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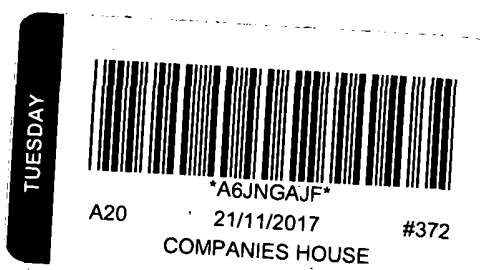
Registered number: 02354629

CD AUCTION GROUP LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017



CD AUCTION GROUP LIMITED
REGISTERED NUMBER:02354629

BALANCE SHEET
AS AT 30 JUNE 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets		56,150	67,397
Tangible assets	7	65,165	62,077
Investments	8	33,305	33,129
		<u>154,620</u>	<u>162,603</u>
Current assets			
Stocks	9	88,500	81,972
Debtors: amounts falling due within one year	10	888,437	579,348
Cash at bank and in hand		896,991	983,587
		<u>1,873,928</u>	<u>1,644,907</u>
Creditors: amounts falling due within one year	11	(1,395,692)	(1,236,996)
Net current assets		<u>478,236</u>	<u>407,911</u>
Total assets less current liabilities		<u>632,856</u>	<u>570,514</u>
Provisions for liabilities			
Deferred tax	12	(26,590)	(30,413)
		<u>(26,590)</u>	<u>(30,413)</u>
Net assets		<u><u>606,266</u></u>	<u><u>540,101</u></u>
Capital and reserves			
Called up share capital	13	111,327	111,327
Share premium account		5,000	5,000
Capital redemption reserve		21,327	21,327
Profit and loss account		468,612	402,447
		<u><u>606,266</u></u>	<u><u>540,101</u></u>

CD AUCTION GROUP LIMITED
REGISTERED NUMBER:02354629

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2017

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



G B Johnstone
Director

Date: 31 August 2017

The notes on pages 3 to 15 form part of these financial statements.

CD AUCTION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. General information

CD Auction Group Limited is a members limited liability company incorporated and domiciled in England and has its registered office and principal place of business at St James Road, St James Industrial Estate, Corby, NN18 8AL.

The principal activity of the company is the sale of used cars and light motor vehicles.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued).

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer software development - 20 % straight line

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 33% straight line
Fixtures and fittings	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of income and retained earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.13 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.15 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

CD AUCTION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no keys source of estimation uncertainty that have a significant effect on the amount recognised in the financial statements.

4. Employees

The average monthly number of employees, including directors, during the year was 49 (2016 - 47).

5. Gain/(Loss) on financial assets at fair value through the profit and loss account

	2017 £	2016 £
Gain/(Loss) on fixed asset investments at fair value through the profit and loss account	5,001	14,236
	<u>5,001</u>	<u>14,236</u>

CD AUCTION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

6. Intangible assets

	Computer software £
Cost	
At 1 July 2016	110,854
Additions	13,458
At 30 June 2017	124,312
Amortisation	
At 1 July 2016	43,457
Charge for the year	24,706
At 30 June 2017	68,163
Net book value	
At 30 June 2017	56,149
At 30 June 2016	67,397

CD AUCTION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

7. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 July 2016	27,900	105,950	133,850
Additions	27,327	15,416	42,743
Disposals	(27,900)	(13,197)	(41,097)
At 30 June 2017	<u>27,327</u>	<u>108,169</u>	<u>135,496</u>
Depreciation			
At 1 July 2016	5,371	66,402	71,773
Charge for the year on owned assets	9,245	13,291	22,536
Disposals	(10,107)	(13,872)	(23,979)
At 30 June 2017	<u>4,509</u>	<u>65,821</u>	<u>70,330</u>
Net book value			
At 30 June 2017	<u>22,818</u>	<u>42,348</u>	<u>65,166</u>
At 30 June 2016	<u>22,529</u>	<u>39,548</u>	<u>62,077</u>

CD AUCTION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

8. Fixed asset investments

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 July 2016	3,654	29,475	33,129
Disposals	-	(4,825)	(4,825)
Revaluations	-	5,001	5,001
At 30 June 2017	<u>3,654</u>	<u>29,651</u>	<u>33,305</u>
Net book value			
At 30 June 2017	<u>3,654</u>	<u>29,651</u>	<u>33,305</u>
At 30 June 2016	<u>3,654</u>	<u>29,475</u>	<u>33,129</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Cars Direct Limited	Ordinary	100 %	Dormant
UK Cars Direct Limited	Ordinary	100 %	Dormant
Cars Direct UK Limited	Ordinary	100 %	Dormant
CD Auction Limited	Ordinary	100 %	Dormant
CD Auction UK Limited	Ordinary	100 %	Dormant
Inter Dealer Auctions Limited	Ordinary	100 %	Sale of used cars and light motor vehicles

9. Stocks

	2017 £	2016 £
Vehicles	<u>88,500</u>	<u>81,972</u>
	<u>88,500</u>	<u>81,972</u>

CD AUCTION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

10. Debtors

	2017 £	2016 £
Trade debtors	775,460	495,565
Amounts owed by group undertakings	8,675	8,532
Other debtors	2,623	3,001
Prepayments and accrued income	101,679	72,250
	<u>888,437</u>	<u>579,348</u>

11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,050,568	941,496
Corporation tax	88,207	88,379
Other taxation and social security	112,830	101,483
Other creditors	975	3,587
Accruals and deferred income	143,112	102,051
	<u>1,395,692</u>	<u>1,236,996</u>

12. Deferred taxation

	2017 £
At beginning of year	30,413
Charged to profit or loss	(3,823)
At end of year	<u>26,590</u>

The provision for deferred taxation is made up as follows:

	2017 £
Excess of taxation allowances over depreciation on fixed assets	26,590
	<u>26,590</u>

CD AUCTION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

13. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
91,327 A Ordinary shares of £1 each	91,327	91,327
20,000 B Ordinary shares of £1 each	20,000	20,000
	<hr/>	<hr/>
	111,327	111,327
	<hr/>	<hr/>

14. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £9,998 (2016 - £1,438). Contributions totalling £940 (2016 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

15. Related party transactions

At the balance sheet date the company was owed £64,858 (2016 - £64,358) from Inter Dealer Auctions Limited, a wholly owned subsidiary. A provision of £56,284 (2016 - £56,284) has been made against this balance.

During the year the following transactions were undertaken with the company's parent, GBJ Developments Limited:

Rent of £72,000 (2016 - £66,000) and consultancy costs of £40,000 (2016 - £40,000) were paid to GBJ Developments Limited. At the balance sheet date the company was owed £101 (2016 - £458) from GBJ Developments Limited.

During the year the company declared dividends to GBJ Developments Limited totalling £250,000 (2016 - £100,000).

16. Controlling party

The company's immediate controlling party is GBJ Developments Limited. The company's ultimate controlling party is Mrs C Johnstone.

Subsequent to the year ended 30 June 2017 and following a group reconstruction on 17 July 2017, the share capital of the immediate parent company, GBJ Developments Limited was acquired by Moorgate House (Newco) Limited. On this date Moorgate House (Newco) Limited became the new ultimate parent company and the company's ultimate controlling party remained Mrs C Johnstone.

CD AUCTION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

17. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 July 2015. The impact of the transition to FRS 102 is as follows:

		As previously stated 1 July 2015 £	Effect of transition 1 July 2015 £	FRS 102 (as restated) 1 July 2015 £	As previously stated 30 June 2016 £	Effect of transition 30 June 2016 £	FRS 102 (as restated) 30 June 2016 £
	Note						
Fixed assets	1	180,377	(217)	180,160	176,839	(14,236)	162,603
Current assets		1,561,395	-	1,561,395	1,644,907	-	1,644,907
Creditors: amounts falling due within one year		(1,355,578)	-	(1,355,578)	(1,236,996)	-	(1,236,996)
Net current assets		205,817	-	205,817	407,911	-	407,911
Total assets less current liabilities	1	386,194	(217)	385,977	584,750	(14,236)	570,514
Provisions for liabilities		(16,479)	-	(16,479)	(30,413)	-	(30,413)
Net assets		369,715	(217)	369,498	554,337	(14,236)	540,101
Capital and reserves	1	369,715	(217)	369,498	554,337	(14,236)	540,101

CD AUCTION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

17. First time adoption of FRS 102 (continued)

	Note	As previously stated 30 June 2016 £	Effect of transition 30 June 2016 £	FRS 102 (as restated) 30 June 2016 £
Turnover		3,134,202	-	3,134,202
Cost of sales		(1,544,829)	-	(1,544,829)
		<u>1,589,373</u>	<u>-</u>	<u>1,589,373</u>
Administrative expenses		(1,229,201)	-	(1,229,201)
Other operating income		24,702	-	24,702
		<u>384,874</u>	<u>-</u>	<u>384,874</u>
Operating profit		384,874	-	384,874
Income from investments		359	-	359
Amounts written off investments	1	-	(14,019)	(14,019)
Interest receivable and similar income		1,576	-	1,576
Taxation		(102,186)	-	(102,186)
		<u>284,623</u>	<u>(14,019)</u>	<u>270,604</u>
Profit on ordinary activities after taxation and for the financial year		284,623	(14,019)	270,604

Explanation of changes to previously reported profit and equity:

1 Fixed assets include fixed asset investments which have previously been stated at cost. On adoption of FRS 102 for the first time, fixed assets have been restated at market value at 1 July 2015 and 30 June 2016.

The profit and loss account as previously stated for the year ended 30 June 2016 has been restated to show the movement in market value between 1 July 2015 and 30 June 2016.