

Registered number: 02226376 (England and Wales)

McCarthy Cars (UK) Limited

Abbreviated accounts

For the year ended 31 December 2015

THURSDAY



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McCarthy Cars (UK) Limited

Company Information

Director	JF McCarthy
Registered number	02226376 (England and Wales)
Registered office	72 - 74 Mitcham Road Croydon Surrey CR0 3RJ
Independent auditors	ASE Audit LLP Chartered Accountants & Statutory Auditors Rowan Court Concord Business Park Manchester Greater Manchester M22 0RR

McCarthy Cars (UK) Limited

**Strategic report
For the year ended 31 December 2015**

Introduction

The director presents his Strategic Report for the Year Ended 31 December 2015.

Business review

During the year ended 31 December 2015 turnover was £13,908,714. This was very much in line with budgeted expectations.

General economic conditions

The general economic environment and levels of consumer and business confidence have a direct impact on levels of demand in the motor retail sector. In addition, fuel prices, interest rates, and levels of unemployment can all significantly impact sales levels. Demand levels are closely monitored by the business on an on-going basis (via sales and enquiry analysis) and action taken accordingly if these measures deviate from expectation.

This report was approved by the board on 28.2.17 and signed on its behalf.


JF McCarthy
Director

McCarthy Cars (UK) Limited

Director's report For the year ended 31 December 2015

The director presents his report and the financial statements for the year ended 31 December 2015.

Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the director must not approve the financial statements unless he is satisfied that he gives 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 these financial statements, the director is required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Results and dividends

The loss for the year, after taxation, amounted to £9,550 (2014 : profit £183,339).

Dividends declared and paid during the period amounted to £82,800 (2014: £38,297).

Director

The director who served during the year was:

JF McCarthy

Future developments

There were no significant future developments since the year end.

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

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

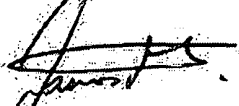
McCarthy Cars (UK) Limited

**Director's report (continued)
For the year ended 31 December 2015**

Auditors

The auditors, ASE Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



JF McCarthy
Director

Date: 28.2.17

McCarthy Cars (UK) Limited

**Independent auditors' report to McCarthy Cars (UK) Limited
Under section 449 of the Companies Act 2006**

We have examined the abbreviated financial statements set out on pages 6 to 28, together with the financial statements of McCarthy Cars (UK) Limited for the year ended 31 December 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the Company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in a special Auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The director is responsible for preparing the abbreviated financial statements accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the Company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared.

McCarthy Cars (UK) Limited

Independent auditors' report to McCarthy Cars (UK) Limited (continued)
Under section 449 of the Companies Act 2006

Basis for disclaimer of opinion on financial statements

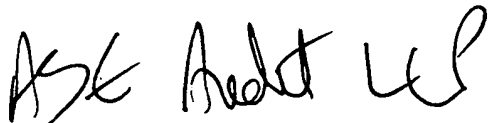
We were appointed auditors of McCarthy Cars (UK) Limited during 2015; the financial statements for the year ended 31 December 2014 were not subject to an audit opinion. In preparing the 31 December 2015 financial statements, a prior period adjustment has been assessed by the director to correct an historic error contained within inventories. We were unable to attend the count of inventories at 31 December 2014, and hence, unable to obtain sufficient evidence to support the allocation of the prior period adjustment between comparative and previous account periods.

Since opening inventories affect the determination of the results of operations, we were unable to determine whether adjustments to the results of operations and opening retained earnings might be necessary for 2014, and whether these adjustments would affect net current assets and the profit and loss account.

Furthermore, the audit evidence available to us in respect of sale or return vehicles held by the company as at 31 December 2015 has been limited, as satisfactory external confirmation has not been obtained. Because of this, we have been unable to obtain sufficient appropriate audit evidence concerning both opening inventories and retained earnings and the closing position of inventories in respect of items held subject to reservation of title.

Disclaimer of opinion on the financial statements

Because of the significance of the matters described in the basis for disclaimer of opinion on financial statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.



Ian McMahon FCCA FMAAT (Senior statutory auditor)
for and on behalf of

ASE Audit LLP

Chartered Accountants

Statutory Auditors

Rowan Court

Concord Business Park

Manchester

Greater Manchester

M22 0RR

Date: 28.2.17

McCarthy Cars (UK) Limited

Abbreviated statement of comprehensive income
For the year ended 31 December 2015

	Note	2015 £	As restated 2014 £
Turnover	4	13,729,782	14,067,414
Cost of sales		(12,565,629)	(12,906,822)
Gross profit		1,164,153	1,160,592
Administrative expenses		(1,250,448)	(1,154,212)
Other operating income		233,022	254,047
Operating profit	5	146,727	260,427
Interest receivable and similar income	9	1	6,574
Interest payable and expenses	10	(159,428)	(31,823)
(Loss)/profit before tax		(12,700)	235,178
Tax on (loss)/profit	11	3,150	(51,839)
(Loss)/profit for the year		(9,550)	183,339

There were no recognised gains and losses for 2015 or 2014 other than those included in the abbreviated statement of comprehensive income.

There were no other comprehensive income for 2015 (2014:£NIL).

The notes on pages 10 to 28 form part of these financial statements.

McCarthy Cars (UK) Limited
Registered number:02226376 (England and Wales)

Abbreviated statement of financial position
As at 31 December 2015

			2015		As restated 2014
	Note	£	£	£	£
Fixed assets					
Tangible assets	13		985,874		975,000
Investment property	14		880,000		880,000
			<u>1,865,874</u>		<u>1,855,000</u>
Current assets					
Stocks	15	1,940,811		1,747,807	
Debtors		58,665		580,860	
Cash at bank and in hand	16	8,702			
		<u>2,008,178</u>		<u>2,328,667</u>	
Creditors: amounts falling due within one year	17	(1,940,274)		(2,150,259)	
Net current assets			<u>67,904</u>		<u>178,408</u>
Total assets less current liabilities			<u>1,933,778</u>		<u>2,033,408</u>
Creditors: amounts falling due after more than one year	18		(113,324)		(117,453)
Provisions for liabilities					
Deferred tax		(165,389)		(168,540)	
			<u>(165,389)</u>		<u>(168,540)</u>
Net assets			<u>1,655,065</u>		<u>1,747,415</u>
Capital and reserves					
Called up share capital	22		4		4
Non-distributable profit reserve	23		767,786		767,786
Profit and loss account	23		887,275		979,625
			<u>1,655,065</u>		<u>1,747,415</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by:

JF McCarthy
Director
Date:

28.2.17

The notes on pages 10 to 28 form part of these financial statements.

McCarthy Cars (UK) Limited

Statement of changes in equity
For the year ended 31 December 2015

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	4	767,786	979,625	1,747,415
Comprehensive income for the year				
Loss for the year	-	-	(9,550)	(9,550)
Dividends: Equity capital	-	-	(82,800)	(82,800)
At 31 December 2015	4	767,786	887,275	1,655,065

Statement of changes in equity
For the year ended 31 December 2014

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2014	4	767,786	834,583	1,602,373
Comprehensive income for the year				
Profit for the year	-	-	183,339	183,339
Dividends: Equity capital	-	-	(38,297)	(38,297)
At 31 December 2014	4	767,786	979,625	1,747,415

The notes on pages 10 to 28 form part of these financial statements.

McCarthy Cars (UK) Limited

Abbreviated statement of cash flows
For the year ended 31 December 2015

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	(9,550)	183,339
Adjustments for:		
Depreciation of tangible assets	726	-
Interest paid	159,428	31,843
Taxation	(3,150)	51,839
(Increase) in stocks	(193,007)	(558,222)
Decrease/(increase) in debtors	522,194	(546,129)
(Decrease)/increase in creditors	(158,929)	896,138
Net cash generated from operating activities	317,712	58,808
Cash flows from investing activities		
Purchase of tangible fixed assets	(11,600)	-
Net cash from investing activities	(11,600)	-
Cash flows from financing activities		
Repayment of loans	(4,129)	(17,394)
Dividends paid	(82,800)	(38,297)
Interest paid	(159,428)	(31,823)
Net cash used in financing activities	(246,357)	(87,514)
Cash and cash equivalents at beginning of year	(272,939)	(244,236)
Cash and cash equivalents at the end of year	(213,184)	(272,942)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	8,702	-
Bank overdrafts	(221,886)	(272,942)
	(213,184)	(272,942)

The notes on pages 10 to 28 form part of these financial statements.

McCarthy Cars (UK) Limited

**Notes to the abbreviated financial statements
For the year ended 31 December 2015**

1. General information

McCarthy Cars (UK) Limited ("the company") is a limited company domiciled and incorporated in England.

The address of the company's registered office and its principal place of business is 72-74 Mitcham Road, Croydon, Surrey, CR0 3RJ.

The company's principal activity is disclosed in the director's report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated financial statements have been extracted, have been prepared under the historical cost convention as modified by the revaluation of Freehold property and in accordance with applicable accounting standards and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 27.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company's functional and presentation currency in these financial statements is Sterling.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - exemptions

The company previously adopted a policy of revaluing freehold property and they were stated at their revalued amount less any impairment losses.

The company has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost.

McCarthy Cars (UK) Limited

Notes to the abbreviated financial statements For the year ended 31 December 2015

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.

Commissions

Commissions are accounted for on a receivable basis, and are recognised as and when the criteria has been achieved.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

McCarthy Cars (UK) Limited

**Notes to the abbreviated financial statements
For the year ended 31 December 2015**

2. Accounting policies (continued)

2.4 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:

Freehold property	- Not provided
Plant and machinery	- 4 Years

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 comprehensive income.

Although the Companies Act 2006 requires all assets to be depreciated, in the director's opinion, this would result in an inappropriate carrying value of freehold property being stated in the financial statements. The directors consider that the market value of the properties is at least equal to the residual value, hence no depreciation has been provided in the financial statements.

2.5 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Income statement.

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 reporting 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.

McCarthy Cars (UK) Limited

Notes to the abbreviated financial statements For the year ended 31 December 2015

2. Accounting policies (continued)

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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

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 accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Income statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Income statement.

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

McCarthy Cars (UK) Limited

**Notes to the abbreviated financial statements
For the year ended 31 December 2015**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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 Finance costs

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

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.15 Interest income

Interest income is recognised in the Income statement using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

McCarthy Cars (UK) Limited

**Notes to the abbreviated financial statements
For the year ended 31 December 2015**

2. Accounting policies (continued)

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change 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 reporting 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 Statement of financial position 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 reporting date.

Deferred tax is not discounted

McCarthy Cars (UK) Limited

Notes to the abbreviated financial statements For the year ended 31 December 2015

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Stock valuation

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including Glass' and CAP valuation guides. The directors maintain oversight of ageing stock profiles and a monthly review of any provision required is performed.

Property, plant and equipment assets

Property, plant and equipment are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows.

4. Turnover

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
Sale of goods	13,729,782	14,067,414
	<u>13,729,782</u>	<u>14,067,414</u>

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	13,729,782	14,067,414
	<u>13,729,782</u>	<u>14,067,414</u>

5. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	726	67,179
Other operating lease rentals	48,864	49,663
	<u>48,864</u>	<u>49,663</u>

McCarthy Cars (UK) Limited

**Notes to the abbreviated financial statements
For the year ended 31 December 2015**

6. Auditors' remuneration

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	6,000	-
	<u>6,000</u>	<u>-</u>
Fees payable to the Company's auditor and its associates in respect of:		
Other services relating to taxation	1,500	-
All other services	13,631	-
	<u>15,131</u>	<u>-</u>

7. Employees

Staff costs, including director's remuneration, were as follows:

	2015 £	2014 £
Wages, salaries and national insurance	914,077	911,481
Social security costs	13,462	12,726
	<u>927,539</u>	<u>924,207</u>

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

	2015 No.	2014 No.
Directors	1	1
Administration	5	4
Sales	7	9
Productives	16	13
	<u>29</u>	<u>27</u>

8. Director's remuneration

	2015 £	2014 £
Director's emoluments	48,000	48,000
	<u>48,000</u>	<u>48,000</u>

The director considers himself to be the key management within the company.

McCarthy Cars (UK) Limited

Notes to the abbreviated financial statements
For the year ended 31 December 2015

9. Interest receivable

	2015 £	2014 £
Other interest receivable	1	6,574
	<u>1</u>	<u>6,574</u>

10. Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	10,118	7,221
Pension interest payable		30
Stocking loan interest payable	149,310	24,572
	<u>159,428</u>	<u>31,823</u>

11. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year		51,839
		<u>51,839</u>
Total current tax		<u>51,839</u>
Deferred tax		
Origination and reversal of timing differences	(3,150)	
Total deferred tax	<u>(3,150)</u>	
Taxation on (loss)/profit on ordinary activities	<u>(3,150)</u>	<u>51,839</u>

McCarthy Cars (UK) Limited

Notes to the abbreviated financial statements For the year ended 31 December 2015

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20% (2014 : 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	(12,700)	235,178
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	(2,540)	50,144
Effects of:		
Capital allowances for year in excess of depreciation	(2,285)	-
Utilisation of tax losses	(1,570)	-
Adjustments to tax charge in respect of prior periods	-	1,695
Income from investment properties	3,245	-
Total tax charge for the year	(3,150)	51,839

Factors that may affect future tax charges

The company has tax losses of £24,123 to carry forward and offset against future profits.

A reduction in the corporation tax rate from 20% to 19% from 1 April 2019 and to 18% from 1 April 2020 was substantively enacted on 18 November 2015. Future tax liabilities will reduce accordingly and deferred tax has been provided at 18% in these financial statements.

12. Dividends

	2015 £	2014 £
Dividends	82,800	38,297
	82,800	38,297

McCarthy Cars (UK) Limited

Notes to the abbreviated financial statements
For the year ended 31 December 2015

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2015	975,000	67,179	1,042,179
Additions		11,600	11,600
At 31 December 2015	975,000	78,779	1,053,779
Depreciation			
At 1 January 2015		67,179	67,179
Charge owned for the period		726	726
At 31 December 2015		67,905	67,905
Net book value			
At 31 December 2015	975,000	10,874	985,874
At 31 December 2014	975,000		975,000

The net book value of land and building may be further analysed as follows:

	2015 £	2014 £
Freehold	975,000	975,000
	975,000	975,000

Cost or valuation at 31 December 2015 is as follows:

	Land and buildings £
At cost	460,907
At fair valuation:	
valued by Hunter Property Consultants Limited on the 14th September 2016	514,093
	975,000

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Notes to the abbreviated financial statements
For the year ended 31 December 2015

13. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2015 £	2014 £
Cost	460,907	460,907
Net book value	460,907	460,907

14. Investment property

	Freehold investment property £
Valuation	
At 1 January 2015	880,000
At 31 December 2015	880,000

The 2015 valuations were made by director, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2015 £	2014 £
Historic cost	457,768	457,768
	457,768	457,768

McCarthy Cars (UK) Limited

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15. Stocks

	2015 £	2014 £
Vehicle stocks	1,940,811	1,747,807
	<u>1,940,811</u>	<u>1,747,807</u>

Stock recognised in cost of sales during the year as an expense was £10,966,467 (2014: £999,608).

An impairment loss of £35,566 (2014: £nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

By virtue of a floating charge over all assets the Bank has security over all stock items.

16. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	8,702	-
Less: bank overdrafts	(221,887)	(272,943)
	<u>(213,185)</u>	<u>(272,943)</u>

17. Creditors: Amounts falling due within one year

	2015 £	2014 £
Bank overdrafts	221,887	272,943
Bank loans	4,129	4,129
Trade creditors	1,598,520	1,007,253
Taxation and social security	77,218	133,591
Other creditors	-	731,926
Accruals other creditors	38,520	417
	<u>1,940,274</u>	<u>2,150,259</u>

Secured loans

The bank overdraft is secured by a fixed charge over the investment properties held in the company.

The bank loan is secured on freehold premises.

Included within trade creditors is an amount of £1,295,724 (2014 £676,871) which relates to a vehicle stock funding loan. This loan is secured on the vehicle stock to which it relates.

McCarthy Cars (UK) Limited

Notes to the abbreviated financial statements
For the year ended 31 December 2015

18. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Bank loans	113,324	117,453
	<u>113,324</u>	<u>117,453</u>

19. Loans

Analysis of the maturity of loans is given below:

	2015 £	2014 £
Amounts falling due within one year		
Bank loans	4,129	4,129
	<u>4,129</u>	<u>4,129</u>
Amounts falling due 1-2 years		
Bank loans	3,966	4,129
	<u>3,966</u>	<u>4,129</u>
Amounts falling due 2-5 years		
Bank loans	11,085	11,487
	<u>11,085</u>	<u>11,487</u>
Amounts falling due after more than 5 years		
Bank loans	98,273	101,837
	<u>98,273</u>	<u>101,837</u>
	<u>117,453</u>	<u>121,582</u>

McCarthy Cars (UK) Limited

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For the year ended 31 December 2015

20. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	44,347	544,438
	<u>44,347</u>	<u>544,438</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(1,976,381)	(2,134,121)
	<u>(1,976,381)</u>	<u>(2,134,121)</u>
Financial assets measured at amortised cost comprise trade and other debtors as well as items of accrued income included within prepayments.		
Financial Liabilities measured at amortised cost comprise trade creditors, accruals where a cash settlement will take place, bank loans and other loans.		

21. Deferred taxation

	2015 £	2014 £
At beginning of year	(168,539)	(168,539)
Charged to the profit or loss	3,150	-
At end of year	<u>(165,389)</u>	<u>(168,539)</u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	3,150	-
Revaluation of freehold property	(92,537)	(92,537)
Revaluation of investment property	(76,002)	(76,002)
	<u>(165,389)</u>	<u>(168,539)</u>

McCarthy Cars (UK) Limited

**Notes to the abbreviated financial statements
For the year ended 31 December 2015**

22. Share capital

	2015	2014
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
4 Ordinary shares of £1 each	4	4

23. Reserves

Other reserves

The non-distributable profit reserve relates to revaluation reserves on freehold and investment properties.

Profit and loss account

This reserve includes all current and prior period retained profits and losses.

24. Prior year adjustment

The prior year adjustment relates to a number of errors relating to the DMS system attached to the accounting system and manual reconciliation errors which have not been rectified in previous years, the majority of the balance is made up of stock amounts which have not been adjusted properly due to a different invoicing approach being adopted, this has meant that while the sale has been processed the cost of sale and subsequent accounting entries to clear the stock balance have not occurred. Additionally, there has been consistently the wrong approach employed, until the current bookkeeper was employed, with regard to the PDQ account where that reconciling items contained within this account have not been transferred to bank correctly, these amounts have been 'dumped' in the above account never to be reconciled.

There has also been adjustment with regard to the valuation of investment property in which the directors did not believe was held at fair value in the previous financial period this has been restated at fair value as per accounting standards for fixed assets using the revaluation basis.

25. Related party transactions

As at 31st December 2015 Mr J W McCarthy and Mr R E McCarthy, shareholders, owed £35,286 (2014 £485,959) in respect of a loan made by the company. The loan attracts interest at 3.25% per annum and is included within other debtors. Interest charged by the company on the loan was waived during 2015 (2014 £6,572).

In addition, the loan made by Mr J W McCarthy and Mr R E McCarthy in previous years has now been repaid together with the interest which accrued on the loan at 6% and amounted to £nil (2014 £24,572) and has been recognised in these accounts. Dividends in the sum of £20,700 were paid to the director.

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**Notes to the abbreviated financial statements
For the year ended 31 December 2015**

26. Controlling party

The ultimate controlling parties are the shareholders due to their equal shareholdings within the business.

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Notes to the abbreviated financial statements For the year ended 31 December 2015

27. First time adoption of FRS 102

	As previously stated 1 January 2014 £	Effect of transition 1 January 2014 £	FRS 102 (as restated) 1 January 2014 £	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Note						
Fixed assets	918,675	-	918,675	1,340,907	514,093	1,855,000
Current assets	4,405	-	4,405	2,328,666	-	2,328,666
Creditors: amounts falling due within one year	(248,642)	-	(248,642)	(2,150,259)	-	(2,150,259)
Net current (liabilities)/assets	(244,237)	-	(244,237)	178,407	-	178,407
Total assets less current liabilities	674,438	-	674,438	1,519,314	514,093	2,033,407
Creditors: amounts falling due after more than one year	(117,453)	-	(117,453)	(117,453)	-	(117,453)
Provisions for liabilities	1	(168,539)	(168,539)	-	(168,539)	(168,539)
Net assets	556,985	(168,539)	388,446	1,401,861	345,554	1,747,415
Capital and reserves	388,446	-	388,446	1,747,415	-	1,747,415