

Humphris (Oxford) Limited

Abbreviated accounts

For the Year Ended 30 September 2016



Humphris (Oxford) Limited

**Independent auditors' report to the shareholders of Humphris (Oxford) Limited
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated financial statements set out on pages 2 to 9, together with the financial statements of Humphris (Oxford) Limited for the year ended 30 September 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the Company in accordance with section 449 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 financial statements in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated financial statements to the Registrar of Companies and whether the abbreviated financial statements 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 financial statements and that the abbreviated financial statements are properly prepared.

Opinion

In our opinion the Company is entitled to deliver abbreviated financial statements prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated financial statements on pages 2 to 9 have been properly prepared in accordance with the regulations made under that section.

Paul Allan Byrne

Paul Allan Byrne BA (Double Hons) FCA (Senior statutory auditor)
for and on behalf of

ASE Audit LLP
Chartered Accountants
Statutory Auditors
Rowan Court
Concord Business Park
Manchester
Greater Manchester
M22 0RR

Date: *26 June 2017*

Humphris (Oxford) Limited
Registered number:01991237

Abbreviated balance sheet
As at 30 September 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	4		65,626		72,365
			<u>65,626</u>		<u>72,365</u>
Current assets					
Stocks		1,771,686		1,599,649	
Debtors		933,882		418,397	
Cash at bank and in hand		213,448		470,181	
		<u>2,919,016</u>		<u>2,488,227</u>	
Creditors: amounts falling due within one year		<u>(2,719,561)</u>		<u>(1,896,852)</u>	
Net current assets			<u>199,455</u>		<u>591,375</u>
Total assets less current liabilities			<u>265,081</u>		<u>663,740</u>
Deferred tax		<u>(1,025)</u>		<u>(4,629)</u>	
			<u>(1,025)</u>		<u>(4,629)</u>
Net assets			<u><u>264,056</u></u>		<u><u>659,111</u></u>
Capital and reserves					
Called up share capital	6		100		100
Profit and loss account			263,956		659,011
			<u><u>264,056</u></u>		<u><u>659,111</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf by:

M. P. Humphris

Mr M P Humphris

Director

Date: 14/6/2017.

The notes on pages 3 to 9 form part of these financial statements.

Humphris (Oxford) Limited

Notes to the abbreviated financial statements For the Year Ended 30 September 2016

1. General information

Humphris (Oxford) Limited ("the company") is a limited company domiciled and incorporated in England.

The address of the company's registered office and its principal place of business is 72 Rose Hill, Oxford, Oxfordshire, OX4 4HS.

The company's principal activity is that of a motor dealership.

2. Accounting policies

2.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated financial statements have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 7.

The company's functional and presentational currency is sterling.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**Notes to the abbreviated financial statements
For the Year Ended 30 September 2016**

2. Accounting policies (continued)

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Commissions

Commissions are accounted for on a receivable basis, and are recognised as and when the criteria has been achieved.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**Notes to the abbreviated financial statements
For the Year Ended 30 September 2016**

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Improvements to property	- Over the period of the lease
Plant and machinery	- 20% on reducing balance
Motor vehicles	- 20% on reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell after making due allowances for obsolete stock.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss. Parts and other stock is recognised on an weighted average basis.

Consignment stock

Consignment vehicles that are regarded effectively as being under the control of the company due to the transfer of the risks and responsibilities, are included within stocks on the balance sheet, although legal title has not passed to the company, in accordance with FRS 102. The corresponding liability is included within trade creditors and is secured directly on these vehicles.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans

**Notes to the abbreviated financial statements
For the Year Ended 30 September 2016**

2. Accounting policies (continued)

2.7 Financial instruments (continued)

and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**Notes to the abbreviated financial statements
For the Year Ended 30 September 2016**

2. Accounting policies (continued)

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is not discounted.

**Notes to the abbreviated financial statements
For the Year Ended 30 September 2016**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Consignment stock

Vehicles held on consignment have been included in 'vehicles' within 'stocks' on the basis that the company has determined that it holds the significant risks and rewards attached to these vehicles.

Stock valuation

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including CAP valuation guides. The directors maintain oversight of ageing stock profiles and a monthly review of any provision required is performed.

Property, plant and machinery assets

Property, plant and machinery are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows.

Incentives and other rebates from brand partners

The company receives income in the form of various incentives which are determined by our brand partners. The amount received is generally based on achieving specific objectives such as a specified sales volume, as well as other objectives including maintaining brand partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Objectives are generally set and measured on either a quarterly or annual basis.

Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned. This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain that the related target will be met. Where incentives are linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

The company may also receive contributions towards advertising, promotional and rent expenditure. Where such contributions are received they are recognised as a reduction in the related expenditure in the period to which they relate.

Humphris (Oxford) Limited

Notes to the abbreviated financial statements For the Year Ended 30 September 2016

4. Tangible fixed assets

	£
Cost	
At 1 October 2015	1,088,962
Additions	8,950
At 30 September 2016	<u>1,097,912</u>
Depreciation	
At 1 October 2015	1,016,597
Charge for period on owned assets	15,688
At 30 September 2016	<u>1,032,285</u>
Net book value	
At 30 September 2016	<u><u>65,627</u></u>
At 30 September 2015	<u><u>72,365</u></u>

5. Creditors: Amounts falling due within one year

Trade creditors of £1,415,654 (2015: £1,175,559) are secured on vehicle stock.

6. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

7. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

8. Ultimate parent undertaking

The company's immediate and ultimate parent undertaking is Humphris Limited. Consolidated accounts are available from Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ.