REGISTRAR'S COPY

Company Registration No. 00835321 (England and Wales)

HEPWORTH MOTOR CO LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

PAGES FOR FILING WITH REGISTRAR

FRIDAY
A6G0IKQR
A11 29/09/2017 #345
COMPANIES HOUSE

HEPWORTH MOTOR CO LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 8

HEPWORTH MOTOR CO LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	3		584		2,084
Tangible assets	4		51,947		54,401
Investment properties	5		300,000		300,000
			352,531		356,485
Current assets					
Stocks	6	261,118		239,052	
Debtors	7	12,485		11,474	
Cash at bank and in hand		5,318		6,145	
		278,921		256,671	
Creditors: amounts falling due within one year	8	(71,147)		(49,786)	
Net current assets			207,774		206,885
Total assets less current liabilities			560,305		563,370
Capital and reserves					
Called up share capital	9		1,000		1,000
Revaluation reserve			251,214		251,214
Profit and loss reserves			308,091		311,156
Total equity			560,305		563,370

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 26 September 2017 and are signed on its behalf by:

J S Barnett
Director

Company Registration No. 00835321

1 Accounting policies

Company information

Hepworth Motor Co Limited is a private company limited by shares incorporated in England and Wales. The registered office is 208 Huddersfield Road, Holmfirth, HD9 3JL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Hepworth Motor Co Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

1 Accounting policies **(Continued)**

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Dealership set up and investment fee	20% straight line basis

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets include investment properties valued on an existing use open market value basis. Other tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	0-15% reducing balance
Plant and machinery	15% reducing balance
Office furniture and fittings	15% reducing balance
Other assets	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax 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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1 Accounting policies **(Continued)**

1.15 Dividends

In accordance with Financial Reporting Standard No.21 - Events after the balance sheet date, proposed dividends are not recognised as a liability at the balance sheet date.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 5 (2015 - 5).

3 Intangible fixed assets

	Other £
Cost	
At 1 January 2016 and 31 December 2016	7,500
Amortisation and impairment	
At 1 January 2016	5,416
Amortisation charged for the year	1,500
At 31 December 2016	6,916
Carrying amount	
At 31 December 2016	584
At 31 December 2015	2,084

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Other assets	Total
	£	£	£	£
Cost				
At 1 January 2016	42,431	88,336	13,292	144,059
Additions	-	304	-	304
At 31 December 2016	42,431	88,640	13,292	144,363
Depreciation and impairment				
At 1 January 2016	4,634	77,969	7,055	89,658
Depreciation charged in the year	242	1,580	936	2,758
At 31 December 2016	4,876	79,549	7,991	92,416
Carrying amount				
At 31 December 2016	37,555	9,091	5,301	51,947
At 31 December 2015	37,797	10,367	6,237	54,401

4 Tangible fixed assets **(Continued)**

Land and buildings includes commercial property stated at its original cost of purchase in 1965 subject to subsequent expenditure incurred on the property.
The directors consider that the current market value of this property is considerably in excess of the original cost.

5 Investment property

	2016 £
Fair value	
At 1 January 2016 and 31 December 2016	300,000

The investment property is 206 Huddersfield Road, Holmfirth which was transferred from land and buildings in the year ended 31 December 2008 at a cost of £48,786. This represents the cost of the original purchase in 1965 plus subsequent further expenditure. The Directors have valued the property, which has been rented out since February 2009, as at 31 December 2016 at £300,000 (2015 - £300,000).

6 Stocks

	2016 £	2015 £
Stocks	261,118	239,052

Consignment stocks amounting to £13,511 (2015 - £28,434) were held by the company on behalf of the main supplier at the 31 December 2016. These are not included as part of the balance sheet figure in view of the fact that the title to these goods only passes when they are sold to a third party.

7 Debtors

Amounts falling due within one year:	2016 £	2015 £
Trade debtors	5,630	4,634
Other debtors	6,855	6,840
	12,485	11,474

8 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	32,471	9,684
Other taxation and social security	1,908	3,750
Other creditors	36,768	36,352
	71,147	49,786

9 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Daniel McAllister FCA.
The auditor was Simpson Wood Limited.

11 Related party transactions

Included within trade debtors is a balance owed to the company by Madeline Sims, daughter of Mr K D Sims and Mrs P Sims, amounting to £1,687 (2015 - £1,687) which has arisen as a result of normal trading activities.