Company Registration No. 00835321 (England and Wales)

HEPWORTH MOTOR CO LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

PAGES FOR FILING WITH REGISTRAR

HEPWORTH MOTOR CO LIMITED

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HEPWORTH MOTOR CO LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	**3**		-		584
Tangible assets	**4**		50,465		51,947
Investment properties	**5**		300,000		300,000
			350,465		352,531
Current assets					
Stocks	**6**	224,902		261,118	
Debtors	**7**	7,696		12,485	
Cash at bank and in hand		24,469		5,318	
		257,067		278,921	
Creditors: amounts falling due within one year	**8**	(61,361)		(71,147)	
Net current assets			195,706		207,774
Total assets less current liabilities			546,171		560,305
Capital and reserves					
Called up share capital	**9**		1,000		1,000
Revaluation reserve			251,214		251,214
Profit and loss reserves			293,957		308,091
Total equity			546,171		560,305

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.
For the financial year ended 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 2018 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 a mounts 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.

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.

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.

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 where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.

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 Accounting policies **(Continued)**

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 profit or loss.

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.

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 Accounting policies **(Continued)**

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 at bank and in hand

Cash at bank and in hand 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.

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 Accounting policies **(Continued)**

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 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

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.

1.15 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 (2016 - 5).

3 Intangible fixed assets

	Other £
Cost	
At 1 January 2017 and 31 December 2017	7,500
Amortisation and impairment	
At 1 January 2017	6,916
Amortisation charged for the year	584
At 31 December 2017	7,500
Carrying amount	
At 31 December 2017	-
At 31 December 2016	584

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Other assets	Total
	£	£	£	£
Cost				
At 1 January 2017	42,431	88,640	13,292	144,363
Additions	-	924	-	924
At 31 December 2017	42,431	89,564	13,292	145,287
Depreciation and impairment				
At 1 January 2017	4,876	79,549	7,990	92,415
Depreciation charged in the year	206	1,406	795	2,407
At 31 December 2017	5,082	80,955	8,785	94,822
Carrying amount				
At 31 December 2017	37,349	8,609	4,507	50,465
At 31 December 2016	37,555	9,091	5,301	51,947

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

	2017
	£
Fair value	
At 1 January 2017 and 31 December 2017	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, at £300,000 as at 31 December 2017 (2016 - £300,000).

6 Stocks

	2017	2016
	£	£
Stocks	224,902	261,118

Consignment stocks amounting to £nil (2016 - £13,511) were held by the company on behalf of the main supplier at the 31 December 2017. 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

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	2,258	5,630
Other debtors	5,438	6,855
	7,696	12,485

8 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	12,198	32,471
Other taxation and social security	3,605	1,908
Other creditors	45,558	36,768
	61,361	71,147

9 **Called up share capital**

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	1,000	1,000

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.