

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013  
FOR  
HALLIWELL JONES LIMITED**

MONDAY



\*A3BMSWJT\*

A17

07/07/2014

#202

COMPANIES HOUSE

# **HALLIWELL JONES LIMITED**

## **CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>5</b>
<b>Report of the Independent Auditors</b>	<b>7</b>
<b>Profit and Loss Account</b>	<b>8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Cash Flow Statement</b>	<b>10</b>
<b>Notes to the Cash Flow Statement</b>	<b>11</b>
<b>Notes to the Financial Statements</b>	<b>13</b>
<b>Trading and Profit and Loss Account</b>	<b>22</b>

**HALLIWELL JONES LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**DIRECTORS:**

P Jones  
G A Howes  
J M C Houghton

**SECRETARY:**

Mrs M L Clough

**REGISTERED OFFICE:**

59/61 Southport Road  
Southport  
Merseyside  
PR8 5JF

**REGISTERED NUMBER:**

02043705 (England and Wales)

**AUDITORS:**

Moore and Smalley LLP  
Statutory Auditor  
Hoghton Chambers  
Hoghton Street  
Southport  
Merseyside  
PR9 0TB

# **HALLIWELL JONES LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their strategic report for the year ended 31 December 2013.

### **REVIEW OF BUSINESS**

#### **Results**

The profit before taxation was £949,336 for the year compared with a profit of £863,127 for the previous year. The MINI and service building development completed during 2012 was expected to particularly enhance the company's ability to develop service profitability and the improved result for 2013 reflects this.

Whilst the company going forwards remains exposed to the general economy and Government policy, the directors believe the result represents a satisfactory performance in a difficult market and remain confident that the company will continue to operate profitably.

#### **Analysis**

Turnover was £58,858,021 compared to £49,385,697 in 2012, an increase of 19%.

Gross Profit was £4,718,707 compared to £4,024,798 in 2012, an increase of 17%. Gross Profit percentage of turnover was 8% compared with 8.1% in 2012.

Administrative expenses were £3,974,681 compared to £3,364,625 in 2012, an increase of 18.1%.

#### **Financial Position**

At the year end the company's net debt has increased from £3,255,630 in 2012 to £4,377,915. This increase is primarily due to higher than normal motor vehicle stocks following strategic purchasing towards the end of 2013.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**PRINCIPAL RISKS AND UNCERTAINTIES**

We have set out below risk factors that we believe could cause our actual future results to differ materially from expected results. However, other factors could adversely affect the results and so the factors set out below should not be considered to be a complete set of all potential risks and uncertainties.

**Business conditions and the general economy**

The profitability of our company could be adversely affected by a worsening of general economic conditions in the United Kingdom. Factors such as unemployment, the level and volatility of equity markets, interest rates, inflation, action taken by the UK government relating to the taxation of vehicle purchasing and fuel for cars and the availability and cost of credit could significantly affect the market for the sale of new and used motor cars. Any changes by the UK government relating to the taxation of company cars and the provision of fuel for company cars may impact on sales activity. In the case of new car sales during a period of economic downturn there is likely to be an oversupply of vehicles leading to reduced margins. Whilst a short term worsening in economic conditions in the United Kingdom should not significantly adversely impact profitability in our aftersales business, a sustained downturn over a number of years would be likely to lead to reduced profits in this area.

**Franchise agreements**

We operate franchised BMW and MINI motor car dealerships. Franchises are awarded to us by the manufacturers. Failure to continue to hold franchises could result in a significant reduction in profits of the company due to our inability then to source new stock to sell, perform warranty repairs and display manufacturer trade marks. The next franchise contract renewal within the UK BMW and MINI dealer network is in 2018 and the directors hold the reasonable belief that they should be successful in renewing these franchise agreements following the renewal during 2013.

**Vehicle manufacturer dependencies**

We depend on the vehicle manufacturers' financial condition, marketing, vehicle design, production and distribution capabilities, reputation, management and industrial relations. A failure by a manufacturer in the areas noted could lead to significant losses especially in the case of the insolvency of a manufacturer. Vehicle manufacturers provide sales incentives, warranty and other programs that are intended to promote new vehicle sales. A withdrawal or reduction in these programs would have an adverse impact on our business. The directors are not aware of any significant issues with respect to the vehicle manufacturer dependency relationship.

**Liquidity and financing**

Liquidity and financing risks relate to our ability to pay for goods and services required to trade on a day to day basis. We have three main sources of financing facilities which are, from banks and BMW Financial Services (GB) Limited by way of committed borrowing facilities and from suppliers by way of trade credit. A withdrawal of financing facilities or a failure to renew them as they expire could lead to a significant reduction in the trading ability of the company. The directors are not aware of any reason to suggest that the company will have any issues with regards to liquidity and financing.

**Regulatory compliance risk**

The Company is subject to regulatory compliance risk which can arise from a failure to comply fully with the laws, regulations or codes applicable, for example those set out by the Financial Services Authority. Non compliance can lead to fines, enforced suspension from sales of general insurance products or public reprimand.

**Competition**

We compete with other franchised vehicle dealerships, private buyers and sellers, internet based dealers, independent service and repair shops and manufacturers who have entered the retail market. We compete for the sale of new and used vehicles, the performance of warranty repairs, non warranty repairs, routine maintenance business and for the provision of spare parts. The principal competitive factors in service and parts sales are price, customer database, familiarity with a manufacturer's brands and models and the quality of customer service. We also compete with a range of financial institutions in arranging finance for vehicle purposes. Some of our competitors may have greater resources and lower overheads and sales costs. This could lead to our failure to be able to compete and result in a reduction in our profitability.

**Reliance on certain members of management and staff**

The Company is dependant on members of its senior management team and skilled personnel and the future financial well being of the Company could depend in part on our ability to attract and retain highly skilled management and personnel. The loss of the service of a number of such individuals could have a material adverse effect on the business. Additionally, if we fail to recruit and retain skilled staff it may not be possible to continue to grow the business.

# **HALLIWELL JONES LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

### **Failure of information systems**

Our business is dependent on the efficient and uninterrupted operation of our information technology and computer systems, which are vulnerable to damage or interruption from power loss, telecommunications failure, sabotage, vandalism or similar misconduct. Whilst we have put in place contingency and recovery plans in order to mitigate the impact of such failures it can never be certain that these plans could cover every eventuality or situation.

### **FUTURE DEVELOPMENTS**

The directors look for continued profitability during 2014. The existing BMW site is to undergo a major refurbishment starting in June 2014, which will ensure the dealership complies with current retail standards specified by BMW and will help to improve our facilities for the benefit of our customers.

### **ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'G A Howes', is written over a horizontal line.

G A Howes - Director

3 July 2014

## **HALLIWELL JONES LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2013.

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

P Jones

G A Howes

Other changes in directors holding office are as follows:

J M C Houghton - appointed 21 February 2013

The company is a wholly owned subsidiary of Halliwell Jones Holdings Limited, a company in which P Jones holds a controlling interest.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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.

**HALLIWELL JONES LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'G A Howes', written in a cursive style.

G A Howes - Director

3 July 2014



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HALLIWELL JONES LIMITED**

We have audited the financial statements of Halliwell Jones Limited for the year ended 31 December 2013 on pages eight to twenty one. 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).

This report is made solely to the company's members, as a body, 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 members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2013 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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.



James Treadwell (Senior Statutory Auditor)  
for and on behalf of Moore and Smalley LLP  
Statutory Auditor  
Hoghton Chambers  
Hoghton Street  
Southport  
Merseyside  
PR9 0TB

3 July 2014

**HALLIWELL JONES LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	31.12.13 £	31.12.12 £
<b>TURNOVER</b>		58,858,021	49,385,697
Cost of sales		54,139,314	45,360,899
<b>GROSS PROFIT</b>		4,718,707	4,024,798
Administrative expenses		3,974,681	3,364,625
		744,026	660,173
Other operating income		315,276	313,244
<b>OPERATING PROFIT</b>	3	1,059,302	973,417
Interest receivable and similar income		202	3,204
		1,059,504	976,621
Interest payable and similar charges	4	110,168	113,494
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		949,336	863,127
Tax on profit on ordinary activities	5	260,772	198,443
<b>PROFIT FOR THE FINANCIAL YEAR</b>		688,564	664,684

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year.

**HALLIWELL JONES LIMITED (REGISTERED NUMBER: 02043705)**

**BALANCE SHEET  
31 DECEMBER 2013**

	Notes	31.12.13		31.12.12	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		5,026,268		5,054,119
<b>CURRENT ASSETS</b>					
Stocks	7	8,283,046		6,307,297	
Debtors	8	1,566,890		1,322,385	
Cash in hand		807		781	
		<u>9,850,743</u>		<u>7,630,463</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<u>7,569,699</u>		<u>5,837,150</u>	
<b>NET CURRENT ASSETS</b>			<u>2,281,044</u>		<u>1,793,313</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>7,307,312</u>		<u>6,847,432</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	10		(1,596,500)		(1,867,500)
<b>PROVISIONS FOR LIABILITIES</b>	13		<u>(72,177)</u>		<u>(29,861)</u>
<b>NET ASSETS</b>			<u><u>5,638,635</u></u>		<u><u>4,950,071</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		100,000		100,000
Revaluation reserve	15		260,538		265,259
Profit and loss account	15		<u>5,278,097</u>		<u>4,584,812</u>
<b>SHAREHOLDERS' FUNDS</b>	21		<u><u>5,638,635</u></u>		<u><u>4,950,071</u></u>

The financial statements were approved by the Board of Directors on 3 July 2014 and were signed on its behalf by:



G A Howes - Director

# HALLIWELL JONES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	31.12.13 £	£	31.12.12 £	£
<b>Net cash (outflow)/inflow from operating activities</b>	1		(638,432)		953,690
<b>Returns on investments and servicing of finance</b>	2		(109,966)		(110,290)
<b>Taxation</b>			(232,721)		(148,964)
<b>Capital expenditure</b>	2		(141,166)		(1,068,894)
			(1,122,285)		(374,458)
<b>Financing</b>	2		1,986,290		1,232,059
<b>Increase in cash in the period</b>			<u>864,005</u>		<u>857,601</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Increase in cash in the period			864,005		857,601
Cash inflow from increase in debt			<u>(1,986,290)</u>		<u>(1,232,059)</u>
Change in net debt resulting from cash flows			<u>(1,122,285)</u>		<u>(374,458)</u>
<b>Movement in net debt in the period</b>			<u>(1,122,285)</u>		<u>(374,458)</u>
<b>Net debt at 1 January</b>			<u>(3,255,630)</u>		<u>(2,881,172)</u>
<b>Net debt at 31 December</b>			<u><u>(4,377,915)</u></u>		<u><u>(3,255,630)</u></u>

The notes form part of these financial statements

# HALLIWELL JONES LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

### 1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	31.12.13	31.12.12
	£	£
Operating profit	1,059,302	973,417
Depreciation charges	168,223	134,712
Loss/(profit) on disposal of fixed assets	794	(1,667)
Increase in stocks	(1,975,749)	(1,309,857)
Increase in debtors	(244,505)	(145,464)
Increase in creditors	353,503	1,302,549
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(638,432)</b>	<b>953,690</b>

### 2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.13	31.12.12
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	202	3,204
Interest paid	(110,168)	(113,494)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(109,966)</b>	<b>(110,290)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(149,539)	(1,070,561)
Sale of tangible fixed assets	8,373	1,667
<b>Net cash outflow for capital expenditure</b>	<b>(141,166)</b>	<b>(1,068,894)</b>
<b>Financing</b>		
New loans in year	-	1,500,000
Loan repayments in year	(271,000)	(238,750)
Movement on vehicle finance loans	2,257,290	(29,191)
<b>Net cash inflow from financing</b>	<b>1,986,290</b>	<b>1,232,059</b>

# HALLIWELL JONES LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

### 3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.13 £	Cash flow £	At 31.12.13 £
Net cash:			
Cash at bank and in hand	781	26	807
Bank overdraft	(899,313)	863,979	(35,334)
	<u>(898,532)</u>	<u>864,005</u>	<u>(34,527)</u>
Debt:			
Debts falling due within one year	(489,598)	(2,257,290)	(2,746,888)
Debts falling due after one year	(1,867,500)	271,000	(1,596,500)
	<u>(2,357,098)</u>	<u>(1,986,290)</u>	<u>(4,343,388)</u>
Total	<u>(3,255,630)</u>	<u>(1,122,285)</u>	<u>(4,377,915)</u>

# HALLIWELL JONES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

#### Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold land and buildings	-50 years straight line excluding land
Plant and machinery	-3 to 10 years straight line
Fixtures and fittings	-3 to 10 years straight line
Motor vehicles	-4 years straight line
Computer equipment	-3 to 10 years straight line

#### Stocks

Consignment vehicles in respect of which finance charges are levied are regarded as being effectively under the control of the company and, in accordance with Financial Reporting Standard 5, are included within stocks on the balance sheet, as the company has the significant risks and rewards of ownership even though legal title has not yet passed. The corresponding liability is included within creditors.

Motor vehicles (including consignment and demonstrator vehicles) and parts stocks are stated at the lower of cost and net realisable value.

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### Pension costs and other post-retirement benefits

The company operates a defined contributions pension scheme. The assets in the scheme are held separately from those of the company in an independently administered fund. The pension cost charge representing contributions payable by the company to the fund amounted to £875 (2012 £1,500).

### 2. STAFF COSTS

	31.12.13	31.12.12
	£	£
Wages and salaries	2,182,000	1,879,380
Social security costs	268,285	216,254
Other pension costs	875	1,500
	<u>2,451,160</u>	<u>2,097,134</u>

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

	31.12.13	31.12.12
Directors	3	2
Administration	12	9
Sales Service and Parts	53	48
	<u>68</u>	<u>59</u>

# HALLIWELL JONES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2013

### 3. OPERATING PROFIT

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

	31.12.13	31.12.12
	£	£
Depreciation - owned assets	168,223	134,712
Loss/(profit) on disposal of fixed assets	794	(1,667)
Auditors' remuneration	10,250	10,250
	<u>          </u>	<u>          </u>

Directors' remuneration	459,539	343,167
	<u>          </u>	<u>          </u>

Information regarding the highest paid director is as follows:

	31.12.13	31.12.12
	£	£
Emoluments etc	459,539	343,167
	<u>          </u>	<u>          </u>

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.13	31.12.12
	£	£
Bank interest	17,082	-
Bank loan interest	43,565	75,612
Stocking loan interest	29,590	32,404
HMRC interest	-	1,218
Other interest	19,931	4,260
	<u>          </u>	<u>          </u>
	110,168	113,494
	<u>          </u>	<u>          </u>

### 5. TAXATION

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.13	31.12.12
	£	£
Current tax:		
UK corporation tax	218,456	205,117
Deferred tax	42,316	(6,674)
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	260,772	198,443
	<u>          </u>	<u>          </u>



# HALLIWELL JONES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2013

### 5. TAXATION - continued

#### Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.13 £	31.12.12. £
Profit on ordinary activities before tax	949,336	863,127
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.247% (2012 - 24.497%)	220,692	211,440
Effects of:		
Expenses not deductible for tax purposes	5,589	8,283
Capital allowances in excess of depreciation	(7,825)	(14,606)
Current tax charge	218,456	205,117

No provision has been made for deferred tax on gains recognised on revaluing freehold land and buildings to market value, as in the opinion of the directors, there would be no liability.

### 6. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
<b>COST OR VALUATION</b>			
At 1 January 2013	4,991,709	274,105	298,611
Additions	78,676	36,610	11,280
Disposals	-	-	(7,850)
At 31 December 2013	5,070,385	310,715	302,041
<b>DEPRECIATION</b>			
At 1 January 2013	337,932	103,638	151,608
Charge for year	72,719	28,374	37,656
Eliminated on disposal	-	-	(4,018)
At 31 December 2013	410,651	132,012	185,246
<b>NET BOOK VALUE</b>			
At 31 December 2013	4,659,734	178,703	116,795
At 31 December 2012	4,653,777	170,467	147,003

# HALLIWELL JONES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2013

### 6. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2013	66,851	129,060	5,760,336
Additions	3,610	19,363	149,539
Disposals	(6,110)	-	(13,960)
At 31 December 2013	64,351	148,423	5,895,915
<b>DEPRECIATION</b>			
At 1 January 2013	25,652	87,387	706,217
Charge for year	10,477	18,997	168,223
Eliminated on disposal	(775)	-	(4,793)
At 31 December 2013	35,354	106,384	869,647
<b>NET BOOK VALUE</b>			
At 31 December 2013	28,997	42,039	5,026,268
At 31 December 2012	41,199	41,673	5,054,119

Included in cost or valuation of land and buildings is freehold land of £1,692,442 (2012 - £1,692,442) which is not depreciated.

Up to and including the year ended 31st December 1999 it was the company policy to revalue freehold properties. In the year ended 31st December 2000 the company adopted the transitional provisions of FRS15 Tangible Fixed Assets. Whilst previous valuations have been retained, they have not been updated. From the 1st January 2000 it is the company policy not to revalue fixed assets. The last valuation was in 1991.

Cost or valuation at 31 December 2013 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Valuation in 1991	321,914	-	-
Cost	4,748,471	310,715	302,041
	5,070,385	310,715	302,041
	Motor vehicles £	Computer equipment £	Totals £
Valuation in 1991	-	-	321,914
Cost	64,351	148,423	5,574,001
	64,351	148,423	5,895,915

# HALLIWELL JONES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2013

### 6. TANGIBLE FIXED ASSETS - continued

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	31.12.13 £	31.12.12 £
Cost	4,748,471	4,669,795
Aggregate depreciation	349,275	281,277
Value of land in freehold land and buildings	1,606,588	1,606,588

Freehold land and buildings were valued on an open market basis on 15 August 1991 by Honeybourne Kenny, Chartered Surveyors.

### 7. STOCKS

	31.12.13 £	31.12.12 £
Motor vehicles	7,214,959	4,402,964
Motor vehicles on consignment	962,175	1,783,730
Parts and accessories	105,912	120,603
	8,283,046	6,307,297

### 8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.13 £	31.12.12 £
Trade debtors	1,001,770	870,124
Parent undertaking	145,887	145,887
Due from associated companies	19,845	-
VAT	155,197	-
Prepayments and accrued income	244,191	306,374
	1,566,890	1,322,385

### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.13 £	31.12.12 £
Bank loans and overdrafts (see note 11)	306,334	1,170,313
Other loans (see note 11)	2,475,888	218,598
Trade creditors	2,224,414	1,466,311
Corporation tax	73,756	88,021
Social security and other taxes	87,211	242,975
Consignment creditor	962,175	1,783,730
Due to associated companies	1,102,601	536,765
Deposits in advance	24,708	16,865
Accrued expenses	312,612	313,572
	7,569,699	5,837,150

# HALLIWELL JONES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2013

### 10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.13 £	31.12.12 £
Bank loans (see note 11)	<u>1,596,500</u>	<u>1,867,500</u>

### 11. LOANS

An analysis of the maturity of loans is given below:

	31.12.13 £	31.12.12 £
Amounts falling due within one year or on demand:		
Bank overdrafts	35,334	899,313
Bank loans	271,000	271,000
Used/ demonstrator vehicle finance loans	<u>2,475,888</u>	<u>218,598</u>
	<u>2,782,222</u>	<u>1,388,911</u>

Amounts falling due between one and two years:

Bank loans	<u>271,000</u>	<u>271,000</u>
------------	----------------	----------------

Amounts falling due between two and five years:

Bank loans	<u>813,000</u>	<u>813,000</u>
------------	----------------	----------------

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans	<u>512,500</u>	<u>783,500</u>

The terms and interest rate of the bank loan repayable in more than five years by instalments is as follows :-  
Loan of £1,262,500 is repayable by instalments totalling £150,000 per annum excluding interest, being charged at 2% above base rate. It is anticipated that the loan will be repaid during the year 2022.

### 12. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.13 £	31.12.12 £
Bank overdrafts	35,334	899,313
Bank loans	1,867,500	2,138,500
Used/ demonstrator vehicle finance loans	<u>2,475,888</u>	<u>218,598</u>
Consignment liabilities	<u>962,175</u>	<u>1,783,730</u>
	<u>5,340,897</u>	<u>5,040,141</u>

The bank borrowings are secured by a fixed charge over the land and buildings and a floating charge over all other assets. Vehicle stocking finance is secured by a charge on the vehicles concerned. Consignment liabilities are secured upon the stocks concerned.

# HALLIWELL JONES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2013

### 13. PROVISIONS FOR LIABILITIES

	31.12.13 £	31.12.12 £
Deferred tax	<u>72,177</u>	<u>29,861</u>
		Deferred tax £
Balance at 1 January 2013		29,861
Accelerated capital allowances		<u>42,316</u>
Balance at 31 December 2013		<u>72,177</u>

### 14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	31.12.13 £	31.12.12 £
100,000	Ordinary		<u>100,000</u>	<u>100,000</u>

### 15. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2013	4,584,812	265,259	4,850,071
Profit for the year	688,564		688,564
Transfer to profit and loss in respect of depreciation charged on revalued assets	<u>4,721</u>	<u>(4,721)</u>	<u>-</u>
At 31 December 2013	<u>5,278,097</u>	<u>260,538</u>	<u>5,538,635</u>

### 16. ULTIMATE PARENT COMPANY

The ultimate parent company is Halliwell Jones Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. This company is under the control of P Jones.

### 17. CONTINGENT LIABILITIES

There is an unlimited cross company guarantee between Halliwell Jones Limited, Halliwell Jones (Chester) Limited, Halliwell Jones (Warrington) Limited, Halliwell Jones (North Wales) Limited, Halliwell Jones Holdings Limited and Halliwell Jones Holdings (Chester) Limited. The potential liability at 31st December 2013 under this guarantee is £25,595,453.

Security is as detailed in the Secured Debts note above.

## HALLIWELL JONES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2013

#### 18. CAPITAL COMMITMENTS

	31.12.13 £	31.12.12 £
Contracted but not provided for in the financial statements	-	55,475

#### 19. RELATED PARTY DISCLOSURES

Halliwell Jones Limited supplies and receives goods and services from the following related companies. The companies are related through directors in common.

	2013 £	2012 £
Goods and services supplied to related companies amounted to:		
Halliwell Jones (Chester) Limited	1,489,137	1,725,092
Halliwell Jones (Warrington) Limited	1,711,738	1,959,314
Halliwell Jones (North Wales) Limited	1,319,052	1,202,858

Goods and services received from related companies amounted to:

Halliwell Jones (Chester) Limited	3,722,891	2,879,282
Halliwell Jones (Warrington) Limited	4,088,740	3,945,116
Halliwell Jones (North Wales) Limited	2,790,852	2,360,088

Debtors include the following balances owed by related companies

Halliwell Jones (Chester) Limited	19,845	
Halliwell Jones Holdings Limited	145,887	145,887

Creditors include the following balances owed to related companies

Halliwell Jones (Warrington) Limited	62,262	37,482
Halliwell Jones (North Wales) Limited	1,040,339	493,627

During the period the company maintained various loans with related companies.  
Interest of £19,931 (2012 £4,260) has been debited to profit and loss.

During the year the company sold five vehicles at cost to two directors totalling £206,658 and purchased five vehicles from two directors totalling £194,042.

The above arrangements were on arms' length commercial terms.

#### 20. POST BALANCE SHEET EVENTS

In March 2014 the company and its associated companies negotiated new bank borrowing facilities, new other loans and increased vehicle stocking facilities. Roundel Limited, Halliwell Jones (Wilmslow) Limited and Halliwell Jones (Wilmslow) Bodyshop Limited became associated companies in March 2014. All of these facilities, both those in place at the year end and those subsequently agreed, are secured and this security includes cross guarantees between the company and its associated companies. The company's potential liability under the cross guarantees in place at the year end based on the associated companies' borrowings at that time is detailed in the contingent liabilities note to financial statements.

**HALLIWELL JONES LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013****21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.12.13 £	31.12.12 £
Profit for the financial year	688,564	664,684
<b>Net addition to shareholders' funds</b>	688,564	664,684
Opening shareholders' funds	4,950,071	4,285,387
<b>Closing shareholders' funds</b>	5,638,635	4,950,071