

CarMoney Limited

Report and Financial Statements

31 December 2018

TUESDAY



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24/09/2019
COMPANIES HOUSE

CarMoney Limited

Registered No: SC467274

Directors

P D D Vardy

Sir P Vardy

Auditors

Ernst & Young LLP

5 George Square

Glasgow

G2 1DY

Bankers

Barclays Bank plc

PO Box 378

71 Grey Street

Newcastle upon Tyne

NE99 1JP

Solicitors

BTO LLP

48 St Vincent Street

Glasgow

G2 5HS

Registered Office

The Wright Business Centre

1 Lonmay Road

Glasgow

G33 4EL

Directors' Report

The Directors present their report and financial statements for the period ended to 31 December 2018.

Results and dividends

The Company's principal activity during the year was the provision of finance broker services to motor retailers and retail customers. During the year the Company generated a profit before taxation of £31,783 (2017: £387,232 loss).

Going Concern

In line with the FRC guidance on Going Concern issued in April 2016, the Directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis.

After making suitable enquiries, the Directors have a reasonable expectation that the Company has adequate resources to meet their liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Directors

The Directors who served during the year were as follows:

P D D Vardy

Sir P Vardy

C E Maith (Resigned on 21st September 2018)

M P Reay (Appointed 29th October 2018, Resigned on 8th February 2019)

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Small Companies Regime

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

By order of the Board



P D D Vardy
Director
27 June 2019

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including Financial Reporting Standard 102 'the financial reporting standard applicable to the UK and Republic of Ireland).

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- 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 to 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.

Independent auditors' report

to the members of CarMoney Limited

Opinion

We have audited the financial statements of CarMoney Limited (the 'company') for the year ended 31 December 2018 which comprise the Income statement, Statement of comprehensive income, Statement of changes in equity, Statement of financial position and the related notes 1 to 14, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 below. We are independent of the 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditors' report

to the members of CarMoney Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Independent auditors' report

to the members of CarMoney Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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 company or to cease operations, or have no realistic alternative but to do so.

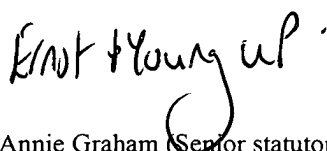
Auditor's responsibilities for the audit of the financial statements

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.

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



Annie Graham (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Glasgow

27 June 2019

Income statement

for the year ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	2	3,396,697	1,147,388
Cost of sales		(593,920)	(65,640)
Gross profit		2,802,777	1,081,748
Administrative expenses		(2,770,388)	(1,468,980)
Operating profit (loss)	3	32,389	(387,232)
Profit on disposal of fixed assets		142	-
Profit/(loss) on ordinary activities before interest and taxation		32,531	(387,232)
Interest payable and similar charges		(748)	-
Profit/(loss) on ordinary activities before taxation		31,783	(387,232)
Tax credit on profit/(loss) on ordinary activities	6	42,149	-
Profit/(loss) for the year on activities after taxation		73,932	(387,232)

All amounts relate to continuing activities.

Statement of comprehensive income

for the year ended 31 December 2018

There were no recognised gains or losses other than the profit attributable to shareholders of the Company of £73,932 in the year ended 31 December 2018 (2017: £387,232 loss).

Statement of changes in equity

at 31 December 2018

Registered No: SC467274

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 January 2017	500,000	(566,193)	(66,193)
Loss for the period	-	(387,232)	(387,232)
At 31 December 2017	500,000	(953,425)	(453,425)
Profit for the year	-	73,932	73,932
EMI Share Scheme	-	2,658	2,658
At 31 December 2018	500,000	(876,835)	(376,835)

The £2,658 movement relates to the creation of a Share Based Payment Reserve in respect of the EMI Share Option Agreement that was entered into during the 2018 financial year (see Note 4).

Statement of financial position

at 31 December 2018

Registered No: SC467274

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	8	67,945	102,250
Current assets			
Debtors: amounts falling due within one year	9	238,901	282,073
Stock	10	40,820	-
Cash at bank and in hand		307,479	-
		587,200	282,073
Creditors: amounts falling due within one year	11	(681,980)	(837,748)
Net current liabilities		(94,780)	(555,675)
Total assets less current liabilities		(26,835)	(453,425)
Creditors: amounts falling due after more than one year	12	(350,000)	-
Net liabilities		(376,835)	(453,425)
Capital and reserves			
Called up share capital	13	500,000	500,000
Profit and loss account		(876,835)	(953,425)
Equity shareholders' liabilities		(376,835)	(453,425)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved by the Board of Directors on 27 June 2019 and were signed on its behalf by:



P D D Vardy
Director

Notes to the financial statements

at 31 December 2018

1. Accounting policies

Statement of compliance

CarMoney Limited is a limited liability company incorporated in Scotland. The registered office is The Wright Business Centre, 1 Lonmay Road, Glasgow, G33 4EL.

The Company's financial statements have been prepared in compliance with FRS102 Section 1A – Small Entities as it applies to the financial statements of the Company for the year ended 31 December 2018.

Basis of preparation

The financial statements of CarMoney Limited were authorised for issue by the Board of Directors on 27 June 2019. The financial statements have been prepared in accordance with applicable accounting standards and the presentational currency is pounds sterling.

Fixed assets

All fixed assets are recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, excluding land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Fixtures and fittings	-	4 years straight line
Computer Equipment	-	3 years straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be reasonable.

Notes to the financial statements

at 31 December 2018

1. Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Going concern

At the balance sheet date the Company had a deficit in shareholders' funds of £376,835 (2017: £453,425). The Company enjoys the continued financial support of its majority shareholder Peter Vardy. The accounts have been prepared on the going concern basis as the Directors believe adequate ongoing financial support will continue to be made available by Peter Vardy to the Company for the foreseeable future.

Cash flow statement

The company has taken advantage of the exemption conferred by FRS102 with the requirements of Section 7 Statement of Cash Flows and Section 1A Small Entities.

2. Turnover

Turnover comprises the value finance commission which is recognised in the month it occurs. Finance commission is recognised when a deal is completed less provisions for debit backs that may need to be refunded based on the likelihood of early settlement, default or fraud.

3. Operating profit/(loss)

	2018 £	2017 £
This is stated after charging:		
Depreciation of owned fixed assets	41,795	22,480
Auditors Remuneration	18,000	1,500
	<u> </u>	<u> </u>

Notes to the financial statements

at 31 December 2018

4. Share-based payments

Enterprise Management Incentive (EMI) Scheme

On the 21st September 2018, CarMoney Limited entered into an EMI Option Agreement with the Managing Director of the Company, Alastair Grier. The EMI Option was granted in respect of A Ordinary Shares of £1 each and the Managing Director has the option to purchase 26,315 A Ordinary Shares after the fifth anniversary of the date of grant, for an agreed price per share of £2.02. If the Option is exercised, the Managing Director will hold a 5% share in the Company.

This is an equity-settled share-based payment transaction and the expense recognised during the year to 31 December 2018 is £2,658. This expense is recognised on an accruals basis over a five-year period.

5. Auditors' total remuneration

	2018 £	2017 £
Audit of CarMoney Limited	18,000	1,500
Total audit	18,000	1,500
Taxation compliance services	2,200	1,800
VAT advice	2,750	-
EMI Share Scheme advice	13,000	-
Other	3,400	-
Total non-audit services	21,350	1,800
	39,350	3,300

6. Tax

(a) Tax (credit) on profit/(loss) on ordinary activities

	2018 £	2017 £
UK corporation tax:		
Corporation tax on profit/(loss) for the year	-	-
Deferred tax charge – origination and reversal of timing differences	(47,108)	-
Deferred tax charge – effect of changes in tax rates	4,959	-
Total tax credit	(42,149)	-

Notes to the financial statements

at 31 December 2018

6. Tax (continued)

(b) Factors affecting current tax charges

The tax assessed on the profit/(loss) on ordinary activities for the period is different to the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are reconciled below:

	2018 £	2017 £
Profit (loss) on ordinary activities	31,783	(387,232)
Profit (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	6,039	(74,542)
Unrecognised deferred tax on losses	(53,147)	74,542
Tax rate changes	4,959	-
Total tax (credit) on profit/(loss) on ordinary activities	(42,149)	-

(c) Provision for deferred tax

The deferred taxation provided in the financial statements at 17% (2017: 17%) is as follows:

	2018 £000	2017 £000
Accelerated capital allowances	(4,852)	-
Other timing differences	(37,297)	-
Deferred tax asset	(42,149)	-
		£000
At 1 January 2018		-
Credit for the year (Note 8 (a))		(42,149)
At 31 December 2018		(42,149)

(d) Factors affecting future tax charges

The main UK rate of corporation tax was reduced to 19% which has applied from 1 April 2017. There will be a further reduction to 17%, via a 2% reduction, on 1 April 2020. The reduction in the corporation tax rates to 17% was included within the Finance Act that was substantively enacted on 6 September 2016. Deferred tax has been provided at 17% as this rate was substantively enacted at the balance sheet date.

The company expects the deferred tax asset in relation to fixed asset timing differences to increase by £4,153 in 2019. It is not possible to estimate the expected reversal of the other elements of deferred tax.

Notes to the financial statements

at 31 December 2018

7. Staff costs

	2018	2017
	£	£
Wages and salaries	380,406	516,634
Social security costs	41,726	53,457
Other pension costs	7,862	4,397
	<u>429,994</u>	<u>574,488</u>

The average monthly number of employees during the year, including Directors, was as follows:

	2018	2017
	No.	No.
Management and administration	12	6
Sales	23	8
	<u>35</u>	<u>14</u>

8. Tangible fixed assets

	<i>Fixtures & Fittings</i>	<i>Computer Equipment</i>	<i>Assets Under Construction</i>	<i>Total</i>
	£	£	£	£
Cost:				
As at 1 January 2018	9,170	118,838	-	128,008
Additions	390	6,273	4,725	11,388
Disposals	-	(4,040)	-	(4,040)
	<u>9,560</u>	<u>121,071</u>	<u>4,725</u>	<u>135,356</u>
At 31 December 2018				
Depreciation:				
As at 1 January 2018	368	25,390	-	25,758
Provided during period	2,422	39,373	-	41,795
Disposals	-	(142)	-	(142)
	<u>2,790</u>	<u>64,621</u>	<u>-</u>	<u>67,411</u>
At 31 December 2018				
Net Book Value:				
At 31 December 2018	6,770	56,450	4,725	67,945
	<u>8,802</u>	<u>93,448</u>	<u>-</u>	<u>102,250</u>
At 31 December 2017				

Notes to the financial statements

at 31 December 2018

9. Debtors

	2018	2017
	£	£
Trade debtors	124,892	244,578
Other debtors	1,834	-
Prepayments	17,451	1,038
VAT receivable	52,575	36,457
Deferred tax asset (note 6(c))	42,149	-
	<u>238,901</u>	<u>282,073</u>

10. Stock

	2018	2017
	£	£
Motor vehicle stocks	40,820	-
	<u>40,820</u>	<u>-</u>

11. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank overdraft	-	421,158
Trade creditors	14,897	88,314
Other taxes and social security costs	41,636	21,849
Accruals and deferred income	618,281	297,133
Vehicle creditors	7,167	9,294
	<u>681,981</u>	<u>837,748</u>

12. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Loans	350,000	-
	<u>350,000</u>	<u>-</u>

The £350,000 loan balance relates to a loan from Sir Peter Vardy, Director of the Company. Interest is paid on this loan on an arm's length basis.

Notes to the financial statements

at 31 December 2018

13. Share capital

The allotted, issued and fully paid share capital of the Company consisted of:

	<i>2018</i> No.	<i>2017</i> No.	<i>2018</i> £	<i>2017</i> £
Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

14. Controlling party

In the Directors' opinion, the controlling party of the Company is Peter Daniel David Vardy by virtue of his majority shareholding in the Company.