

Company Registration No. 07061171 (England and Wales)

**TOM HARTLEY CARS LIMITED**  
**ABBREVIATED ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 OCTOBER 2014**

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# **TOM HARTLEY CARS LIMITED**

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# **TOM HARTLEY CARS LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 OCTOBER 2014***

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The directors present the strategic report and financial statements for the year ended 31 October 2014

### **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 £46,647,977 (2013 £42,449,353)

Profit before taxation £4,012,890 (2013 £2,668,200)

On behalf of the board



Mr T Hartley Senior

**Director**

19 May 2015

# **TOM HARTLEY CARS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 OCTOBER 2014**

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The directors present their report and financial statements for the year ended 31 October 2014

#### **Results and dividends**

The results for the year are set out on page 4

#### **Directors**

The following directors have held office since 1 November 2013

Mr T Hartley Senior

Mr C Hartley

Mr T Hartley Junior

(Resigned 31 October 2014)

#### **Auditors**

The auditors, Jerroms, 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 Strategic Report, 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.

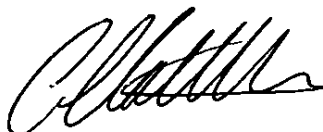
On behalf of the board



Mr T Hartley Senior

Director

19 May 2015



# **TOM HARTLEY CARS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO TOM HARTLEY CARS LIMITED**

### **UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of Tom Hartley Cars Limited for the year ended 31 October 2014 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

19 May 2015

**Association of 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 2014**

	Notes	2014 £	2013 £
Turnover		46,647,977	42,449,353
Other operating income less cost of sales		(41,642,042)	(38,905,488)
Administrative expenses		(1,010,120)	(878,003)
<b>Operating profit</b>	<b>2</b>	<b>3,995,815</b>	<b>2,665,862</b>
Other interest receivable and similar income		4,805	2,338
Interest payable and similar charges	<b>4</b>	12,270	-
<b>Profit on ordinary activities before taxation</b>		<b>4,012,890</b>	<b>2,668,200</b>
Tax on profit on ordinary activities	<b>5</b>	(930,336)	(685,091)
<b>Profit for the year</b>	<b>15</b>	<b>3,082,554</b>	<b>1,983,109</b>

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 2014

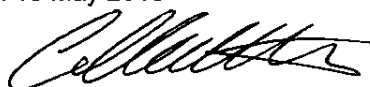
	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Intangible assets	7	3,856,895		4,104,167	
Tangible assets	8	56,365		277,725	
		<u>3,913,260</u>		<u>4,381,892</u>	
<b>Current assets</b>					
Stocks	9	2,319,143		5,909,611	
Debtors	10	23,208		1,150,013	
Cash at bank and in hand		3,628,308		468,797	
		<u>5,970,659</u>		<u>7,528,421</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,681,921)</u>		<u>(4,803,397)</u>	
<b>Net current assets</b>		<u>4,288,738</u>		<u>2,725,024</u>	
<b>Total assets less current liabilities</b>		<u>8,201,998</u>		<u>7,106,916</u>	
<b>Creditors amounts falling due after more than one year</b>	12	(1,800,000)		(2,700,000)	
<b>Provisions for liabilities</b>	13	(9,572)		(11,721)	
		<u>6,392,426</u>		<u>4,395,195</u>	
<b>Capital and reserves</b>					
Called up share capital	14	2		3	
Other reserves	15	1		-	
Profit and loss account	15	6,392,423		4,395,192	
<b>Shareholders' funds</b>	16	<u>6,392,426</u>		<u>4,395,195</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 19 May 2015



Mr T Hartley Senior  
Director



Mr C Hartley  
Director

Company Registration No 07061171

# **TOM HARTLEY CARS LIMITED**

## **CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 OCTOBER 2014**

	£	2014 £	£	2013 £
<b>Net cash inflow from operating activities</b>		6,653,670		1,162,108
<b>Returns on investments and servicing of finance</b>				
Interest received	4,805		2,338	
<b>Net cash inflow for returns on investments and servicing of finance</b>		4,805		2,338
<b>Taxation</b>		(819,275)		(497,783)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(12,421)		(260,590)	
Receipts from sales of tangible assets	216,302		20,333	
<b>Net cash inflow/(outflow) for capital expenditure</b>		203,881		(240,257)
<b>Equity dividends paid</b>		(28,500)		(30,500)
<b>Net cash inflow before management of liquid resources and financing</b>		6,014,581		395,906
<b>Financing</b>				
Purchase of own shares	(1,056,823)		-	
Repayment of other long term loans	(900,000)		(900,000)	
<b>Increase in debt</b>	(900,000)		(900,000)	
<b>Net cash outflow from financing</b>		(1,956,823)		(900,000)
<b>Increase/(decrease) in cash in the year</b>		4,057,758		(504,094)



# TOM HARTLEY CARS LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2014

1 Reconciliation of operating profit to net cash inflow from operating activities		2014	2013
		£	£
Operating profit		3,995,815	2,665,862
Depreciation of tangible assets		16,758	19,692
Amortisation of intangible assets		250,000	250,000
Profit on disposal of tangible assets		(2,007)	(3,490)
Decrease/(increase) in stocks		3,590,468	(2,529,978)
Decrease/(increase) in debtors		1,126,805	(423,188)
(Decrease)/Increase in creditors within one year		(2,324,169)	1,183,210
<b>Net cash inflow from operating activities</b>		<b>6,653,670</b>	<b>1,162,108</b>

2 Analysis of net funds/(debt)	1 November 2013	Cash flow	Other non-cash changes	31 October 2014
	£	£	£	£
Net cash				
Cash at bank and in hand	468,797	3,159,511	-	3,628,308
Bank overdrafts	(905,743)	898,247	-	(7,496)
	<u>(436,946)</u>	<u>4,057,758</u>	<u>-</u>	<u>3,620,812</u>
Bank deposits	-	-	-	-
Debt				
Debts falling due after one year	(2,700,000)	900,000	-	(1,800,000)
<b>Net (debt)/funds</b>	<b><u>(3,136,946)</u></b>	<b><u>4,957,758</u></b>	<b><u>-</u></b>	<b><u>1,820,812</u></b>

3 Reconciliation of net cash flow to movement in net funds/(debt)		2014	2013
		£	£
Increase/(decrease) in cash in the year		4,057,758	(504,094)
Cash outflow from decrease in debt		900,000	900,000
<b>Movement in net funds/(debt) in the year</b>		<b>4,957,758</b>	<b>395,906</b>
Opening net debt		(3,136,946)	(3,532,852)
<b>Closing net funds/(debt)</b>		<b><u>1,820,812</u></b>	<b><u>(3,136,946)</u></b>

# **TOM HARTLEY CARS LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2014**

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### **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 Patents**

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives

#### **1.6 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

#### **1.7 Stock**

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

#### **1.8 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

#### **1.9 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

# **TOM HARTLEY CARS LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 OCTOBER 2014**

<b>2</b>	<b>Operating profit</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging		
	Amortisation of intangible assets	250,000	250,000
	Depreciation of tangible assets	16,758	19,692
	Loss on foreign exchange transactions	54,558	-
	and after crediting		
	Profit on disposal of tangible assets	(2,007)	(3,490)
	Profit on foreign exchange transactions	-	(12,711)
		<u>          </u>	<u>          </u>
<b>3</b>	<b>Investment income</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Bank interest	4,805	263
	Other interest	-	2,075
		<u>          </u>	<u>          </u>
		4,805	2,338
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Interest payable</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	On overdue tax	4,043	-
	Other interest	(16,313)	-
		<u>          </u>	<u>          </u>
		(12,270)	-
		<u>          </u>	<u>          </u>

# TOM HARTLEY CARS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

5	Taxation	2014 £	2013 £
	<b>Domestic current year tax</b>		
	U K corporation tax	932,485	674,947
	<b>Total current tax</b>	932,485	674,947
	<b>Deferred tax</b>		
	Deferred tax charge credit current year	(2,149)	10,144
		930,336	685,091
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	4,012,890	2,668,200
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.83% (2013 - 23.41%)	875,910	624,724
	Effects of		
	Non deductible expenses	872	1,286
	Depreciation add back	3,658	4,611
	Capital allowances	(2,523)	(14,208)
	Amortisation add back	54,568	58,534
		56,575	50,223
	<b>Current tax charge for the year</b>	932,485	674,947
6	<b>Dividends</b>	2014 £	2013 £
	Ordinary interim paid	28,500	30,500

# TOM HARTLEY CARS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

### 7 Intangible fixed assets

	Patents £	Goodwill £	Total £
<b>Cost</b>			
At 1 November 2013	-	5,000,000	5,000,000
Additions	2,728	-	2,728
At 31 October 2014	2,728	5,000,000	5,002,728
<b>Amortisation</b>			
At 1 November 2013	-	895,833	895,833
Charge for the year	-	250,000	250,000
At 31 October 2014	-	1,145,833	1,145,833
<b>Net book value</b>			
At 31 October 2014	2,728	3,854,167	3,856,895
At 31 October 2013	-	4,104,167	4,104,167

### 8 Tangible fixed assets

	Land and buildings freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 November 2013	204,725	41,543	71,016	317,284
Additions	-	9,692	-	9,692
Disposals	(204,725)	-	(18,923)	(223,648)
At 31 October 2014	-	51,235	52,093	103,328
<b>Depreciation</b>				
At 1 November 2013	-	14,613	24,946	39,559
On disposals	(2,388)	-	(6,965)	(9,353)
Charge for the year	2,388	4,473	9,896	16,757
At 31 October 2014	-	19,086	27,877	46,963
<b>Net book value</b>				
At 31 October 2014	-	32,149	24,216	56,365
At 31 October 2013	204,725	26,930	46,070	277,725

# **TOM HARTLEY CARS LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)** **FOR THE YEAR ENDED 31 OCTOBER 2014**

<b>9</b>	<b>Stocks</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Finished goods and goods for resale	2,319,143	5,909,611
		<u>          </u>	<u>          </u>
<b>10</b>	<b>Debtors</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Trade debtors	-	1,130,803
	Prepayments and accrued income	23,208	19,210
		<u>          </u>	<u>          </u>
		23,208	1,150,013
		<u>          </u>	<u>          </u>
<b>11</b>	<b>Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	7,496	905,743
	Trade creditors	29,373	39,000
	Corporation tax	565,434	452,224
	Other taxes and social security costs	65,229	67,014
	Directors' current accounts	985,377	2,181,597
	Other creditors	14,285	1,151,817
	Accruals and deferred income	14,727	6,002
		<u>          </u>	<u>          </u>
		1,681,921	4,803,397
		<u>          </u>	<u>          </u>
<b>12</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Other loans	1,800,000	2,700,000
		<u>          </u>	<u>          </u>
	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	1,800,000
		<u>          </u>	<u>          </u>

# TOM HARTLEY CARS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

### 13 Provisions for liabilities

	Deferred tax liability £
Balance at 1 November 2013	11,721
Profit and loss account	(2,149)
Balance at 31 October 2014	<u>9,572</u>

The deferred tax liability is made up as follows.

	2014 £	2013 £
Accelerated capital allowances	<u>9,572</u>	<u>11,721</u>

### 14 Share capital

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>3</u>

### 15 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 November 2013	-	4,395,192
Profit for the year	-	3,082,554
Purchase of own shares	-	(1,056,823)
Dividends paid	-	(28,500)
Movement during the year	1	-
Balance at 31 October 2014	<u>1</u>	<u>6,392,423</u>
<b>Other reserves</b>		
<b>Capital redemption reserve</b>		
Capital redemption reserve	<u>1</u>	
Balance at 31 October 2014	<u>1</u>	

# TOM HARTLEY CARS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

<b>16 Reconciliation of movements in Shareholders' funds</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	3,082,554	1,983,109
Dividends	(28,500)	(30,500)
	<u>3,054,054</u>	<u>1,952,609</u>
Purchase of own shares	(1,056,823)	-
	<u>1,997,231</u>	<u>1,952,609</u>
Net addition to shareholders' funds	4,395,195	2,442,586
Opening Shareholders' funds	<u>6,392,426</u>	<u>4,395,195</u>
Closing Shareholders' funds	<u><u>6,392,426</u></u>	<u><u>4,395,195</u></u>
<b>17 Directors' remuneration</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	<u>9,400</u>	<u>7,500</u>
<b>18 Employees</b>		
<b>Number of employees</b>		
The average monthly number of employees (including directors) during the year was		
	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
Administrative and sales staff	12	19
Directors	3	3
	<u>15</u>	<u>22</u>
<b>Employment costs</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	274,931	251,261
Social security costs	24,188	28,338
	<u>299,119</u>	<u>279,599</u>



# **TOM HARTLEY CARS LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 OCTOBER 2014**

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### **19 Related party relationships and transactions**

#### **Dividends to Directors**

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
C Hartley	28,500	30,500
	<u>28,500</u>	<u>30,500</u>

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

Mr T Hartley £616,301 (2013 £727,219)

Mr T Hartley Junior £0 (2013 £727,219)

Mr C Hartley £369,076 (2013 £727,159)

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

Mr T Hartley £900,000 (2013 £900,000)

Mr T Hartley Junior £0 (2013 £900,000)

Mr C Hartley £900,000 (2013 £900,000)

Salaries were paid to the spouses of the directors totalling £53,344 (2013 £60,012)