Registered number: SC019271

HALLEYS GARAGE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

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HALLEYS GARAGE LIMITED

COMPANY INFORMATION

Directors	Mr J.B. Halley Mr R.P. Halley Mr D.J. Halley Mr G.F. Halley
Company secretary	Mr D.S. Young CA
Company number	SC019271
Registered office	Halleys Burnhouse Caravans Burnhouse Beith Ayrshire KA15 1LF
Auditor	PKF (UK) LLP 78 Carlton Place Glasgow G5 9TH
Bankers	Bank of Scotland Milngavie Glasgow G62 8AA

HALLEYS GARAGE LIMITED

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HALLEYS GARAGE LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2012

The directors present their report and the financial statements for the year ended 30 September 2012.

Principal activities

The company's principal activity until 29 February 2012 was that of motor retailing, within franchised networks. From 1 March 2012 the principal activity of the company was that of property rental.

Results

The loss for the year, after taxation, amounted to £33,961 (2011 - £133,769).

As stated in last years accounts an agreement was reached with Arnold Clark Automobiles Ltd to take over the business assets and lease the premises at Milngavie from 1st March 2012. The results to this date were much as anticipated, and once all of the stock was disposed of and the contracts etc concluded, the company's rental income from the property ensured that the company returned a profit for the last seven months of the year.

Directors

The directors who served during the year were:

Mr J.B. Halley
Mr R.P. Halley
Mr D.J. Halley
Mr G.F. Halley

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing his report and to establish that the company's auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 13th Feb 2013 and signed on its behalf.

Mr D.S. Young CA
Secretary

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2012

The directors are responsible for preparing the 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 judgments 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, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALLEYS GARAGE LIMITED

We have audited the financial statements of Halleys Garage Limited for the year ended 30 September 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities).

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 an auditor's 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 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 auditor

As explained more fully in the directors' responsibilities statement, 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 annual report to identify material inconsistencies with the audited financial statements. 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 30 September 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALLEYS GARAGE LIMITED

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

PKF (UK) LLP

Charles Barnett (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
Glasgow, UK

14 February 2013

HALLEYS GARAGE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Note	2012 £	2011 £
TURNOVER	1,2	**1,288,438**	4,093,811
Cost of sales		**(1,029,463)**	(3,453,607)
GROSS PROFIT		**258,975**	640,204
Distribution costs		**(192,795)**	(506,753)
Administrative expenses		**(201,445)**	(291,084)
Other operating income	3	**3,500**	24,667
OPERATING LOSS	4	**(131,765)**	(132,966)
Income from other fixed asset investments		**100,000**	-
Interest payable and similar charges		**(2,380)**	(803)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(34,145)**	(133,769)
Tax on loss on ordinary activities	6	**184**	-
LOSS FOR THE FINANCIAL YEAR	14	**(33,961)**	(133,769)

The notes on pages 8 to 14 form part of these financial statements.

HALLEYS GARAGE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 2012

	2012 £	2011 £
LOSS FOR THE FINANCIAL YEAR	**(33,961)**	(133,769)
Unrealised surplus on revaluation of investment properties	**888,681**	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	**854,720**	(133,769)

The notes on pages 8 to 14 form part of these financial statements.

HALLEYS GARAGE LIMITED
REGISTERED NUMBER: SC019271

BALANCE SHEET
AS AT 30 SEPTEMBER 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	7		-		187,358
Investment property	9		**1,050,000**		-
Investments	8		**30,700**		33,300
			1,080,700		220,658
CURRENT ASSETS					
Stocks	10	-		499,838	
Debtors	11	**1,135**		80,603	
Cash at bank		**47,835**		45	
		48,970		580,486	
CREDITORS: amounts falling due within one year	12	**(25,999)**		(493,743)	
NET CURRENT ASSETS			**22,971**		86,743
NET ASSETS			**1,103,671**		307,401
CAPITAL AND RESERVES					
Called up share capital	13		**8,350**		8,350
Share premium account	14		**9,200**		9,200
Investment property reserve	14		**888,681**		-
Profit and loss account	14		**197,440**		289,851
SHAREHOLDERS' FUNDS	15		**1,103,671**		307,401

The financial statements 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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

13 February 2013.

J B Halley

Mr J B Halley
Director

The notes on pages 8 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover represents invoiced sales in the year of vehicles, spares and servicing less allowances, trade discounts and value added tax. Sales of vehicles, vehicles servicing and spares are invoiced when delivered to the customer.

Turnover also comprises rental income receivable in the year exclusive of Value Added Tax. Turnover is recognised evenly throughout the year based on the agreed annual rent. Other operating income includes rents receivable whilst trading as a motor retailer.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	4-10% straight line
Plant & machinery, fixtures, fittings and office equipment	-	10-25% straight line
Motor vehicles	-	25% straight line

1.4 Investments

(i) Subsidiary undertakings
Investments in subsidiaries are valued at cost.

(ii) Other investments
Investments held as fixed assets are shown at cost less provisions for their impairment.

1.5 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

1. ACCOUNTING POLICIES (continued)

1.6 Stocks

Stocks were valued at the lower of cost and net realisable value. Parts stock was calculated on an average cost basis. Net realisable value was based on estimated selling price allowing for all further costs of completion and disposal.

Consignment stocks, where the benefits and risks associated with the assets remain with the manufacturer until the transfer of title, was not recognised as an asset in the financial statements.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse and are not discounted.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2012 £	2011 £
Rents receivable	**3,500**	24,667

4. OPERATING LOSS

The operating loss is stated after charging:

	2012 £	2011 £
Depreciation of tangible fixed assets:		
- owned by the company	**7,273**	27,440
Auditor's remuneration	**5,850**	7,600
Auditor's remuneration - non-audit	**6,865**	1,423
Pension costs	**13,950**	22,864

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

5. DIRECTORS' REMUNERATION

During the year, the directors received remuneration totalling £128,269 (2011 - £155,686) and company pension contributions to money purchase pension schemes of £2,429 (2011 - £5,630). During the year, retirement benefits were accruing to 2 directors (2011 - 2) in respect of money purchase pension schemes.

6. TAXATION

	2012 £	2011 £
UK corporation tax (credit)/charge on loss for the year	**(184)**	-

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Other fixed assets £	Total £
Cost			
At 1 October 2011	**407,252**	**286,024**	**693,276**
Disposals	-	**(237,221)**	**(237,221)**
Transfer to investment property	**(407,252)**	-	**(407,252)**
At 30 September 2012	-	**48,803**	**48,803**
Depreciation			
At 1 October 2011	**243,983**	**261,935**	**505,918**
Charge for the year	**1,950**	**5,323**	**7,273**
On disposals	-	**(218,455)**	**(218,455)**
Transfer to investment property	**(245,933)**	-	**(245,933)**
At 30 September 2012	-	**48,803**	**48,803**
Net book value			
At 30 September 2012	-	-	-
At 30 September 2011	163,269	24,089	187,358

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

8. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost			
At 1 October 2011 and 30 September 2012	**20,000**	**16,100**	**36,100**
Impairment			
At 1 October 2011	**-**	**2,800**	**2,800**
Charge for the year	**-**	**2,600**	**2,600**
At 30 September 2012	**-**	**5,400**	**5,400**
Net book value			
At 30 September 2012	**20,000**	**10,700**	**30,700**
At 30 September 2011	20,000	13,300	33,300

Subsidiary undertaking

The company owns 100% of the issued ordinary share capital of Halley Caravans Limited, which is incorporated in Scotland, which is included at its cost of £20,000.

The aggregate of the share capital and reserves as at 30 September 2012 was £588,464 (2011 - £636,173) and the profit for the year ended on that date was £52,291 (2011 - £13,637).

Halley Caravans Limited, the principal activity being that of caravan traders and leisure park operators, itself has a holding of 100% of the issued share capital of one dormant company, Scott Halleys Limited. This company is incorporated in Scotland.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

9. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 October 2011	-
Transfer from land and buildings	**161,319**
Surplus on revaluation	**888,681**
At 30 September 2012	**1,050,000**

The 2012 valuation was made by the directors, on an open market value for existing use basis.

10. STOCKS

	2012 £	2011 £
Stocks	-	499,838

11. DEBTORS

	2012 £	2011 £
Trade debtors	-	52,604
Amounts owed by group undertakings	**347**	-
Other debtors	**788**	27,999
	1,135	80,603

12. CREDITORS:
Amounts falling due within one year

	2012 £	2011 £
Bank overdraft	-	34,721
Trade creditors	**232**	116,789
Amounts owed to group undertakings	-	253,823
Social security and other taxes	-	48,949
Other creditors	**25,767**	39,461
	25,999	493,743

The Bank of Scotland holds a standard security over the company's freehold property and a floating charge over the whole assets of the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

13. SHARE CAPITAL

	2012 £	2011 £
Authorised		
25,000 Ordinary shares of £1 each	**25,000**	25,000
Allotted, called up and fully paid		
8,350 Ordinary shares of £1 each	**8,350**	8,350

14. RESERVES

	Share premium account £	Investment property revaluation reserve £	Profit and loss account £
At 1 October 2011	**9,200**	**-**	**289,851**
Loss for the year	**-**	**-**	**(33,961)**
Dividends	**-**	**-**	**(58,450)**
Revaluation of investment property in the year	**-**	**888,681**	**-**
At 30 September 2012	**9,200**	**888,681**	**197,440**

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	**307,401**	482,920
Loss for the year	**(33,961)**	(133,769)
Dividends (Note 16)	**(58,450)**	(41,750)
Other recognised gains and losses during the year	**888,681**	-
Closing shareholders' funds	**1,103,671**	307,401

16. DIVIDENDS

	2012 £	2011 £
Dividends paid on equity capital	**58,450**	41,750

17. CONTINGENT LIABILITIES

The company has a cross guarantee arrangement for the bank borrowings of its subsidiaries. At 30 September 2012 the total bank borrowings of the subsidiaries were £nil (2011 - £6,042).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

18. RELATED PARTY TRANSACTIONS

During the year, net funds of £152,170 were paid to (2011 - £81,912) the company's subsidiary, Halley Caravans Limited. At the balance sheet date the balance due from Halley Caravans Limited was £347 (2011 - £251,823 creditor). This balance is included in debtors in note 12. A dividend of £100,000 (2011 - £nil) was received from Halley Caravans Limited during the year. There is no amount due to be received in respect of this at the year end.

During the year there were transactions involving vehicles/caravans totalling £nil (2011 - £10,500 plus VAT) between Halleys Garage Limited and Halley Caravans Limited at an arms length basis. Minor transactions for routine servicing/repairs have taken place between the parties in the prior year but the directors consider them sufficiently immaterial so as not to require disclosure.

Included in note 13 is £nil (2011 - £2,000) due to Scott Halleys Limited, a wholly owned subsidiary of Halley Caravans Limited.

During the year JB Halley and RP Halley, directors of the company, were both paid dividends of £22,750 (2011 - £16,250). DJ Halley, another director of the company, was paid dividends of £3,150 (2011 - £2,250).