhall	14	11
Peugeot	9	8
Honda	9	5
Nissan	7	4
Hyundai	5	4
Citroen	4	4
Mazda	4	4
SEAT	4	3
Renault / Dacia	4	2
Fiat	3	2
Alfa Romeo	2	1
Chrysler Jeep	1	1
Suzuki	1	-
Volvo	1	-
Mitsubishi (ending May 2013)	1	1
	90	**70**
Commercial Vehicle Franchises		
Iveco (to be exited May 2013)	3	3
Fiat Professional	-	1
	3	**4**
Motorcycle Franchise		
Honda	1	1
Non-Franchised Outlets		
Bristol Street Versa	1	-
Bristol Street Motor Nation	1	3
	2	3
Total Sales Outlets	**96**	**78**

The year saw significant expansion of the Group's Honda operations with the opening of a new outlet in Doncaster and the acquisition of three dealerships in the North East. These developments established the Group as the largest partner of Honda in the UK with nine outlets under the Vertu Honda brand.

The Group continued to expand its Vauxhall operations and the retail capacity of its dealerships. Two dealerships were relocated to larger, newly constructed dealerships in the year with a third relocation planned in July 2013. Three dealerships were acquired in the period, bringing the total number of Vauxhall dealerships operated by the Group to fourteen, compared to three in March 2007.

The Group entered the Nissan franchise in September 2010 and now has seven outlets, having acquired a further three outlets in the year. The Group is currently constructing a new Nissan dealership in Northampton, which will commence operations as a start-up business in July 2013. This will make the Group one of Nissan's largest partners in the UK.

A number of changes to franchise partners have been made and further changes are planned. In July 2012 the Group acquired its first Suzuki dealership and subsequent to the year end, opened its first Volvo dealership with the opening of Volvo Cars Derby. This dealership is a start-up operation in newly refurbished premises.

The low cost manufacturer, Dacia, is part of the Renault Group and this sub-franchise has been added to the Group's Renault operations during the year. Dacia has already started to add incremental sales volumes and in due course will positively impact aftersales. Henceforth, Dacia will be a significant part of the Renault franchise business model.

In addition to acquiring new dealerships, the Board also performed a strategic review of its on-going operations to ensure that they fitted with the strategy of developing future scaled relationships with manufacturer partners in profitable and appropriate locations.

As a result of this review the Group closed a number of operations during the year. A sub-scale Ford dealership in Birmingham and a loss-making used car supermarket in Widnes represented the only closures of full dealership locations. In addition, six sales outlets, which were part of larger multi-franchise dealerships, were closed to enable more focus on the core franchise at each location. Aftersales operations for the exited franchise were retained at the dealerships. In addition, the Group closed four accident repair centres, reflecting the overcapacity in that market and the consequent poor returns obtained from these operations.

On 28 February 2013 the Group ceased its sales outlet for Fiat Professional Vans in Swindon and exited the franchise as a result. The Group will exit its sole Mitsubishi franchise outlet in Hamilton on 31 May 2013.

As a result of the above strategic review, the Group also decided to exit its loss-making Iveco heavy trucks and commercial vehicle business. This business, which operates from locations in Bristol, Swindon and Gloucester, has no marketing or management synergies with the Group's expanding motor retail activities. Given the history of losses the Board determined that it should be disposed of. The Group exchanged contracts for the disposal of this business on 10 May 2013 with completion expected to take place on 31 May 2013. This business will be treated as a discontinued activity in the Group's financial statements for the year ending 28 February 2014. Losses relating to onerous leases and asset impairments have been treated as exceptional costs in these financial statements. The total of these exceptional charges in the year ended 28 February 2013 was £0.8m. The Iveco operations in the year ended 28 February 2013 had revenues of £18.0m and an operating loss of £0.6m. Following completion the transaction is expected to have a positive impact on cashflows of approximately £1.5m in relation to proceeds and working capital realisations.

The Board continues to seek to balance those dealerships in freehold and leasehold properties. As at 28 February 2013 freehold locations accounted for 47% of total Group locations (2012: 48%).

Operating Review

Revenue in the year increased by 15.7% (£171.0m) to £1,259.3m (2012: £1,088.3m). This reflected the impact of acquisitions made during the year (£79.5m) and the full year impact of prior year acquisitions (£50.0m). Closed operations resulted in reduced year on year turnover of £19.5m. Like-for-like revenues grew by 6.0% (£61.0m) reflecting higher volumes of vehicle sales in all channels. The Group delivered close to 95,000 new and used vehicles in the year.

Market conditions in new vehicle sales improved throughout the year driven by a benign consumer market in the UK and a consistent flow of both product and attractive consumer finance offers from manufacturers. The majority of new vehicles sold in the UK are supplied by the European sales operations of global manufacturers who are also responsible for making sales into Continental Europe. These operations have faced significant demand shortfalls due to the economic challenges of the Eurozone. The resultant increased manufacturing overcapacity has caused manufacturers to push supply into the UK which has both a well-developed retail distribution network and a more favourable consumer environment than Europe. The relative strength of Sterling in much of the reporting period also aided these product flows. As a result of these factors the UK private retail market rose 14.6% in the year.

Overall gross margin fell slightly to 11.8% (2012: 11.9%) due to the growth of vehicle sales relative to aftersales in the period. Margins are lower in vehicle sales and consequently there has been an effect of mix on overall margin levels.

Adjusted[1] EBITDA increased to £13.5m from £12.3m in the year ended 29 February 2012. The adjusted operating profit from continuing operations grew by 31.0% to 11.0m (2012: £8.4m) due to both like-for-like growth in the core dealerships, and crucially the turnaround in profitability of the dealerships acquired over recent years. This improvement demonstrates the effectiveness of the Group's business model in improving the profitability of underperforming businesses. This was partly offset by adjusted operating losses of £1.6m (2012: £0.8m) relating to acquisitions made in the current year. Adjusted[1] operating profits rose by £1.0m from £8.4m to £9.4m with profit improvements being delivered by both vehicle sales and the aftersales operations.

1. Adjusted for exceptional charges, amortisation of intangible assets and share based payments charge.

Vehicle Unit Sales Analysis	**2013**	**2013**	**2013**	**2012**	**Like-for-Like % Variance**	**Total % Variance**
	Core	**Acquired[2]**	**Total**	**Total[3]**		
New retail cars	19,510	2,094	21,604	18,246	11.0	18.4
Motability cars	6,578	1,191	7,769	7,154	(5.8)	8.6
Fleet and commercial vehicles	18,559	1,885	20,444	17,863	4.0	14.4
Total New vehicles	**44,647**	**5,170**	**49,817**	**43,263**	**5.3**	15.1
Used retail vehicles	40,209	4,606	44,815	40,112	4.0	11.7
	84,856	**9,776**	**94,632**	**83,375**	**4.7**	**13.5**

2. Relates to businesses acquired or developed subsequent to 1 March 2011 with businesses migrating into core once they have been in the Group for over 12 months
3. 2012 volumes include businesses acquired in the year ended 29 February 2012

Revenue and Margins

	Year ended 28 February 2013			Year ended 29 February 2012		
	Revenue £m	Revenue %	Gross Margin %	Revenue £m	Revenue %	Gross Margin %
New car retail and Motability	384.6	31	7.4	330.9	30	7.4
New fleet and commercial	316.0	25	2.3	270.1	25	2.3
Used cars	431.9	34	11.3	374.8	34	11.1
Aftersales	126.8	10	40.8[4]	112.5	11	41.7[4]
	1,259.3	**100**	**11.8**	**1,088.3**	**100**	**11.9**

4. margin in aftersales expressed on internal and external turnover

New retail car volumes sold (excluding Motability Scheme sales) rose by 11.0% in the year on a like-for-like basis. This compared to an increase of 14.6% in UK private new car registrations and 11.2% for those franchises which the Group represents. The Group's operations performed well in the period, delivering above national average market penetration of new car sales for our manufacturer partners in the majority of the Group's dealerships. Sales on the Motability Scheme fell 5.8% on a like-for-like basis in line with a national fall in applications to the Scheme. Gross margin percentages in new retail and Motability car sales remained stable.

New car fleet registrations in the UK rose by 1.0% in the year whilst the Group saw like-for-like car fleet volumes rise by 17.0%. The Group has significant fleet operations and volumes fluctuate depending upon both the demand from fleet operators but also upon manufacturers' appetite to stimulate demand in this price sensitive sector. During the year manufacturers have continued the move away from the low margin daily rental market while seeking to stimulate sales in the higher margin contract hire and corporate markets.

The commercial vehicle market, comprising light and heavy vehicles, saw lower activity levels during the year as the post-recession bounce in the replacement cycle of the last two years came to an end. UK market registrations fell by 4.1% as a consequence. In line with this trend the Group's like-for-like volumes of commercial vehicles which are dominated by van sales fell by 9.9% during the year. The Group's margins in the fleet and commercial sector remained static at 2.3% (2012: 2.3%).

The Group's used vehicle volumes grew by 11.7% in total and by 4.0% on a like-for-like basis. Market growth slowed in the second half of the year as the increasingly competitive new car consumer retail offers combined with relatively high used car values resulted in an element of substitution of used car demand into new car business. The Group ratio of used cars sold to new cars sold declined from 2.0 to 1.9 for the core business. The Group has maintained strong pricing disciplines resulting in a strengthening of gross margin to 11.3% (2012: 11.1%) despite an increase in average selling price in the period as used car prices in the wholesale markets remained high.

Recently acquired dealerships have significantly lower used car margins than those achieved in the core business. These businesses generated a used car gross margin in the year of 8.3% compared to the core business margin of 12.0%. The lower margin in newly acquired businesses reflects both the Group's strategy to drive volumes post-acquisition and the previously underperforming nature of the majority of the Group's acquired businesses. As Group management processes, training and systems on used cars are embedded over time in these new businesses, then used car margins are expected to converge on those achieved by the Group as a whole. A further industry used car metric is return on investment and the Group outperforms the industry average of 81% (Source: ASE) in this area. The core dealerships of the Group averaged 147% (2012: 146%) in the year and recently acquired dealerships averaged 85%. Again this highlights the future profit opportunity which the recent acquisitions represent for the Group going forward.

The Group's aftersales operations comprise servicing, accident repair centres and parts supply. The strategy of the Group is to increase customer retention in the higher margin service arena through the consistent execution of a number of core strategies. Driving service revenues has a positive benefit in enhancing parts sales through the Group's workshops. Core retention strategies include a focus on driving increased vehicle sales to build a local vehicle parc which is then marketed to via a sophisticated customer relationship management process using the Group's dedicated contact centre in Gateshead. Further retention is driven through the extensive sale of service plans and delivering an outstanding customer experience, for example, committing to clean every vehicle during every visit to a service department.

Linked to customer retention, the Group has an extensive programme to improve customer satisfaction which is reinforced as very much part of Group culture and linked to remuneration structures including those of executive directors. The Group's Mission Statement is to deliver an outstanding customer motoring experience through honesty and trust and this is what management and colleagues strive to do. Many Group dealerships are in the Top 25% for customer satisfaction in their respective franchises and a significant majority are above national average levels as measured by the Group's manufacturer partners. The highlight of the year was Peterlee Hyundai being awarded the top dealer award for customer service in the Hyundai franchise in the UK for 2012.

The Group saw like-for-like revenues in aftersales increase by 2.1% and like-for-like gross profits grow by £0.6m in the period. Service revenues rose 4.5% on a like-for-like basis year on year – the third successive year of growth.

Increased retail revenues in the service area were achieved as more new and used car customers were retained by the Group's service operations following the purchase of their vehicles. Overall aftersales margins declined to 40.8% (2012: 41.7%) as the Group continued to increase sales of vehicle servicing to the owners of older vehicles at competitive prices. In this way the Group is taking market share from the independent aftersales market. The proportion of vehicles serviced by the Group over five years old has increased from 25.2% in 2010 to 34.4% in 2013. This demonstrates that the Group's continuing efforts to expand retail service sales away from the typical franchised dealer's core servicing market of the first three years of a new vehicle's ownership (typically covered by the manufacturer's warranty period) are proving to be successful.

The accident repair centre sector was again negatively impacted by well documented reductions in accident rates and consequently reductions in body repair activity. This trend was seen in the Group's on-going accident repair centres but to a lesser degree than the market fall. Revenues fell 4.5% on a like-for-like basis. In addition, margins remain under pressure due to on-going overcapacity in the sector.

Operating expenses exceptional costs and interest charges are commented on in the Finance Director's report below.

Robert Forrester
Chief Executive

Finance Director's Report

Operating expenses and interest charges

Automotive retail is a highly competitive, low margin business. Vigorous cost control constitutes a key component in the turning round of an underperforming business acquired by the Group and in maintaining core Group profitability. Costs are benchmarked on a monthly basis for every dealership against internal benchmarks and accepted industry key performance indicators to identify opportunities for profit improvement. In addition, our central purchasing function has continued relentlessly to pursue and achieve savings and efficiencies in the procurement of all goods and services not-for-resale. This has to be achieved without compromising on the customer experience.

Operating expenses rose from £121.2m to £138.7m reflecting the increasing size of the Group. Total operating expenses as a percentage of revenues reduced to 11.0% (2012: 11.1%). Underlying operating expenses rose £4.3m (3.9%) year on year. On-going cost reductions to manage the Group's cost base continue where appropriate. Redundancy costs relating to the core business of £0.4m were incurred in the period and have been included as a cost within underlying operating expenses in the period. £1.6m of the remaining increase arose due to increased commissions and other variable incentives payable as a result of improved profitability at department, dealership and Group level. This was in contrast to a year on year reduction in the prior year when Group profitability reduced. As the Group has grown further investment has been made in contact centres and other central functions, resulting in an increased cost of £1.1m year on year. Vehicle sales departments' headcount has also been increased to ensure the Group takes full advantage of higher sales levels as the market continues to strengthen and this resulted in a £0.5m operating expense increase. The Group, in line with other retailers, also continues to see increased occupancy costs such as energy, rates and rents which totalled an increase of £0.7m in the period.

The Group generated operating profit from continuing operations before amortisation, share based payments charge and exceptional charges of £11.0m (2012: £8.4m) in the period. This growth of 31.0% represents the pent-up profits from the integration and turnaround of acquisitions made in recent periods coming through. £1.6m of losses arising from current year acquisitions were recognised in the year and it is expected that performance improvements will significantly improve this position in the coming year.

Depreciation rose £0.2m from £3.9m to £4.1m. This increase related entirely to new businesses acquired or started during the last two years.

Net finance costs in the period increased by £0.1m to £1.2m (2012: £1.1m) due to higher bank interest payable as set out in the table below. As acquisitions were undertaken core Group borrowing rose during the period and the Group moved into a net debt position for the first time in a number of years.

	Year ended 28 February 2013	**Year ended 29 February 2012**
	£m	**£m**
Bank interest payable	1.0	0.7
New vehicle stocking interest payable	0.2	0.3
Pension fund: net interest cost	-	0.1
	1.2	**1.1**

Exceptional charges

Closure costs and asset impairment write-offs were incurred in the year reflecting portfolio changes which arose in the period and an assessment of the impact of on-going losses in the Group's Iveco operations. Re-organisation charges related to new acquisitions have also been incurred and total exceptional costs of £3.3m are set out below:

	£'m
Re-organisation and closure costs	2.3
Impairment of fixed assets and onerous leases	1.5
Reclaim of VAT overpayment (including interest)	(0.5)
	3.3

Taxation

The effective rate of tax for the year was 21.9% (2012 : 9.2%). In the prior year the rate was reduced due to the impact of prior year credits arising from the agreement with HMRC of a series of long outstanding issues. The current year rate is closer to the UK corporation tax rate of 24% and the Board expects that the Group's tax rate should remain close to the headline UK Corporation Tax rate in the future.

Cashflows

The Group continues to be cash generative with an operating cash inflow of £13.0m (2012: £7.5m) in the period. The Group has generated £69.5m of operating cashflow in the past five years.

The Group invested £19.7m in the period comprising £14.9m in acquiring new businesses and new freehold land and buildings and a further £4.8m in capital expenditure related to property refurbishments and developments to enhance retail environments and to increase the productive capacity of the Group. Dealerships held by the Group are maintained to a high standard to deliver excellent representation to our manufacturer partners and an outstanding retail experience. The Group disposed of surplus land and buildings of £0.7m at book value in the year. The Group's net debt at 28 February 2013 was £6.2m (2012 : net cash of £3.5m), which represents 46% of adjusted EBITDA.

Financial Position

The Group has a strong balance sheet with shareholders' funds of £106.6m (2012: £100.5m), representing net assets per share of 53.3p (2012: 50.4p). Tangible net assets per share were 43.7p (2012: 41.6p). The balance sheet is underpinned by a freehold and long leasehold property portfolio of £93.7m (2012: £79.4m).

The Group finances its operations by a mixture of shareholders' equity, bank borrowings and trade credit from suppliers and manufacturer partners. The Group has in place a bank loan of £7.5m repayable on an amortising basis by October 2015, and an acquisition facility of £15m available until September 2016 of which £6.0m was drawn at 28 February 2013. Interest is payable on these facilities at LIBOR plus 2.25% and LIBOR plus 1.70% respectively. During the period, the Group comfortably complied with all of the financial covenants in respect of these borrowings, which include loan to value, net debt to EBITDA and interest and lease costs to EBITDAR.

In addition to these loan facilities, the Group has £30m of overdraft and other money market facilities. On the overdraft, interest was paid on drawn amounts at 1.5% above Base Rate, and on the money market facilities interest was paid at 1.35% above LIBOR. These facilities are available until the next review date of 30 April 2014. The Group operated with cash balances for much of the year and these additional facilities are utilised to fund significant peak working capital requirements following plate change months. As at 28 February 2013, the Group had cash balances of £7.2m (2012 : £12.9m) and as a consequence net debt of £6.2m (2012 : net cash of £3.5m).

The borrowings position at 28 February 2013 reflects the seasonal reduction in working capital, typical of the industry, which arises at the period end prior to a plate change month. Consequently, the year-end borrowings position is lower than the normalised borrowings balances throughout the remainder of the year by circa £15m. The Group's on-going cash generation and the acquisition loan facility, will be used to fund the Group's on-going acquisition strategy.

Pensions

The Bristol Street defined benefit pension scheme, which is accounted for on the basis of IAS 19, showed a surplus as at 28 February 2013 of £4.2m (2012 : £1.7m). During the year, and in line with the funding programme agreed with the Trustees in 2010, the Group made cash contributions to the scheme of £0.4m (2012 : £0.4m). This scheme is closed to future membership and accrual. The impact on the Group's reported results of the adoption of IAS19 (revised), the forthcoming accounting standard for pensions which is due to be implemented next year, is not expected to be significant.

Post Balance Sheet Events

On 13 May 2013 the Group announced that it had exchanged contracts for the sale of its Iveco heavy trucks business for a cash consideration of £1.5m plus £192,000 of redeemable preference shares in Aquila Truck Centres (Italia) Limited, the purchaser.

On 21 May 2013 the Group announced that it had reached conditional agreement with Co-operative Group Limited to acquire the issued share capital of Albert Farnell Limited, which operates three Land Rover dealerships and a specialist used car outlet, for an estimated consideration of £31m to be funded from a placing of shares which is expected to raise £50m. The transaction is subject to shareholder approval at a general meeting convened on 7 June 2013, and, subject to satisfying these conditions, is anticipated to complete immediately thereafter.

Michael Sherwin
Finance Director

CONSOLIDATED INCOME STATEMENT (AUDITED)
For the year ended 28 February 2013

	Note	2013 £'000	2012 £'000
Revenue			
Continuing operations		1,179,878	1,088,262
Acquisitions		79,457	-
		1,259,335	**1,088,262**
Cost of sales			
Continuing operations		(1,040,104)	(958,635)
Acquisitions		(71,125)	-
		(1,111,229)	**(958,635)**
Gross profit			
Continuing operations		139,774	129,627
Acquisitions		8,332	-
		148,106	**129,627**
Operating expenses			
Continuing operations		(128,769)	(121,218)
Acquisitions		(9,945)	-
		(138,714)	**(121,218)**
Operating profit before amortisation, share based payments charge and exceptional charges			
Continuing operations		11,005	8,409
Acquisitions		(1,613)	-
		9,392	**8,409**
Amortisation of intangible assets		(291)	(293)
Share based payments charge		(99)	(120)
Exceptional charges	3	(3,606)	(1,311)
Operating profit		**5,396**	**6,685**
Finance income	2	1,374	1,423
Finance costs	2	(2,561)	(2,567)
Exceptional finance income	3	316	-
Profit before tax, amortisation, share based payments charge and total exceptional charges		8,205	7,265
Amortisation of intangible assets		(291)	(293)
Share based payments charge		(99)	(120)
Total exceptional charges	3	(3,290)	(1,311)
Profit before tax		**4,525**	**5,541**
Taxation	4	(989)	(508)
Profit for the year attributable to equity holders		**3,536**	**5,033**
Basic earnings per share (p)	5	**1.77**	**2.53**
Diluted earnings per share (p)	5	**1.76**	**2.53**
Adjusted earnings per share (p)	5	**3.22**	**3.19**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (AUDITED)
For the year ended 28 February 2013

	Note	2013 £'000	2012 £'000
Profit for the year		**3,536**	**5,033**
Other comprehensive income			
Actuarial gains (losses) on retirement benefit obligations		1,937	(1,348)
Deferred tax relating to actuarial gains (losses) on retirement benefit obligations		(438)	383
Cash flow hedges	7	34	(290)
Deferred tax relating to cash flow hedges	7	(8)	72
Other comprehensive income (expense) for the year, net of tax		**1,525**	**(1,183)**
Total comprehensive income for the year attributable to equity holders		**5,061**	**3,850**

CONSOLIDATED BALANCE SHEET (AUDITED)
As at 28 February 2013

	Note	2013 £'000	2012 £'000
Non-current assets			
Goodwill		21,526	20,620
Other intangible assets		1,059	987
Retirement benefit asset		4,178	1,690
Property, plant and equipment		102,932	87,374
		129,695	**110,671**
Current assets			
Inventories		250,443	208,436
Trade and other receivables		43,939	28,248
Cash and cash equivalents		7,240	12,859
Total current assets		**301,622**	**249,543**
Total assets		**431,317**	**360,214**
Current liabilities			
Trade and other payables		(295,052)	(238,706)
Deferred consideration		(1,251)	-
Current tax liabilities		(2,677)	(3,492)
Borrowings		(2,000)	(2,000)
Total current liabilities		**(300,980)**	**(244,198)**
Non-current liabilities			
Borrowings		(11,454)	(7,349)
Derivative financial instruments		(176)	(209)
Deferred consideration		(2,600)	-
Deferred income tax liabilities		(4,014)	(3,225)
Provisions for other liabilities		(5,452)	(4,757)
		(23,696)	**(15,540)**
Total liabilities		**(324,676)**	**(259,738)**
Net assets		**106,641**	**100,476**
Capital and reserves attributable to equity holders of the Group			
Ordinary shares		20,008	19,928
Share premium		60,727	60,506
Shares to be issued		2,000	-
Other reserve		8,820	8,820
Hedging reserve	7	(133)	(159)
Retained earnings		15,219	11,381
Shareholders' equity		**106,641**	**100,476**

CONSOLIDATED CASH FLOW STATEMENT (AUDITED)
For the year ended 28 February 2013

	Note	2013 £'000	2012 £'000
Operating profit		5,396	6,685
(Profit) loss on sale of property, plant and equipment		8	(11)
Amortisation of other intangible assets		291	293
Depreciation of property, plant and equipment		4,142	3,860
Increase in inventories		(6,914)	(8,159)
(Increase) decrease in trade and other receivables		(4,939)	205
Increase in payables		14,196	3,902
Increase in provisions		694	608
Share based payments charge		99	120
Cash generated from operations		**12,973**	**7,503**
Tax received		160	11
Tax paid		(1,590)	(1,325)
Finance income received		29	61
Finance costs paid		(1,265)	(945)
Net cash generated from operating activities		**10,307**	**5,305**
Cash flows from investing activities			
Acquisition of businesses, net of cash, overdrafts and borrowings acquired		(13,481)	(5,831)
Acquisition of freehold land and buildings		(1,400)	(4,035)
Purchases of intangible fixed assets		(338)	(220)
Purchases of property, plant and equipment		(4,498)	(4,362)
Proceeds from disposal of property, plant and equipment		726	56
Net cash outflow from investing activities		**(18,991)**	**(14,392)**
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		301	-
Repayment of borrowings	8	(2,000)	(500)
Proceeds from borrowings	8	6,060	-
Dividends paid to Company shareholders		(1,296)	(996)
Net cash inflow (outflow) from financing activities		**3,065**	**(1,496)**
Net decrease in cash and cash equivalents	**8**	**(5,619)**	**(10,583)**
Cash and cash equivalents at beginning of year		12,859	23,442
Cash and cash equivalents at end of year		**7,240**	**12,859**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (AUDITED)
For the year ended 28 February 2013

	Ordinary share capital £'000	Share premium £'000	Shares to be issued £'000	Other reserve £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
As at 1 March 2012	**19,928**	**60,506**	**-**	**8,820**	**(159)**	**11,381**	**100,476**
Profit for the year	-	-	-	-	-	3,536	3,536
Actuarial gains on retirement benefit obligations	-	-	-	-	-	1,937	1,937
Tax on items taken directly to equity	-	-	-	-	(8)	(438)	(446)
Fair value gains	-	-	-	-	34	-	34
Total comprehensive income for the year	-	-	-	-	26	5,035	5,061
Dividend paid	-	-	-	-	-	(1,296)	(1,296)
Share based payments charge	-	-	-	-	-	99	99
Shares to be issued	-	-	2,000	-	-	-	2,000
New ordinary shares issued	80	221	-	-	-	-	301
As at 28 February 2013	**20,008**	**60,727**	**2,000**	**8,820**	**(133)**	**15,219**	**106,641**

For the year ended 29 February 2012

	Ordinary share capital £'000	Share premium £'000	Other reserve £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
As at 1 March 2011	**19,928**	**60,506**	**8,820**	**59**	**8,189**	**97,502**
Profit for the year	-	-	-	-	5,033	5,033
Actuarial losses on retirement benefit obligations	-	-	-	-	(1,348)	(1,348)
Tax on items taken directly to equity	-	-	-	72	383	455
Fair value losses	-	-	-	(290)	-	(290)
Total comprehensive income for the year	-	-	-	(218)	4,068	3,850
Dividend paid	-	-	-	-	(996)	(996)
Share based payments charge	-	-	-	-	120	120
As at 29 February 2012	**19,928**	**60,506**	**8,820**	**(159)**	**11,381**	**100,476**

The other reserve is a merger reserve, arising from shares issued for shares as consideration, to the former shareholders of acquired companies. The shares to be issued reserve represents the contracted subscription of shares by the vendors of the Dobies (Carlisle) business, set out in note 17 d) Business Combinations. Such subscription will complete, and the associated shares admitted to AiM by 30 June 2013.

NOTES

For the year ended 28 February 2013

1. Basis of Preparation

Vertu Motors plc is a Public Limited Company which is listed on the Alternative Investment Market (A*i*M) and is incorporated and domiciled in the United Kingdom. The address of the registered office is Vertu House, Kingsway North, Team Valley, Gateshead, Tyne and Wear, NE11 0JH. The registered number of the Company is 05984855.

The Group prepares financial information under International Financial Reporting Standards (IFRS) issued by the IASB and as adopted by the European Union (EU) and on the same basis as in 2012. Further information in relation to the Standards adopted by the Group is available on the Group's website www.vertumotors.com.

Whilst the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRS's), this announcement does not itself contain sufficient information to comply with IFRS's. The Group published full financial statements that comply with IFRS's today and these are available on the Group's website, www.vertumotors.com.

The financial information presented for the years ended 28 February 2013 and 29 February 2012 does not constitute the Company's statutory accounts as defined in Section 434 of the Companies Act 2006, but is derived from those financial statements. The auditors' reports on the 2013 and 2012 financial statements were unqualified. A copy of the statutory accounts for 2012 has been delivered to the Registrar of Companies. Those for 2013 will be delivered following the Company's annual general meeting, which will be convened on 25 July 2013.

Accounting policies

The annual consolidated financial statements of Vertu Motors plc are prepared in accordance with IFRS's as adopted by the European Union. The annual report has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) at fair value through profit or loss.

The accounting policies adopted in this annual report are consistent with those of the Group's financial statements for the year ended 29 February 2012 and can be found on our website, www.vertumotors.com.

Segmental information

The Group adopts IFRS 8 "Operating Segments" which determines and presents operating segments based on information provided to the Group's Chief Operating Decision Maker ("CODM"), Robert Forrester, Chief Executive. There has been no change in the Group's one reportable business segment, since the Group is operated and is managed on a dealership by dealership basis. Dealerships operate a number of different business streams such as new vehicle sales, used vehicle sales and after-sales operations. Management is organised based on the dealership operations as a whole rather than the specific business streams.

These dealerships are considered to have similar economic characteristics and offer similar products and services which appeal to a similar customer base. As such, the results of each dealership have been aggregated to form one reportable business segment.

The CODM assesses the performance of the operating segment based on a measure of both revenue and gross profit. Therefore, to increase transparency, the Group has decided to include an additional voluntary disclosure analysing revenue and gross profit within the reportable segment.

	2013	2013	2013	2012	2012	2012
			Gross			Gross
	Revenue	Revenue	Margin	Revenue	Revenue	Margin
	£'m	%	%	£'m	%	%
New car retail	384.6	31	7.4	330.9	30	7.4
New fleet and commercial	316.0	25	2.3	270.1	25	2.3
Used cars	431.9	34	11.3	374.8	34	11.1
Aftersales	126.8	10	40.8*	112.5	11	41.7*
	1,259.3	**100**	**11.8**	**1,088.3**	**100**	**11.9**

*margin in after-sales expressed on internal and external turnover

2. Finance income and costs

	2013	2012
	£'000	£'000
Interest on short term bank deposits	29	61
Other finance income relating to Group pension scheme	1,345	1,362
Finance income	**1,374**	**1,423**
Bank loans and overdrafts	(964)	(809)
Vehicle stocking interest	(206)	(267)
Other finance costs relating to Group pension scheme	(1,372)	(1,477)
Other finance costs	(19)	(14)
Finance costs	**(2,561)**	**(2,567)**

3. Exceptional charges

	2013	2012
	£'000	£'000
Reorganisation and closure costs	2,315	1,311
Impairment of fixed assets and onerous leases	1,464	-
VAT repayment	(173)	-
	3,606	**1,311**
Interest on VAT repayment	(316)	-
	3,290	**1,311**

Reorganisation and closure costs relate to new acquisitions and portfolio restructuring during the current year. The impairment of fixed assets and onerous leases relate to properties vacated or disposed of, and to an assessment of the impact of the on-going losses in the Group's Iveco operations. The VAT repayment relates to the final resolution of an historic VAT reclaim.

4. Taxation

	2013 £'000	2012 £'000
Current tax		
Current tax charge	1,392	1,647
Adjustment in respect of prior years	(746)	(786)
Total current tax	**646**	**861**
Deferred tax		
Origination and reversal of temporary differences	295	(305)
Adjustment in respect of prior years	330	182
Rate differences	(282)	(230)
Total deferred tax	**343**	**(353)**
Income tax expense	**989**	**508**
Comprising:		
Taxation – excluding exceptional charges	1,712	770
Taxation – exceptional charges	(723)	(262)
	989	**508**
Factors affecting taxation expense in the year		
Profit before taxation and exceptional charges	7,815	6,852
Exceptional charges	(3,290)	(1,311)
Profit before taxation from continuing operations	**4,525**	**5,541**
Profit before taxation multiplied by the rate of corporation tax in the UK of 24.17% (2012 : 26.17%)	1,094	1,450
Non-deductible amortisation	70	76
Non qualifying depreciation	341	83
Non-deductible expenses	215	115
Rate differences	(282)	(230)
Small companies rate	(3)	(3)
Property adjustment	89	(257)
Permanent benefits	(78)	(116)
Utilisation of unprovided deferred tax	(41)	(6)
Adjustments in respect of prior years	(416)	(604)
Total tax expense included in the income statement	**989**	**508**

The standard rate of Corporation Tax in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly, the Group's profits for this accounting period are taxed at an effective rate of 24.17%.

5. Earnings per share

Basic and diluted earnings per share are calculated by dividing the earnings attributable to equity shareholders by the weighted average number of ordinary shares during the year or the diluted weighted average number of ordinary shares in issue in the year.

The Group only has one category of potentially dilutive ordinary shares, which are share options. A calculation has been undertaken to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Group's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Adjusted earnings per share is calculated by dividing the adjusted earnings attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year.

	2013	**2012**
	£'000	**£'000**
Profit attributable to equity shareholders	3,536	5,033
Amortisation of intangible assets	291	293
Share based payments charge	99	120
Exceptional charges	3,290	1,311
Tax effect of adjustments	(788)	(401)
Adjusted earnings attributable to equity shareholders	**6,428**	**6,356**
Weighted average number of shares in issue ('000s)	199,459	199,278
Potentially dilutive shares ('000s)	881	14
Diluted weighted average number of shares in issue ('000s)	**200,340**	**199,292**
Basic earnings per share	**1.77p**	**2.53p**
Diluted earnings per share	**1.76p**	**2.53p**
Adjusted earnings per share	**3.22p**	**3.19p**
Diluted adjusted earnings per share	**3.21p**	**3.19p**

6. Dividends per share

The dividends paid in the year to 28 February 2013 were 0.65p per share in total (2012 0.5p per share). A final dividend in respect of the year ended 28 February 2013 of 0.45p per share is to be proposed at the annual general meeting on 25 July 2013. The ex-dividend date will be 26 June 2013, the associated record date is 28 June 2013 and the pay date is 29 July 2013. These financial statements do not reflect this dividend payable.

The last date for shareholders to elect for the Dividend Re-Investment Plan (DRIP) will be 4 July 2013 (or such other date as the Group may specify). A facility is provided by Capita IRG Trustees Limited in conjunction with the Group's registrars, Capita Registrars, for any Group shareholders who wish to re-invest dividend payments in the Group. Under this facility, cash dividends may be used to purchase additional ordinary shares.

Any shareholder requiring further information should call 0871 664 0300 (calls cost 10p a minute plus network extras; lines are open from 8.30am to 5.30pm Monday to Friday excluding bank holidays), or if calling from outside the United Kingdom +44 (0)208 639 3399, or else email shareholder.services@capitaregistrars.com or visit www.capitaregistrars.com.

7. Hedging reserve

The hedging reserve comprises cashflow hedges in relation to interest rate swap derivatives. The movements on the hedging reserve are as follows:

	2013 £'000	2012 £'000
At beginning of year	(159)	59
Fair value gains (losses) on derivative financial instruments during the year	34	(290)
Deferred taxation on fair value gains (losses) during year	(8)	72
At end of year	**(133)**	**(159)**

8. Reconciliation of net cash flow to movement in net (debt) cash

	2013 £'000	2012 £'000
Net decrease in cash and cash equivalents	(5,619)	(10,583)
Cash inflow from increase in borrowings	(6,060)	-
Cash outflow from repayment in borrowings	2,000	500
Cash movement in net (debt) cash	**(9,679)**	**(10,083)**
Capitalisation of loan arrangement fees	128	76
Amortisation of loan arrangement fee	(173)	(122)
Non-cash movement in net (debt) cash	**(45)**	**(46)**
Movement in net (debt) cash	**(9,724)**	**(10,129)**
Opening net cash	**3,510**	**13,639**
Closing net (debt) cash	**(6,214)**	**3,510**

9. Acquisitions

On 28 June 2012 the Group acquired the trade and certain assets of Durham and Hartlepool Ford from Holiways Limited for the total estimated case consideration of £2,984,000.

On 8 September 2012 the Group acquired the trade and certain assets of a Nissan and Renault business in Bradford, a Nissan, Renault and Fiat business in Derby and a Nissan and Peugeot business in Ilkeston from Co-operative Group Motors Limited. Total consideration of £5,609,000 consisted of cash of £1,709,000 and deferred consideration of £3,900,000. The deferred consideration is payable in three equal instalments of £1,300,000 payable on the first, second and third anniversaries of the acquisition completion date. The deferred consideration is secured by way of specific legal charge over freehold property.

On 30 November 2012 the Group acquired the trade and certain assets of three Honda dealerships in Newcastle, Durham and Sunderland from Springfield Cars Limited. Consideration for this acquisition amounted to £3,185,000 and was satisfied in cash. On 7 December 2012 the vendor, Springfield Cars Limited, subscribed for 797,872 ordinary shares in the Company in connection with this acquisition.

On 7 January 2013 the Group acquired the entire issued share capital of Dobies (Carlisle) Limited and the trade and certain assets of a Vauxhall and SEAT business in Carlisle from Dobies Cumbria Limited and certain individuals. Total estimated consideration of £4,209,000 consisted of cash net of cash and cash equivalents acquired of £2,172,000 and deferred consideration estimated at £2,000,000. The deferred consideration, which is subject to adjustment for any movement in acquired net asset values, is payable within 2 business days of final agreement of the completion accounts, which will be not later than 120 days after the completion date of 7 January 2013. The Vendors have agreed to subscribe for shares in Vertu Motors plc, at an agreed price of 39p per share, in the value of the final deferred consideration received by them.

On 29 June 2012 the Group acquired a Suzuki dealership in Mansfield through the purchase of trade and certain assets from Co-operative Group Motors Limited. On 13 December 2012 the Group acquired a Vauxhall dealership in Harrogate, through the purchase of the trade and certain assets of the business from the administrative receivers of Nidd Vale Motors Limited. On 11 January 2013 the Group acquired a Vauxhall dealership in Keighley through the purchase of trade and certain assets from Walter C Brigg Limited. Consideration for these acquisitions which totalled £3,431,000 and was satisfied by cash.

Acquisition related costs (included within exceptional reorganisation and restructuring costs in the consolidated income statement for the year ended 28 February 2013 totalled £554,000.

10. Post balance sheet events

On 13 May 2013 the Group announced that it had exchanged contracts for the sale of its Iveco heavy trucks business for a cash consideration of £1.5m plus £192,000 of redeemable preference shares in Aquila Truck Centres (Italia) Limited, the purchaser.

On 21 May 2013 the Group announced that it had reached conditional agreement with Co-operative Group Limited to acquire the issued share capital of Albert Farnell Limited, which operates three Land Rover dealerships and a specialist used car outlet, for an estimated consideration of £31m to be funded from a placing of shares which is expected to raise £50m. The transaction is subject to shareholder approval at a general meeting convened on 7 June 2013, and, subject to satisfying these conditions, is anticipated to complete immediately thereafter.