

TOM HARTLEY CARS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2013

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TOM HARTLEY CARS LIMITED

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TOM HARTLEY CARS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2013

Review of the business

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 £42,449,353 (2012: £31,769,611)

Profit before taxation £2,668,200 (2012: £1,670,166)

On behalf of the board



Mr T Hartley Senior

Director

15 April 2014

TOM HARTLEY CARS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2013

The directors present their report and financial statements for the year ended 31 October 2013.

Principal activities and review of the business

The principal activity of the company is that of car dealers.

Results and dividends

The results for the year are set out on page 4.

Directors

The following directors have held office since 1 November 2012:

Mr T Hartley Senior
Mr T Hartley Junior
Mr C Hartley

Auditors

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

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
15 April 2014

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 14, together with the financial statements of Tom Hartley Cars Limited for the year ended 31 October 2013 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

16 April 2014

**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 2013

	Notes	2013 £	2012 £
Turnover		42,449,353	31,769,611
Other operating income less cost of sales		(38,905,488)	(29,228,709)
Administrative expenses		(878,003)	(870,890)
Operating profit	2	2,665,862	1,670,012
Other interest receivable and similar income		2,338	154
Profit on ordinary activities before taxation		2,668,200	1,670,166
Tax on profit on ordinary activities	4	(685,091)	(466,461)
Profit for the year	14	1,983,109	1,203,705

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 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Intangible assets	6	4,104,167		4,354,167	
Tangible assets	7	277,725		53,670	
		<u>4,381,892</u>		<u>4,407,837</u>	
Current assets					
Stocks	8	5,909,611		3,379,633	
Debtors	9	1,150,013		726,825	
Cash at bank and in hand		468,797		86,078	
		<u>7,528,421</u>		<u>4,192,536</u>	
Creditors: amounts falling due within one year	10	(4,803,397)		(2,556,210)	
Net current assets		<u>2,725,024</u>		<u>1,636,326</u>	
Total assets less current liabilities		<u>7,106,916</u>		<u>6,044,163</u>	
Creditors: amounts falling due after more than one year	11	(2,700,000)		(3,600,000)	
Provisions for liabilities	12	(11,721)		(1,577)	
		<u>4,395,195</u>		<u>2,442,586</u>	
Capital and reserves					
Called up share capital	13	3		3	
Profit and loss account	14	4,395,192		2,442,583	
Shareholders' funds	15	<u>4,395,195</u>		<u>2,442,586</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 15 April 2014

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 2013

	£	2013 £	£	2012 £
Net cash inflow from operating activities		1,162,108		2,659,748
Returns on investments and servicing of finance				
Interest received	2,338		154	
Net cash inflow for returns on investments and servicing of finance		2,338		154
Taxation		(497,783)		(727,402)
Capital expenditure				
Payments to acquire tangible assets	(260,590)		(12,818)	
Receipts from sales of tangible assets	20,333		-	
Net cash outflow for capital expenditure		(240,257)		(12,818)
Equity dividends paid		(30,500)		-
Net cash inflow before management of liquid resources and financing		395,906		1,919,682
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)
(Decrease)/increase in cash in the year		(504,094)		1,019,682

TOM HARTLEY CARS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2013

1 Reconciliation of operating profit to net cash outflow from operating activities	2013	2012
	£	£
Operating profit	2,665,862	1,670,012
Depreciation of tangible assets	19,692	13,522
Amortisation of intangible assets	250,000	250,000
Profit on disposal of tangible assets	(3,490)	-
(Increase)/decrease in stocks	(2,529,978)	1,005,571
Increase in debtors	(423,188)	(310,617)
Increase in creditors within one year	1,183,210	31,260
Net cash inflow from operating activities	1,162,108	2,659,748

2 Analysis of net debt	1 November 2012	Cash flow	Other non-cash changes	31 October 2013
	£	£	£	£
Net cash:				
Cash at bank and in hand	86,078	382,719	-	468,797
Bank overdrafts	(18,930)	(886,813)	-	(905,743)
	<u>67,148</u>	<u>(504,094)</u>	<u>-</u>	<u>(436,946)</u>
Bank deposits	-	-	-	-
Debt:				
Debts falling due after one year	(3,600,000)	900,000	-	(2,700,000)
Net debt	(3,532,852)	395,906	-	(3,136,946)

3 Reconciliation of net cash flow to movement in net debt	2013	2012
	£	£
(Decrease)/increase in cash in the year	(504,094)	1,019,682
Cash outflow from decrease in debt	900,000	900,000
Movement in net debt in the year	395,906	1,919,682
Opening net debt	(3,532,852)	(5,452,534)
Closing net debt	(3,136,946)	(3,532,852)

TOM HARTLEY CARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2013

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 other than freehold land 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:

Land and buildings freehold	No depreciation
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

	2013 £	2012 £
Operating profit is stated after charging:		
Amortisation of intangible assets	250,000	250,000
Depreciation of tangible assets	19,692	13,522
Loss on foreign exchange transactions	-	1,309
and after crediting:		
Profit on disposal of tangible assets	(3,490)	-
Profit on foreign exchange transactions	(12,711)	-
	<u> </u>	<u> </u>

TOM HARTLEY CARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

3	Investment income	2013	2012
		£	£
	Bank interest	263	139
	Other interest	2,075	15
		<u>2,338</u>	<u>154</u>
4	Taxation	2013	2012
		£	£
	Domestic current year tax		
	U.K. corporation tax	674,947	475,249
	Total current tax	<u>674,947</u>	<u>475,249</u>
	Deferred tax		
	Deferred tax charge credit current year	10,144	(8,788)
		<u>685,091</u>	<u>466,461</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	2,668,200	1,670,166
		<u>2,668,200</u>	<u>1,670,166</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.41% (2012 - 24.83%)	624,724	414,702
		<u>624,724</u>	<u>414,702</u>
	Effects of:		
	Non deductible expenses	1,286	998
	Depreciation add back	4,611	3,358
	Capital allowances	(14,208)	(5,896)
	Amortisation add back	58,534	62,077
	Other adjustments	-	10
		<u>50,223</u>	<u>60,547</u>
	Current tax charge for the year	<u>674,947</u>	<u>475,249</u>
5	Dividends	2013	2012
		£	£
	Ordinary interim paid	30,500	-
		<u>30,500</u>	<u>-</u>

TOM HARTLEY CARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 November 2012 & at 31 October 2013	5,000,000
Amortisation	
At 1 November 2012	645,833
Charge for the year	250,000
At 31 October 2013	895,833
Net book value	
At 31 October 2013	4,104,167
At 31 October 2012	4,354,167

7 Tangible fixed assets

	Land and buildings freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 November 2012	-	38,004	53,745	91,749
Additions	204,725	3,539	52,326	260,590
Disposals	-	-	(35,055)	(35,055)
At 31 October 2013	204,725	41,543	71,016	317,284
Depreciation				
At 1 November 2012	-	10,157	27,922	38,079
On disposals	-	-	(18,212)	(18,212)
Charge for the year	-	4,456	15,236	19,692
At 31 October 2013	-	14,613	24,946	39,559
Net book value				
At 31 October 2013	204,725	26,930	46,070	277,725
At 31 October 2012	-	27,848	25,822	53,670

TOM HARTLEY CARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

8	Stocks	2013 £	2012 £
	Finished goods and goods for resale	5,909,611	3,379,633
9	Debtors	2013 £	2012 £
	Trade debtors	1,130,803	705,401
	Prepayments and accrued income	19,210	21,424
		1,150,013	726,825
10	Creditors: amounts falling due within one year	2013 £	2012 £
	Bank loans and overdrafts	905,743	18,930
	Trade creditors	39,000	42,953
	Corporation tax	452,224	275,060
	Other taxes and social security costs	67,014	136,485
	Directors' current accounts	2,181,597	1,500,490
	Other creditors	1,151,817	576,292
	Accruals and deferred income	6,002	6,000
		4,803,397	2,556,210
11	Creditors: amounts falling due after more than one year	2013 £	2012 £
	Other loans	2,700,000	3,600,000
	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	1,800,000	2,700,000

TOM HARTLEY CARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 November 2012	1,577
Profit and loss account	10,144
	<u>11,721</u>
Balance at 31 October 2013	<u>11,721</u>

The deferred tax liability is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	<u>11,721</u>	<u>1,577</u>

13 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
3 Ordinary shares of £1 each	<u>3</u>	<u>3</u>

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2012	2,442,583
Profit for the year	1,983,109
Dividends paid	<u>(30,500)</u>
Balance at 31 October 2013	<u>4,395,192</u>

TOM HARTLEY CARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

15 Reconciliation of movements in shareholders' funds	2013	2012
	£	£
Profit for the financial year	1,983,109	1,203,705
Dividends	(30,500)	-
	<hr/>	<hr/>
Net addition to shareholders' funds	1,952,609	1,203,705
Opening shareholders' funds	2,442,586	1,238,881
	<hr/>	<hr/>
Closing shareholders' funds	4,395,195	2,442,586
	<hr/>	<hr/>
16 Directors' remuneration	2013	2012
	£	£
Remuneration for qualifying services	7,500	-
	<hr/>	<hr/>
17 Employees		
Number of employees		
The average monthly number of employees (including directors) during the year was:		
	2013	2012
	Number	Number
Administrative and sales staff	19	17
Directors	3	3
	<hr/>	<hr/>
	22	20
	<hr/>	<hr/>
Employment costs	2013	2012
	£	£
Wages and salaries	251,261	277,879
Social security costs	28,338	28,015
	<hr/>	<hr/>
	279,599	305,894
	<hr/>	<hr/>

TOM HARTLEY CARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

18 Related party relationships and transactions

Dividends to Directors

The following directors were paid dividends during the year as outlined in the table below:

	2013 £	2012 £
C Hartley	30,500	-
	<u>30,500</u>	<u>-</u>

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

Mr T Hartley £727,219 (2012: £500,164)
Mr T Hartley Junior £727,219 (2012: £500,163)
Mr C Hartley £727,159 (2012: £500,163)

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

Mr T Hartley £900,000 (2012: £1,200,000)
Mr T Hartley Junior £900,000 (2012: £1,200,000)
Mr C Hartley £900,000 (2012: £1,200,000)

Salaries were paid to the spouses of the directors totalling £60,012 (2012: £60,012)