

TERMHOPE LIMITED

Financial Statements

For the year ended 31 December 2014

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Company Registration Number: 01267583

TERMHOPE LIMITED

Financial statements for the year ended 31 December 2014

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TERMHOPE LIMITED

Directors, officers and advisers

Directors

J. P. Wesson
Mrs J. Wesson
J. H. Weiner

Secretary and registered office

Mrs J Wesson
Brook Street
Mid Kent Business Park
Snodland
ME6 5BB

Registered number

01267583

Auditors

Day, Smith & Hunter
Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

TERMHOPE LIMITED

Strategic report for the year ended 31 December 2014

The directors present their report and the financial statements of the company for the year ended 31 December 2014.

Review of the business

The principal activity of the company is trading in motor parts.

Development and performance of the company

Turnover decreased by 3.2% in the year ended 31 December 2014, which reflects the heavy competition for business during that year. In spite of this decrease in turnover, the directors are satisfied with the overall performance of the company in the year, which has left the company in a strong position to take advantage of future trading opportunities.

Key performance indicators (KPIs)

The KPIs used to determine the progress and performance of the company are set out below:

	2014	2013
Turnover (£000)	7,709	7,961
Operating profit (£000)	665	785
Average monthly staff (number)	15	15

Financial position at the reporting date

The balance sheet shows that the company's net assets at the year end have increased from £3,867,435 to £4,147,638.

Principal risks and uncertainties

The company's principal risks can broadly be defined as competitive, legislative and financial.

- *Competitive risks and market.* The motor parts industry is competitive, and the company faces pressures from other organisations in execution of its strategy. This is addressed by the depth of expertise in the industry of the management team, a detailed understanding of the market and environment, and a commitment to quality.
- *Legislative risks.* The company is subject to normal company laws and regulations such as employment legislation, which may be subject to change. Robust compliance and monitoring controls minimise the company's exposure.
- *Financial instruments risk.* The company manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid reserves to meet the operating needs of its business. Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Liquidity risk in respect of creditors is managed by ensuring sufficient funds are available to meet amounts due.

There have not been any significant changes in the company's principal activities in the year under review and at the date of this report the directors are not aware of any likely changes in the company's activities in the next year.

Signed on behalf of the board

MRS J. WESSON
Secretary

Approved by the Board on
30 June 2015

TERMHOPÉ LIMITED

Directors' report for the year ended 31 December 2014

The directors present their report and the financial statements of the company for the year ended 31 December 2014.

Results and dividends

The results for the year ended 31 December 2014 are shown on the profit and loss account on page 7. The profit for the year after taxation was £530,203 (2013: £612,850). Dividends of £250,000 (2013: £250,000) were paid during the year.

Directors

The directors who served during the year were:

J. P. Wesson
Mrs J. Wesson
J. H. Weiner

Directors' responsibilities statement

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 judgements and 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.

Future developments

In November 2012, the company obtained outline planning permission to build two industrial units on spare land at its Snodland site, at a cost estimated by the directors to be in the region of £438,750. The directors are negotiating with the owners of adjacent land with a view to include that land in the proposed development. The estimated cost of the land is approximately £200,000, with a further equivalent amount for development costs. Although in the current economic climate the work did not commence during the year to 31 December 2014, the directors propose to commence this development prior to 31 December 2015.

The directors consider that the forthcoming financial year will be challenging. Overall, the directors believe that the company is well placed in terms of its strategic and market position to maximise its ability to generate sales and satisfy customer demand.

TERMHOPE LIMITED

Directors' report for the year ended 31 December 2014 (continued)

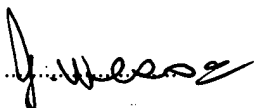
Disclosure of information to auditors

To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure the directors are aware of any relevant information, and to establish that the company's auditors are aware of the information.

Signed on behalf of the board

MRS J. WESSON
Secretary

Approved by the Board on



30 June 2015

TERMHOPE LIMITED

Independent auditors' report to the members of Termhope Limited

We have audited the financial statements of Termhope Limited for the year ended 31 December 2014 which are set out on pages 7 to 16. 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 an 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 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 Directors' Responsibilities Statement set out on page 3, 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 (APB'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 Directors' Report 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.

Basis for qualified opinion on financial statements

Note 17 to the financial statements excludes certain related party transactions which were undertaken during the year on normal commercial terms but are required to be disclosed under United Kingdom Generally Accepted Accounting Practice and the requirements of the Companies Act 2006.

Qualified opinion on financial statements

Except for the omission of the information referred to in the basis for qualified opinion paragraph, in our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

TERMHOPE LIMITED

Independent auditors' report to the members of Termhope Limited (continued)

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.

Philip Wilson FCA (Senior Statutory Auditor)
for and on behalf of Day, Smith & Hunter
Chartered Accountants
Statutory Auditor

Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

30 June 2015

TERMHOPE LIMITED

Profit and loss account for the year ended 31 December 2014

	Notes	2014	2013
		£	£
Turnover	2	7,709,251	7,961,255
Cost of sales		(6,295,670)	(6,416,554)
Gross profit		<u>1,413,581</u>	<u>1,544,701</u>
Administrative expenses		(755,233)	(765,609)
Other operating income		6,268	6,140
Operating profit		<u>664,616</u>	<u>785,232</u>
Income from fixed asset investments		11,250	10,450
Other interest receivable and similar income		5,830	2,778
Profit on ordinary activities before taxation		<u>681,696</u>	<u>798,460</u>
Taxation on profit on ordinary activities	6	(151,493)	(185,610)
Profit for the financial year	13	<u><u>530,203</u></u>	<u><u>612,850</u></u>

None of the company's activities was acquired or discontinued during the above two years.

There were no recognised gains nor losses other than those included in the profit and loss account.

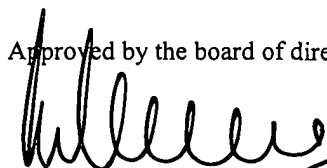
The notes on pages 10 to 16 form part of these financial statements.

TERMHOPE LIMITED

Balance sheet at 31 December 2014

	Notes	2014		2013	
		£	£	£	£
Fixed assets					
Tangible assets	7		1,441,101		1,493,122
Investments	8		285,151		285,151
			<u>1,726,252</u>		<u>1,778,273</u>
Current assets					
Stock	9	971,217		717,023	
Debtors	10	1,117,296		1,292,232	
Cash at bank and in hand		1,655,278		1,293,377	
			<u>3,743,791</u>		<u>3,302,632</u>
Creditors: amounts falling due within one year	11	<u>(1,322,405)</u>		<u>(1,213,470)</u>	
Net current assets			<u>2,421,386</u>		<u>2,089,162</u>
Total assets less current liabilities			<u><u>4,147,638</u></u>		<u><u>3,867,435</u></u>
Capital and reserves					
Called up share capital	12		442,225		442,225
Capital redemption reserve	13		15,625		15,625
Profit and loss account	13		3,689,788		3,409,585
Shareholders' funds	15		<u><u>4,147,638</u></u>		<u><u>3,867,435</u></u>

Approved by the board of directors on 30 June 2015 and signed on its behalf.



J. P. Wesson - Director

Company Registration No: 01267583

The notes on pages 10 to 16 form part of these financial statements.

TERMHOPE LIMITED

Cash flow statement for the year ended 31 December 2014

	<u>Notes</u>	2014	2013
		£	£
Operating activities			
Net cash flow from operating activities	16a	794,220	1,156,383
Returns on investments and servicing of finance			
Interest and similar income received		5,830	2,778
Net cash flow from returns on investments and servicing of finance		5,830	2,778
Taxation			
Corporation tax paid		(185,610)	(279,126)
Capital expenditure			
Payments to acquire tangible fixed assets		(2,539)	(40,503)
Receipts from sale of tangible fixed assets		-	8,500
Net cash flow from investing activities		(2,539)	(32,003)
		611,901	848,032
Equity dividends paid		(250,000)	(250,000)
Net cash flow before financing		361,901	598,032

The notes on pages 10 to 16 form part of these financial statements.

TERMHOPE LIMITED

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies

a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting modified to include the revaluation of investment properties and have been prepared in accordance with applicable accounting standards.

b) Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax and trade discounts.

c) Consolidation

The subsidiary company is dormant and therefore group accounts have not been prepared. The accounts of the company present information about it as an individual undertaking and not the group.

d) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Freehold buildings	50 years (2% per annum)
Improvements to buildings	10 years (10% per annum)
Motor vehicles	5 years (20% per annum)
Equipment, fixtures and fittings	5 years (20% per annum)
Plant and machinery	4/5 years (25%/20% per annum)

e) Investment Properties

Investment properties are valued at their open market value at the balance sheet date. Any surplus on revaluation is transferred to the investment property revaluation reserve. Any deficit is deducted from the investment property revaluation reserve, except for permanent diminutions in value, which are charged to the profit and loss account.

No amortisation or depreciation is provided in respect of freehold investment properties in accordance with Statement of Standard Accounting Practice 19: "Accounting for investment properties". This treatment is contrary to the requirements of the Companies Act 2006 to provide for depreciation but is considered necessary to ensure the financial statements give a true and fair view.

f) Stocks

Stocks are stated at the lower of cost and net realisable value.

Net realisable value is based on estimated normal selling price less further costs expected to be incurred on disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

g) Deferred taxation

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

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

h) Foreign currency translation

Normal trading transactions denominated in foreign currencies are recorded in sterling at the exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at that date, except that where debtors have been received since the year end, the actual sterling amount received has been brought into account at the balance sheet date. Any gain or loss arising from changes in exchange rates is included in the profit and loss account.

i) Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

TERMHOPE LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies (continued)

j) Hire purchase and finance lease contracts

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to the profit and loss account over the term of each agreement and represents a constant proportion of the balance of capital repayments outstanding.

k) Pension scheme

The company operates two defined contribution pension schemes and the assets of the schemes are held separately from those of the company in independently managed funds. The pension cost charge represents contributions payable by the company to the funds in the year.

2 Turnover

In the directors' opinion, disclosure of the analyses of turnover by geographical markets would be detrimental to the company, and have therefore been omitted.

3 Operating profit

This is stated after charging/(crediting):

	2014	2013
	£	£
Loss/(profit) on exchange	38,711	(21,647)
Depreciation	51,936	52,196
Loss on disposal of tangible fixed assets	2,623	3,379
Auditors' remuneration - Audit fee	10,500	10,200
	<u>105,770</u>	<u>45,128</u>

4 Employee information

	2014	2013
	£	£
Staff costs:		
Wages and salaries	365,037	426,119
Social security costs	45,448	54,229
Other pension costs	5,100	4,956
	<u>415,585</u>	<u>485,304</u>

The company operates two defined contribution pension schemes and the assets of the schemes are held separately from those of the company.

One of the schemes is insurance-based schemes and the other is non-contributory.

One of the directors is a member of the non-contributory scheme administered by trustees and one of the other directors is a member of the insurance-based scheme.

The average number of persons employed during the year, including executive directors, was made up as follows:

	2014	2013
	Number	Number
Distribution	6	6
Sales	1	1
Administration	8	8
	<u>15</u>	<u>15</u>

TERMHOPÉ LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

5 Directors' emoluments

	2014	2013
	£	£
Emoluments	230,402	281,904
Company contributions to money purchase pension schemes	5,100	4,956
	<u>235,502</u>	<u>286,860</u>

The remuneration of the highest paid director was:

Emoluments and amounts receivable under long term incentive schemes	<u>121,908</u>	<u>146,750</u>
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Contributions to money purchase pension schemes were made in respect of 1 director in the year (2013:1).

6 Tax on profit on ordinary activities

	2014	2013
	£	£
United Kingdom corporation tax at 21.49% (2013: 23.25%)	<u>151,493</u>	<u>185,610</u>
Profit on ordinary activities before taxation	<u>681,696</u>	<u>798,460</u>
Factors affecting tax charge for the period		
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%)	146,518	185,615
Effects of:		
Depreciation in period in excess of capital allowances	7,893	5,497
Marginal relief	<u>(2,918)</u>	<u>(5,502)</u>
Current tax charge for the year	<u>151,493</u>	<u>185,610</u>

7 Tangible fixed assets

	Freehold land and buildings	Motor vehicles	Equipment fixtures and fittings	Plant and machinery	Total
	£	£	£	£	£
Cost:					
At 1 January 2014	1,474,655	137,353	33,626	55,050	1,700,684
Additions	-	-	-	2,539	2,539
Disposals	-	-	(11,959)	-	(11,959)
At 31 December 2014	<u>1,474,655</u>	<u>137,353</u>	<u>21,667</u>	<u>57,589</u>	<u>1,691,264</u>
Depreciation:					
At 1 January 2014	78,405	68,175	25,303	35,679	207,562
Provision for the year	13,813	27,471	1,900	8,752	51,936
Adjustments for disposals	-	-	(9,335)	-	(9,335)
At 31 December 2014	<u>92,218</u>	<u>95,646</u>	<u>17,868</u>	<u>44,431</u>	<u>250,163</u>
Net book value:					
At 31 December 2014	<u>1,382,437</u>	<u>41,707</u>	<u>3,799</u>	<u>13,158</u>	<u>1,441,101</u>
At 31 December 2013	<u>1,396,250</u>	<u>69,178</u>	<u>8,323</u>	<u>19,371</u>	<u>1,493,122</u>

TERMHOPE LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

7 Tangible fixed assets (continued)

The net book value of freehold land and buildings at 31 December 2014 is made up as follows:

	2014	2013
	£	£
Freehold land and buildings	1,380,113	1,392,784
Improvements to buildings	2,324	3,466
	<u>1,382,437</u>	<u>1,396,250</u>

8 Investments

	Shares in subsidiary undertakings	Investment property	Total
	£	£	£
Cost:			
At 1 January 2014 and 31 December 2014	75	285,076	285,151

The company's investment in subsidiary undertakings at the balance sheet date comprise the following:

Termhope Trading Limited
Registered in England and Wales
Nature of business: Dormant

Class of shares: Ordinary
Holding: 75%

	2014	2013
	£	£
Aggregate capital and reserves	100	100
Profit/ (loss) for the year	-	-

Investment property

The property was purchased on 31 January 2012 and the directors believe that the historical cost of the property is a reasonable estimate of open market value at the end of the year.

9 Stocks

	2014	2013
	£	£
Finished goods and goods for resale	<u>971,217</u>	<u>717,023</u>

TERMHOPE LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Debtors

	2014	2013
	£	£
Trade debtors	1,050,440	1,229,283
Other debtors	21,969	18,790
Prepaid expenses and accrued income	44,887	44,159
	<u>1,117,296</u>	<u>1,292,232</u>

11 Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	1,021,396	861,437
Other creditors	57,535	103,586
Corporation tax	151,493	185,610
Other tax and social security	72,144	45,937
Accruals and deferred income	19,837	16,900
	<u>1,322,405</u>	<u>1,213,470</u>

12 Called up share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
Equity shares:		
Ordinary shares of £1 each	<u>442,225</u>	<u>442,225</u>

13 Reserves

	Capital redemption reserve	Profit and loss account
	£	£
At 1 January 2014	15,625	3,409,585
Profit for the year	-	530,203
Dividends paid (note 14)	-	(250,000)
At 31 December 2014	<u>15,625</u>	<u>3,689,788</u>

14 Dividends

	2014	2013
	£	£
On equity shares:		
Interim dividend in respect of the year ended 31 December 2014 of 56.53p (2013: 56.53p) per share	<u>250,000</u>	<u>250,000</u>

TERMHOPE LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

15 Reconciliation of movement in shareholders' funds

	2014	2013
	£	£
Profit for the year	530,203	612,850
Dividends	(250,000)	(250,000)
Net addition to shareholders' funds	280,203	362,850
Shareholders' funds at 1 January 2014	3,867,435	3,504,585
Shareholders' funds at 31 December 2014	<u>4,147,638</u>	<u>3,867,435</u>

16 Notes to the cash flow statement

a) Reconciliation of operating profit to net cash flow operating activities

	2014	2013
	£	£
Operating profit	664,616	785,232
Depreciation charges	51,936	52,196
Loss on sale of fixed assets	2,623	3,379
Rent received	11,250	10,450
(Increase)/decrease in stock	(254,194)	301,997
Decrease in debtors	174,936	3,516
Increase/(decrease) in creditors	143,053	(387)
Net cash inflow from operating activities	<u>794,220</u>	<u>1,156,383</u>

b) Analysis of change in net funds

	Brought forward	Cash flows	Other changes	Carried forward
Cash at bank and in hand	1,293,377	361,901	-	1,655,278
	<u>1,293,377</u>	<u>361,901</u>	<u>-</u>	<u>1,655,278</u>

c) Reconciliation of net cash flow to movement in net funds

	2014	2013
	£	£
Net increase in cash	361,901	598,032
Net funds at 1 January 2014	1,293,377	695,345
Net funds 31 December 2014	<u>1,655,278</u>	<u>1,293,377</u>

17 Related parties

The company was controlled throughout the current and previous period by two of the directors, Mr J.P. Wesson and Mrs J.Wesson, by virtue of the fact that between them they own or have a beneficial interest in all the company's issued ordinary share capital.

During the year the company paid dividends as follows:

	2014	2013
	£	£
J P Wesson	187,573	187,573
Mrs J Wesson	62,427	62,427
	<u>250,000</u>	<u>250,000</u>

TERMHOPE LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

18 Capital expenditure

	2014	2013
	£	£
Contracted for but not provided for in the financial statements	129,005	-