

Financial Statements

Lind AG Limited

For the Year Ended 31 December 2015

Registered number: 02727708

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Lind AG Limited
Registered number:02727708

Company Information

Directors	G M Dacre R B Dacre D A Stuart
Company secretary	G M Dacre
Registered number	02727708
Registered office	Brook Farm Five Oak Green Road Tonbridge Kent TN11 0QN
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditors Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB
Bankers	Bank of Scotland 3 Queen Street Norwich NR2 4SG

Lind AG Limited
Registered number:02727708

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Directors' Report

For the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity

The principal activity of the company continued to be that of operating a motor dealership.

Results and dividends

The profit for the year, after taxation, amounted to £762,498 (2014 - £156,915).

The directors have not recommended the payment of a dividend (2014: £Nil).

A post year end dividend of £1.8m was paid to the parent company Lind Group Holding Company Limited.

Directors

The directors who served during the year were:

G M Dacre
R B Dacre
D A Stuart

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report

For the Year Ended 31 December 2015

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director 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 auditor is aware of that information.

Post balance sheet events

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

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Matters covered in the Strategic report

The following sections which have previously been included within the Directors' report are now included within the Strategic report:

- Business review and future developments
- Financial key performance indicators
- Other key performance indicators
- Principal risks and uncertainties

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



R B Dacre
Director

Date: 26.09.2016

Strategic Report

For the Year Ended 31 December 2015

Introduction

The directors present their Strategic Report for the year ended 31 December 2015.

Business review and future developments

The business retails new and used Porsche cars, parts and other service from its dealership in Tonbridge, Kent. Throughout 2015 the business enjoyed buoyant market conditions. The total sales increased over the prior year [+26%], gross margins also improved throughout the period [+29%], and despite the business increasing its fixed cost base [+12%] profitability grew dramatically [+189%]. Encouragingly the momentum has continued into 2016.

The Porsche model range remains at the top of its impressive history, and demand for most models outstripped supply throughout the year. The Macan in particular continues to have extended long lead time [+9 months]. The new 911 (991 Gen2) has been launched towards the end of the year, but the financial effects of this will not be experienced until 2016. During the year some very special models were delivered including the 918 Spyder, and 911 GT3 models. Porsche UK registrations exceeded 12,500 units [+20%] in 2015; the highest performance in the UK to-date.

Financial key performance indicators

The company uses a range of performance measures to monitor business performance. The directors consider that, consistent with the size and non-complex nature of the business, the key performance indicators are those that communicate the financial performance of the business as a whole and are as follows:

	2015	2014
	£	£
Turnover (£)	33,081,319	26,208,624
Gross profit (£)	4,421,451	3,416,535
Operating profit (£)	987,785	340,710

Other key performance indicators

The company also reviews non-financial indicators, particularly those relating to customer satisfaction, manufacturer balanced scorecard performance and changes in employee numbers. Employers numbers have increased during the year to 45 (2014: 43).

Strategic Report (continued)

For the Year Ended 31 December 2015

Principal risks and uncertainties

Business risks

The company operates within a niche area of the mature, and highly competitive, UK car market. As with many retail businesses, the company's performance is sensitive to consumers' spending patterns, their overall level or disposable income, and more recently, the general tightening of credit facilities within the economy. In the longer term, the impact of consumer trends towards products they perceive as more environmentally friendly may also be an important consideration. On the supply side, the volume of sales can be affected by the availability of new vehicles from the manufacturer, along with the timing of new model launches.

General economy

The company is not immune to the general economic conditions. The possibility of inflation, growing unemployment, interest rate rises and exchange rate fluctuations could have a negative impact on the business.

Franchise agreements

The company operates a vehicle manufacturer franchise; the loss of which would have a significant impact on the business. The strategy is to maintain close links with the company's brand partner and continue to perform at the highest levels to mitigate these risks.

Competition

The company operates in the mature and highly competitive UK car market. Both sales and aftersales profitability could be impacted in the future by the development of the internet and/or by potential new market entrants. The company aims to minimise this risk by ensuring it offers competitively priced products and delivering high levels of customer satisfaction.

Regulatory compliance risk

The company is subject to regulatory compliance risk by failing to comply with laws, regulations or codes as set by the Health and Safety Executive, Financial Conduct Authority and local authorities. Non-compliance can lead to fines, public reprimand and suspension from selling general insurance products.

Management

The company is dependent on members of its senior management team and the loss of such individuals could have an adverse effect on the business. Further, failure to attract, develop and retain staff of sufficient calibre could also affect the ability of the business to grow.

Information risk

The company is dependent on the continuous operation of its information technology and computer systems which are vulnerable to damage, failure and sabotage. Whilst insurance cover is in place, such a disaster could have a detrimental effect on the business.

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Strategic Report (continued)

For the Year Ended 31 December 2015

Financial risk management objectives and policies

In common with other businesses, the company aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Trade debtors are closely monitored to keep the risk of bad debts to a minimum level. Levels of stock are also regularly scrutinised to reduce the risk of slow moving stocks being held.

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



R B Dacre
Director

Date: 26.09.2016



Independent Auditor's Report to the Member of Lind AG Limited

We have audited the financial statements of Lind AG Limited for the year ended 31 December 2015, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is 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 United Kingdom and Republic of Ireland.

This report is made solely to the Company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Member of Lind AG Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

A handwritten signature in black ink, appearing to read "Anders Rasmussen".

Anders Rasmussen (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditors
Chartered Accountants
Norwich
Date: 27/9/2016

Statement of Income and Retained Earnings

For the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	4	33,081,319	26,208,624
Cost of sales		<u>(28,659,868)</u>	<u>(22,792,089)</u>
Gross profit		4,421,451	3,416,535
Administrative expenses		(3,438,658)	(3,077,489)
Other operating income	5	<u>4,992</u>	<u>1,664</u>
Operating profit	6	987,785	340,710
Interest receivable	9	5,086	3,083
Interest payable	10	<u>(144,089)</u>	<u>(110,172)</u>
Profit before tax		848,782	233,621
Tax on profit	11	<u>(86,284)</u>	<u>(76,706)</u>
Profit after tax		<u>762,498</u>	<u>156,915</u>
Retained earnings at the beginning of the year		<u>1,419,558</u>	<u>1,262,643</u>
		1,419,558	1,262,643
Profit for the year		<u>762,498</u>	<u>156,915</u>
Retained earnings at the end of the year		<u>2,182,056</u>	<u>1,419,558</u>

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

The notes on pages 10 to 24 form part of these financial statements.

Balance Sheet

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	12	160,722	111,034
		<u>160,722</u>	<u>111,034</u>
Current assets			
Stocks	13	4,534,893	3,846,020
Debtors		3,332,602	2,515,003
Cash at bank and in hand		689,489	97,413
		<u>8,556,984</u>	<u>6,458,436</u>
Creditors: amounts falling due within one year	16	(6,319,965)	(4,949,912)
Net current assets		<u>2,237,019</u>	<u>1,508,524</u>
Total assets less current liabilities		<u>2,397,741</u>	<u>1,619,558</u>
Provisions for liabilities		(15,685)	-
Net assets		<u>2,382,056</u>	<u>1,619,558</u>
Capital and reserves			
Called up share capital	18	200,000	200,000
Profit and loss account	19	2,182,056	1,419,558
		<u>2,382,056</u>	<u>1,619,558</u>

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



R B Dacre
Director

Date: 26.09.2016

The notes on pages 10 to 24 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. General information

Lind AG Limited is a limited liability company incorporated in England and Wales. The registered office of the company is Brook Farm, Five Oak Green Road, Tonbridge, Kent, TN11 0QN.

The principal activity of the company is that of operating a motor dealership.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 24.

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 following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Lind Group Holding Company Limited as at 31 December 2015 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

2.3 Going concern

The company has traded through difficult trading conditions and has managed its cash to ensure that the business can continue to operate with optimum levels of stock and working capital. Forecasts prepared by the directors indicate that the company and group of which it is a part has sufficient working capital for at least the next twelve months from signing the financial statements. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they conclude it remains appropriate to continue adopting the going concern basis in preparing these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.4 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;
- 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.

Manufacturer bonuses

Manufacturer bonuses and related income are recognised in the period to which they relate providing they can be estimated with reasonable certainty.

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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (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:

Leasehold Property	- over the period of the lease
Plant & machinery	- 5-10 years
Motor vehicles	- 3-5 years
Fixtures, fittings and equipment (included in plant and machinery)	- 3-5 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 within 'other operating income' in the Statement of Income and Retained Earnings.

2.6 Operating leases: Lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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.

Under supply agreements with Porsche, the company has access to "consignment stock". Where the nature of these supply agreements transfer the risks and rewards of ownership to the company, which in substance gives the company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with the equivalent liability.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

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.

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 and loans to related parties.

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.

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, 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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.12 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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 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 payments 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.

2.14 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.15 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 Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

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 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 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.

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

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors which 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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Stock, against which an estimated provision has been. For vehicle stock, provisions have been made for specific vehicles in line with available published industry data and taking in to account further anticipated costs to sell. Parts have been provided for at different rates determined by the age of the parts in stock. The carrying value of stock can be found at note 13.

Tangible fixed assets, against which depreciation has been charged in line with accounting policy 2.5. The quantum of the charge, and the carrying value of the assets, can be found in note 12.

Notes to the Financial Statements

For the Year Ended 31 December 2015

4. Analysis of turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

5. Other operating income

	2015	2014
	£	£
Other operating income	4,992	1,664
	<u>4,992</u>	<u>1,664</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation of tangible fixed assets	62,509	54,381
Profit on disposal of tangible fixed assets	(9,012)	(16,951)
Operating lease rentals - land and buildings	<u>262,000</u>	<u>262,000</u>

7. Auditor's remuneration

	2015	2014
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>8,400</u>	<u>9,000</u>
	8,400	9,000
Fees payable to the Company's auditor in respect of:		
Fees payable to the Company's auditors for tax compliance services	<u>1,820</u>	<u>1,951</u>
	<u>1,820</u>	<u>1,951</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

8. Employees

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,447,638	1,337,688
Social security costs	165,956	148,734
Cost of defined contribution scheme	39,979	34,719
	<u>1,653,573</u>	<u>1,521,141</u>

During the year, no director received any emoluments (2014 - £NIL) from this company.

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

	2015 No.	2014 No.
Mechanical	9	9
Sales and distribution	9	8
Administration	24	23
Directors	3	3
	<u>45</u>	<u>43</u>

9. Interest receivable

	2015 £	2014 £
Other interest receivable	5,086	3,083
	<u>5,086</u>	<u>3,083</u>

10. Interest payable and similar charges

	2015 £	2014 £
Stocking loan interest	144,089	110,172
	<u>144,089</u>	<u>110,172</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

11. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	70,599	-
Total current tax	<u>70,599</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	14,586	76,706
Changes to tax rates	1,099	-
Total deferred tax	<u>15,685</u>	<u>76,706</u>
Taxation on profit on ordinary activities	<u>86,284</u>	<u>76,706</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 20% (2014 - 21%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>848,782</u>	<u>233,621</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 21%)	169,756	49,060
Effects of:		
Expenses not deductible for tax purposes	293	231
Utilisation of tax losses	(15,113)	-
Adjustments to tax charge in respect of prior periods	1,099	-
Unrelieved tax losses carried forward	-	22,259
Other differences leading to an increase in the tax charge	-	5,156
Group relief	(68,971)	-
Change in rates	(780)	-
Total tax charge for the year	<u>86,284</u>	<u>76,706</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

11. Taxation (continued)

Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 20% to 18% by 1 April 2020 was included in the Finance Act 2015 and has since become substantively enacted. Deferred tax has been provided for at 18% in these financial statements.

12. Tangible fixed assets

	L/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2015	-	786,865	61,577	848,442
Additions	2,500	35,940	74,505	112,945
Disposals	-	-	(21,345)	(21,345)
At 31 December 2015	2,500	822,805	114,737	940,042
Depreciation				
At 1 January 2015	-	697,347	40,061	737,408
Charge owned for the period	63	39,699	22,747	62,509
Disposals	-	-	(20,597)	(20,597)
At 31 December 2015	63	737,046	42,211	779,320
Net book value				
At 31 December 2015	2,437	85,759	72,526	160,722
At 31 December 2014	-	89,518	21,516	111,034

Notes to the Financial Statements

For the Year Ended 31 December 2015

13. Stocks

	2015 £	2014 £
Vehicles and part stocks	4,534,893	3,846,020
	<u>4,534,893</u>	<u>3,846,020</u>

Included within the total stock figure is £1,837,813 (2014: £1,459,552) of consignment stock.

Also included within the total stock figure are demonstrator vehicles amounting to £1,021,405 (2014: £1,036,826) and used vehicles amounting to £1,660,285 (2014: £1,207,440) which are secured against the relevant vehicle creditors included within note 16.

Stock recognised in cost of sales during the year as an expense was £28,436,958 (2014: £22,584,456).

An impairment loss of £8,177 (2014: £9,822) was recognised against stock during the year due to slow-moving and obsolete stock.

14. Debtors

	2015 £	2014 £
Due after more than one year		
Amounts owed by group undertakings	2,565,000	1,875,000
	<u>2,565,000</u>	<u>1,875,000</u>
Due within one year		
Trade debtors	166,948	132,384
Other debtors	192,902	130,410
Prepayments and accrued income	394,000	363,457
Deferred taxation	-	13,752
	<u>753,850</u>	<u>640,003</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

15. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	689,489	97,413
	<u>689,489</u>	<u>97,413</u>

16. Creditors: Amounts falling due within one year

	2015 £	2014 £
Payments received on account	708,929	451,211
Trade creditors	3,061,427	2,552,121
Corporation tax	70,223	-
Taxation and social security	264,611	164,615
Consignment stock creditor	1,837,813	1,459,552
Accruals and deferred income	376,962	322,413
	<u>6,319,965</u>	<u>4,949,912</u>

The consignment stock creditor is secured against the relevant stock items (note 13).

Included within trade creditors is a demonstrator vehicle funding creditor of £1,021,405 (2014: £1,036,826) and a used vehicle funding creditor amounting to £1,660,285 (2014: £1,207,440) which are secured against the relevant vehicle stocks to which they relate.

A cross guarantee exists between all group companies in relation to the group overdraft facility. The overdraft facility is set at £600,000 (2014: £600,000).

Notes to the Financial Statements

For the Year Ended 31 December 2015

17. Deferred taxation

	Deferred tax £
At 1 January 2015	13,752
Charged to the profit or loss	(15,685)
At 31 December 2015	(1,933)

The deferred taxation balance is made up as follows:

	2015 £	2014 £
Difference between capital allowances and depreciation	(1,933)	9,233
Tax losses carried forward	-	4,519
	<u>(1,933)</u>	<u>13,752</u>

18. Share capital

	2015 £	2014 £
Authorised		
10,000,000 Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

19. Reserves

Profit & loss account

The profit and loss account includes all current and prior period profits and losses.

20. Pension commitments

The company contributes to a group personal pension plan for individuals. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the period was £39,979 (2014: £34,719). At 31 December 2015, the company had outstanding contributions of £12,422 (2014: £Nil) and prepaid pension contributions of £Nil (2014: £8,120).

Notes to the Financial Statements

For the Year Ended 31 December 2015

21. Commitments under operating leases

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Not later than 1 year	329,273	312,908
Later than 1 year and not later than 5 years	1,203,744	1,198,289
Later than 5 years	1,474,250	1,769,100
Total	3,007,267	3,280,297

22. Related party transactions

During the year, the company rented premises from G M Dacre under a formal lease agreement and rent totalling £250,000 (2014: £250,000) was charged. There were no rental amounts payable to G M Dacre at the balance sheet date.

The company has taken advantage of the exemptions available under Financial Reporting Standard 102, whereby wholly owned subsidiary undertakings do not have to disclose transactions with other wholly owned members of that group.

During the year, the company purchased from, or sold goods to, the following directors:

	2015 Sales £	2015 Purchases £	2014 Sales £	2014 Purchases £
G M Dacre	152,783	105,314	203,531	123,444
	152,783	105,314	203,531	123,444

During the year, the company made advances to R B Dacre, a director of the company, totalling £51,218 (2014: £21,114) of which £51,218 (2014: £21,114) remained outstanding as at the year end.

23. Controlling party

The ultimate parent undertaking of the company is Lind Group Holding Company Limited, a company registered in England and Wales, by virtue of its holding 100% of the issued equity share capital of Lind AG Limited. Lind Group Holding Company Limited prepares consolidated financial statements in which the results of Lind AG Limited are included. These consolidated financial statements are available from Companies House, Cardiff, CF14 3UZ.

As at the year end, the company was under the control of G M Dacre and R B Dacre by virtue of their joint controlling interest in the share capital of the ultimate parent undertaking Lind Group Holding Company Limited.

Notes to the Financial Statements

For the Year Ended 31 December 2015

24. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.