

TOM HARTLEY CARS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2012

FRIDAY



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COMPANIES HOUSE

TOM HARTLEY CARS LIMITED

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TOM HARTLEY CARS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2012

The directors present their report and financial statements for the year ended 31 October 2012

Principal activities and review of the business

The principal activity of the company is that of car dealers

The results for the period and the financial position at the year end were considered satisfactory by the directors

The company's turnover consists of the sale of high class vehicles and therefore the principal risks and uncertainties facing the company are connected with the downturn in the economy, and the general recession. The company has mitigated its exposure to these risks with prudent buying procedures and obtaining competitive margins within its operating market.

Turnover reached expected levels during the period, with adequate gross margins achieved, after accounting for administrative costs the directors are pleased to report a satisfactory net profit.

The key performance indicators are

Turnover

Profit before taxation

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 November 2011

Mr T Hartley Senior

Mr T Hartley Junior

Mr C Hartley

Charitable donations	2012	2011
	£	£

During the year the company made the following payments

Charitable donations	2,500	-
	<u> </u>	<u> </u>

Charitable donations - The recipients, amounts and purpose of the charitable donations are as follows

The Marina Dalglish Appeal, Registered Charity number 1111193, donation of £2,500

The charity is currently engaged in assisting Clatterbridge in the fundraising for a new radiotherapy centre being built at University Hospital Aintree Liverpool

Auditors

The auditors, Jerroms LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

TOM HARTLEY CARS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2012

Statement of directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr T Hartley Senior
Director

14 February 2013

TOM HARTLEY CARS LIMITED

INDEPENDENT AUDITORS' REPORT TO TOM HARTLEY CARS LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 13, together with the financial statements of Tom Hartley Cars Limited for the year ended 31 October 2012 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 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 directors are responsible for preparing the abbreviated accounts in 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 accounts to the Registrar of Companies and whether the abbreviated accounts 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 accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Mr Richard Alan Horton F.C.C.A (Senior Statutory Auditor)
for and on behalf of Jerroms LLP

14 February 2013

**Chartered Certified Accountants
Statutory Auditor**

The Exchange
Haslucks Green Road
Shirley
Solihull
West Midlands
B90 2EL

TOM HARTLEY CARS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2012

	Notes	2012 £	2011 £
Turnover		31,769,611	28,856,601
Other operating income less cost of sales		(29,228,709)	(26,292,354)
Administrative expenses		(870,890)	(847,894)
Operating profit	2	1,670,012	1,716,353
Other interest receivable and similar income		154	230
Profit on ordinary activities before taxation		1,670,166	1,716,583
Tax on profit on ordinary activities	4	(466,461)	(537,582)
Profit for the year	13	1,203,705	1,179,001

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

TOM HARTLEY CARS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 OCTOBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Intangible assets	5	4,354,167		4,604,167	
Tangible assets	6	53,670		54,374	
		<u>4,407,837</u>		<u>4,658,541</u>	
Current assets					
Stocks	7	3,379,633		4,385,204	
Debtors	8	726,825		416,208	
Cash at bank and in hand		86,078		23,389	
		<u>4,192,536</u>		<u>4,824,801</u>	
Creditors' amounts falling due within one year	9	(2,556,210)		(3,734,096)	
Net current assets		<u>1,636,326</u>		<u>1,090,705</u>	
Total assets less current liabilities		<u>6,044,163</u>		<u>5,749,246</u>	
Creditors: amounts falling due after more than one year	10	(3,600,000)		(4,500,000)	
Provisions for liabilities	11	(1,577)		(10,365)	
		<u>2,442,586</u>		<u>1,238,881</u>	
Capital and reserves					
Called up share capital	12	3		3	
Profit and loss account	13	2,442,583		1,238,878	
Shareholders' funds	14	<u>2,442,586</u>		<u>1,238,881</u>	

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies

Approved by the Board and authorised for issue on 14 February 2013

Mr T Hartley Senior
Director



Mr T Hartley Junior
Director



Company Registration No 07061171

TOM HARTLEY CARS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2012

	£	2012 £	£	2011 £
Net cash inflow/(outflow) from operating activities		2,659,748		(138,822)
Returns on investments and servicing of finance				
Interest received	154		230	
Net cash inflow for returns on investments and servicing of finance		154		230
Taxation		(727,402)		(79,409)
Capital expenditure				
Payments to acquire tangible assets	(12,818)		(5,495)	
Net cash outflow for capital expenditure		(12,818)		(5,495)
Net cash inflow/(outflow) before management of liquid resources and financing		1,919,682		(223,496)
Financing				
Repayment of other long term loans	(900,000)		(900,000)	
Increase in debt	(900,000)		(900,000)	
Net cash outflow from financing		(900,000)		(900,000)
Increase/(decrease) in cash in the year		1,019,682		(1,123,496)

TOM HARTLEY CARS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2012

1 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2012	2011
	£	£
Operating profit	1,670,012	1,716,353
Depreciation of tangible assets	13,522	14,996
Amortisation of intangible assets	250,000	250,000
Decrease/(increase) in stocks	1,005,571	(1,391,765)
Increase in debtors	(310,617)	(404,587)
Increase/(decrease) in creditors within one year	31,260	(323,819)
Net cash inflow/(outflow) from operating activities	2,659,748	(138,822)

2 Analysis of net debt	1 November 2011	Cash flow	Other non-cash changes	31 October 2012
	£	£	£	£
Net cash				
Cash at bank and in hand	23,389	62,689	-	86,078
Bank overdrafts	(975,923)	956,993	-	(18,930)
	(952,534)	1,019,682	-	67,148
Bank deposits	-	-	-	-
Debt				
Debts falling due after one year	(4,500,000)	900,000	-	(3,600,000)
Net debt	(5,452,534)	1,919,682	-	(3,532,852)

3 Reconciliation of net cash flow to movement in net debt	2012	2011
	£	£
Increase/(decrease) in cash in the year	1,019,682	(1,123,496)
Cash outflow from decrease in debt	900,000	900,000
Movement in net debt in the year	1,919,682	(223,496)
Opening net debt	(5,452,534)	(5,229,038)
Closing net debt	(3,532,852)	(5,452,534)

TOM HARTLEY CARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

1.6 Stock

Stock is valued at the lower of cost and net realisable value

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

2 Operating profit

	2012	2011
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	250,000	250,000
Depreciation of tangible assets	13,522	14,996
Loss on foreign exchange transactions	1,309	585
	<u> </u>	<u> </u>

TOM HARTLEY CARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2012

3	Investment income	2012	2011
		£	£
	Bank interest	139	191
	Other interest	15	39
		<u>154</u>	<u>230</u>
4	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	475,249	527,217
	Total current tax	<u>475,249</u>	<u>527,217</u>
	Deferred tax		
	Deferred tax charge credit current year	(8,788)	10,365
		<u>466,461</u>	<u>537,582</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,670,166</u>	<u>1,716,583</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.83% (2011 - 26.83%)	<u>414,702</u>	<u>460,559</u>
	Effects of		
	Non deductible expenses	998	978
	Depreciation add back	3,358	4,023
	Capital allowances	(5,896)	(5,367)
	Amortisation add back	62,077	67,075
	Other adjustments	10	(51)
		<u>60,547</u>	<u>66,658</u>
	Current tax charge for the year	<u>475,249</u>	<u>527,217</u>

TOM HARTLEY CARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

5 Intangible fixed assets

	Goodwill £
Cost	
At 1 November 2011 & at 31 October 2012	5,000,000
Amortisation	
At 1 November 2011	395,833
Charge for the year	250,000
At 31 October 2012	645,833
Net book value	
At 31 October 2012	4,354,167
At 31 October 2011	4,604,167

6 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 November 2011	25,186	53,745	78,931
Additions	12,818	-	12,818
At 31 October 2012	38,004	53,745	91,749
Depreciation			
At 1 November 2011	5,242	19,315	24,557
Charge for the year	4,914	8,608	13,522
At 31 October 2012	10,156	27,923	38,079
Net book value			
At 31 October 2012	27,848	25,822	53,670
At 31 October 2011	19,944	34,430	54,374

TOM HARTLEY CARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2012

7	Stocks	2012 £	2011 £
	Finished goods and goods for resale	3,379,633	4,385,204
8	Debtors	2012 £	2011 £
	Trade debtors	705,401	407,065
	Prepayments and accrued income	21,424	9,143
		726,825	416,208
9	Creditors: amounts falling due within one year	2012 £	2011 £
	Bank loans and overdrafts	18,930	975,923
	Trade creditors	42,953	40,421
	Corporation tax	275,060	527,213
	Other taxes and social security costs	136,485	37,104
	Directors' current accounts	1,500,490	1,641,256
	Other creditors	576,292	506,179
	Accruals and deferred income	6,000	6,000
		2,556,210	3,734,096
10	Creditors: amounts falling due after more than one year	2012 £	2011 £
	Other loans	3,600,000	4,500,000
	In more than one year but not more than two years	900,000	900,000
	In more than two years but not more than five years	2,700,000	2,700,000
	In more than five years	-	900,000

TOM HARTLEY CARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 November 2011	10,365
Profit and loss account	(8,788)
	<u>1,577</u>
Balance at 31 October 2012	<u>1,577</u>

The deferred tax liability is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	<u>1,577</u>	<u>10,365</u>

12 Share capital

	2012 £	2011 £
Allotted, called up and fully paid 3 Ordinary shares of £1 each	<u>3</u>	<u>3</u>

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2011	1,238,878
Profit for the year	1,203,705
	<u>2,442,583</u>
Balance at 31 October 2012	<u>2,442,583</u>

14 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	1,203,705	1,179,001
Opening shareholders' funds	1,238,881	59,880
	<u>2,442,586</u>	<u>1,238,881</u>
Closing shareholders' funds	<u>2,442,586</u>	<u>1,238,881</u>

TOM HARTLEY CARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2012

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Administrative and sales staff	17	17
Directors	3	3
	<u>20</u>	<u>20</u>

Employment costs

	2012 £	2011 £
Wages and salaries	277,879	268,534
Social security costs	28,015	25,947
	<u>305,894</u>	<u>294,481</u>

16 Related party relationships and transactions

Included within short term creditors are amounts due to the directors as follows -

Mr T Hartley £500,164 (2011 £545,996)
Mr T Hartley Junior £500,163 (2011 £547,830)
Mr C Hartley £500,163 (2011 £547,430)

Included within long term creditors are amounts due to the directors as follows -

Mr T Hartley £1,200,000 (2011 £1,500,000)
Mr T Hartley Junior £1,200,000 (2011 £1,500,000)
Mr C Hartley £1,200,000 (2011 £1,500,000)

During the year the business traded with related parties, on a normal commercial basis and follows

Tom Hartley & Sons Limited - Related due to common control - Wages and salaries recharged to of £57,444 (2011 £20,105)

Salaries were paid to the spouses of the directors totalling £60,012 (2011 £60,012)