

REGISTERED NUMBER: 03323081 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014
FOR
HALLIWELL JONES (WARRINGTON) LIMITED**



HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

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FOR THE YEAR ENDED 31 DECEMBER 2014**

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HALLIWELL JONES (WARRINGTON) LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2014

Directors: P Jones
G A Howes
J M C Houghton

Secretary: Mrs M L Clough

Registered office: Winwick Road
Warrington
Cheshire
WA2 8HY

Registered number: 03323081 (England and Wales)

Auditors: Moore and Smalley LLP
Statutory Auditor
Hoghton Chambers
Hoghton Street
Southport
PR9 0TB

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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

Review of business

Subsidiary Undertaking

The sole subsidiary of the company is Halliwell Jones (North Wales) Limited, a franchised motor dealer and repairer of motor vehicles.

Results

The profit before taxation was £1,760,633 for the year compared with £1,537,031 for the previous year.

Whilst the company and group going forwards remains exposed to the general economy and Government policy, the directors believe the result represents a satisfactory performance and remain confident that the company and group will continue to operate profitably.

Analysis

Turnover was £125,228,263 compared with £107,224,159 in 2013, an increase of 16.8%.

Gross profit was £11,895,524 compared with £10,861,470 in 2013, an increase of 9.5%. Gross profit percentage of turnover was 9.5% compared with 10.1% in 2013.

Administrative expenses were £10,762,909 compared with £9,661,747 in 2013, an increase of 11.4%.

Financial Position

At the year end the group net debt has increased from £13,034,416 to £13,589,372. The company increased loans undertaken on behalf of associated companies, but this was countered by a reduction in vehicle finance loans.

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Principal risks and uncertainties

We have set out below risk factors that we believe could cause our actual future results to differ materially from expected results. However, other factors could adversely affect the results and so the factors set out below should not be considered to be a complete set of all potential risks and uncertainties.

Business conditions and the general economy

The profitability of the company and the group could be adversely affected by a worsening of general economic conditions in the United Kingdom. Factors such as unemployment, the level and volatility of equity markets, interest rates, inflation, action taken by the UK government relating to the taxation of vehicle purchasing and fuel for cars and the availability and cost of credit could significantly affect the market for the sale of new and used motor cars. Any changes by the UK government relating to the taxation of company cars and the provision of fuel for company cars may impact on sales activity. In the case of new car sales during a period of economic downturn there is likely to be an oversupply of vehicles leading to reduced margins. Whilst a short term worsening in economic conditions in the United Kingdom should not significantly adversely impact profitability in our aftersales business, a sustained downturn over a number of years would be likely to lead to reduced profits in this area.

Franchise agreements

We operate franchised BMW and MINI motor car dealerships. Franchises are awarded to us by the manufacturers. Failure to continue to hold franchises could result in a significant reduction in profits of the company due to our inability then to source new stock to sell, perform warranty repairs and display manufacturer trade marks. The next franchise contract renewal within the UK BMW and MINI dealer network is in 2018 and the directors hold the reasonable belief that they should be successful in renewing these franchise agreements following the renewal during 2013.

Vehicle manufacturer dependencies

We depend on the vehicle manufacturers' financial condition, marketing, vehicle design, production and distribution capabilities, reputation, management and industrial relations. A failure by a manufacturer in the areas noted could lead to significant losses especially in the case of the insolvency of manufacturer. Vehicle manufacturers provide sales incentives, warranty and other programs that are intended to promote new vehicle sales. A withdrawal or reduction in these programs would have an adverse impact on our business. The directors are not aware of any significant issues with respect to the vehicle manufacturer dependency relationship.

Liquidity and financing

Liquidity and financing risks relate to our ability to pay for goods and services required to trade on a day to day basis. We have three main sources of financing facilities which are, from banks and BMW Financial Services (GB) Limited by way of committed borrowing facilities and from suppliers by way of trade credit. A withdrawal of financing facilities or a failure to renew them as they expire could lead to a significant reduction in the trading ability of the company and the group. The directors are not aware of any reason to suggest that the company or group will have any issues with regards to liquidity and financing.

Regulatory compliance risk

The company and group is subject to regulatory compliance risk which can arise from a failure to comply fully with the laws, regulations or codes applicable, for example those set out by the Financial Conduct Authority. Non compliance can lead to fines, enforced suspension from sales of general insurance products or public reprimand.

Competition

We compete with other franchised vehicle dealerships, private buyers and sellers, internet based dealers, independent service and repair shops and manufacturers who have entered the retail market. We compete for the sale of new and used vehicles, the performance of warranty repairs, non warranty repairs, routine maintenance business and for the provision of spare parts. The principal competitive factors in service and parts sales are price, customer database, familiarity with a manufacturer's brands and models and the quality of customer service. We also compete with a range of financial institutions in arranging finance for vehicle purposes. Some of our competitors may have greater resources and lower overheads and sales costs. This could lead to our failure to be able to compete and result in a reduction in our profitability.

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

Reliance on certain members of management and staff

The company and group is dependent on members of its senior management team and skilled personnel and the future financial well being of the company and group could depend in part on our ability to attract and retain highly skilled management and personnel. The loss of the service of a number of such individuals could have a material adverse effect on the business. Additionally, if we fail to recruit and retain skilled staff it may not be possible to continue to grow the business.

Failure of information systems

Our business is dependent on the efficient and uninterrupted operation of our information technology and computer systems, which are vulnerable to damage or interruption from power loss, telecommunications failure, sabotage, vandalism or similar misconduct. Whilst we have put in place contingency and recovery plans in order to mitigate the impact of such failures it can never be certain that these plans could cover every eventuality or situation.

Future developments

The directors look for continued profitability during 2015. The existing BMW site completed a major refurbishment during 2014 and a similar one is planned for North Wales during 2016. This will ensure the dealerships comply with current retail standards specified by BMW and will help to improve our facilities for the benefit of our customers going forward.

On behalf of the board:



G A Howes - Director

25 September 2015

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014

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

Principal activity

The principal activity of the group in the year under review was that of franchised motor dealer and repairer of motor vehicles.

Dividends

No dividends will be distributed for the year ended 31 December 2014.

Directors

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

P Jones
G A Howes
J M C Houghton

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the directors 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 the group and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

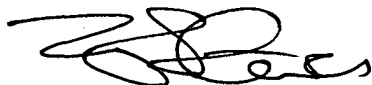
HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014**

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board:

A handwritten signature in black ink, appearing to be 'G A Howes', written in a cursive style.

G A Howes - Director

25 September 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HALLIWELL JONES (WARRINGTON) LIMITED

We have audited the financial statements of Halliwell Jones (Warrington) Limited for the year ended 31 December 2014 on pages nine to thirty. 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 a Report of the auditors 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 Statement of directors' responsibilities set out on page five, 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 group's and the parent 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 Group strategic report and the Report of the directors 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.

Opinion on financial statements

In our opinion the financial statements:

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HALLIWELL JONES (WARRINGTON) 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



James Treadwell (Senior Statutory Auditor)
for and on behalf of Moore and Smalley LLP
Statutory Auditor
Hoghton Chambers
Hoghton Street
Southport
PR9 0TB

25 September 2015

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
Turnover		125,228,263	107,224,159
Cost of sales		113,332,739	96,362,689
Gross profit		11,895,524	10,861,470
Administrative expenses		10,762,909	9,661,747
		1,132,615	1,199,723
Other operating income		849,272	512,357
Operating profit	3	1,981,887	1,712,080
Interest receivable and similar income		177,643	20,675
		2,159,530	1,732,755
Interest payable and similar charges	4	398,897	195,724
Profit on ordinary activities before taxation		1,760,633	1,537,031
Tax on profit on ordinary activities	5	465,779	439,969
Profit for the financial year for the group		1,294,854	1,097,062

Continuing operations

None of the group's activities were acquired or discontinued during the current year or previous year.

Total recognised gains and losses

The group has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

CONSOLIDATED BALANCE SHEET 31 DECEMBER 2014

	Notes	2014 £	2013 £
Fixed assets			
Intangible assets	7	-	58,621
Tangible assets	8	10,247,955	10,032,946
Investments	9	100,000	-
		<u>10,347,955</u>	<u>10,091,567</u>
Current assets			
Stocks	10	18,383,205	18,852,370
Debtors	11	11,762,758	4,746,473
Cash at bank and in hand		1,598,306	172,633
		<u>31,744,269</u>	<u>23,771,476</u>
Creditors			
Amounts falling due within one year	12	18,950,468	19,782,732
Net current assets		<u>12,793,801</u>	<u>3,988,744</u>
Total assets less current liabilities		<u>23,141,756</u>	<u>14,080,311</u>
Creditors			
Amounts falling due after more than one year	13	(10,497,420)	(2,720,700)
Provisions for liabilities	17	(14,964)	(25,093)
Net assets		<u><u>12,629,372</u></u>	<u><u>11,334,518</u></u>
Capital and reserves			
Called up share capital	18	1,000	1,000
Revaluation reserve	19	185,681	202,158
Capital redemption reserve	19	599,000	599,000
Profit and loss account	19	11,843,691	10,532,360
Shareholders' funds	24	<u><u>12,629,372</u></u>	<u><u>11,334,518</u></u>

The financial statements were approved by the Board of Directors on 25 September 2015 and were signed on its behalf by:



G A Howes - Director

The notes form part of these financial statements

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

COMPANY BALANCE SHEET 31 DECEMBER 2014

	Notes	2014 £	2013 £
Fixed assets			
Intangible assets	7	-	-
Tangible assets	8	7,268,899	7,018,239
Investments	9	4,726,088	4,495,789
		<u>11,994,987</u>	<u>11,514,028</u>
Current assets			
Stocks	10	12,232,976	11,534,438
Debtors	11	10,444,953	2,955,305
Cash at bank and in hand		839,570	1,280
		<u>23,517,499</u>	<u>14,491,023</u>
Creditors			
Amounts falling due within one year	12	16,012,029	15,191,469
Net current assets/(liabilities)		<u>7,505,470</u>	<u>(700,446)</u>
Total assets less current liabilities		<u>19,500,457</u>	<u>10,813,582</u>
Creditors			
Amounts falling due after more than one year	13	(10,497,420)	(2,720,700)
Provisions for liabilities	17	<u>(7,275)</u>	<u>(21,229)</u>
Net assets		<u><u>8,995,762</u></u>	<u><u>8,071,653</u></u>
Capital and reserves			
Called up share capital	18	1,000	1,000
Capital redemption reserve	19	599,000	599,000
Profit and loss account	19	8,395,762	7,471,653
Shareholders' funds	24	<u><u>8,995,762</u></u>	<u><u>8,071,653</u></u>

The financial statements were approved by the Board of Directors on 25 September 2015 and were signed on its behalf by:



G A Howes - Director

The notes form part of these financial statements

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	1	872,682	(6,351,349)
Returns on investments and servicing of finance	2	(221,254)	(175,049)
Taxation		(384,374)	(599,559)
Capital expenditure and financial investment	2	(922,010)	(1,264,728)
		(654,956)	(8,390,685)
Financing	2	2,080,629	8,795,468
Increase in cash in the period		<u>1,425,673</u>	<u>404,783</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		1,425,673	404,783
Cash inflow from increase in debt		<u>(1,980,629)</u>	<u>(8,795,468)</u>
Change in net debt resulting from cash flows		<u>(554,956)</u>	<u>(8,390,685)</u>
Movement in net debt in the period		<u>(554,956)</u>	<u>(8,390,685)</u>
Net debt at 1 January		<u>(13,034,416)</u>	<u>(4,643,731)</u>
Net debt at 31 December		<u><u>(13,589,372)</u></u>	<u><u>(13,034,416)</u></u>

The notes form part of these financial statements

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

1. Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2014 £	2013 £
Operating profit	1,981,887	1,712,080
Depreciation charges	664,274	527,557
Loss/(profit) on disposal of fixed assets	1,348	(39,816)
Impairments	-	40,699
Decrease/(increase) in stocks	469,165	(7,171,290)
Increase in debtors	(7,016,285)	(1,396,888)
Increase/(decrease) in creditors	4,772,293	(23,691)
Net cash inflow/(outflow) from operating activities	872,682	(6,351,349)

2. Analysis of cash flows for headings netted in the cash flow statement

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	177,643	20,675
Interest paid	(398,897)	(195,724)
Net cash outflow for returns on investments and servicing of finance	(221,254)	(175,049)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(130,299)	-
Purchase of tangible fixed assets	(700,860)	(1,325,019)
Purchase of fixed asset investments	(100,000)	-
Sale of tangible fixed assets	9,149	60,291
Net cash outflow for capital expenditure and financial investment	(922,010)	(1,264,728)
Financing		
New loans in year	12,600,000	-
Loan repayments in year	(4,319,700)	(654,000)
Movement on vehicle finance loans	(6,299,671)	9,449,468
Amount introduced by directors	100,000	-
Net cash inflow from financing	2,080,629	8,795,468

The notes form part of these financial statements

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014****3. Analysis of changes in net debt**

	At 1.1.14 £	Cash flow £	At 31.12.14 £
Net cash:			
Cash at bank and in hand	172,633	1,425,673	1,598,306
	<u>172,633</u>	<u>1,425,673</u>	<u>1,598,306</u>
Debt:			
Debts falling due within one year	(10,486,349)	5,693,671	(4,792,678)
Debts falling due after one year	(2,720,700)	(7,674,300)	(10,395,000)
	<u>(13,207,049)</u>	<u>(1,980,629)</u>	<u>(15,187,678)</u>
Total	<u>(13,034,416)</u>	<u>(554,956)</u>	<u>(13,589,372)</u>

The notes form part of these financial statements

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards.

Basis of consolidation

The financial statements are presented in the form of group financial statements and, as permitted by section 408 of the Companies Act 2006, no profit and loss is presented for the parent company.

The group financial statements consolidate the financial statements of the parent company and its subsidiary.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2007, is being amortised evenly over its estimated useful life of seven years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter:-

Freehold property	- 50 years straight line (excluding land)
Long leasehold	- 50 years straight line
Plant and machinery	- 3 to 10 years straight line and 10% reducing balance
Fixtures and fittings	- 3 to 10 years straight line and 10% reducing balance
Motor vehicles	- 3 to 7 years straight line
Computer equipment	- 3 to 10 years straight line

Stocks

Consignment vehicles in respect of which finance charges are levied are regarded as being effectively under the control of the company and, in accordance with Financial Reporting Standard 5, are included within stocks on the balance sheet, as the company has the significant risks and rewards of ownership even though legal title has not yet passed. The corresponding liability is included within creditors.

Motor vehicles (including consignment and demonstrator vehicles) and parts stocks are stated at the lower of cost and net realisable value.

Deferred tax

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. The assets in the scheme are held separately from those of the company in independently administered funds. The pension cost charge representing contributions payable by the group to the funds amounted to £42,205 (2013 £27,709).

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014****1. Accounting policies - continued****Investments**

Investments held are included in the accounts at the lower of cost and net realisable value.

2. Staff costs

	2014 £	2013 £
Wages and salaries	5,924,540	5,370,857
Social security costs	629,266	568,596
Other pension costs	42,205	27,709
	<u>6,596,011</u>	<u>5,967,162</u>

The average monthly number of employees during the year was as follows:

	2014	2013
Directors	3	3
Administration	24	24
Sales, service, parts and bodyshop	163	152
	<u>190</u>	<u>179</u>

3. Operating profit

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation - owned assets	475,354	419,791
Loss/(profit) on disposal of fixed assets	1,348	(39,816)
Goodwill amortisation	188,920	107,766
Other operating leases	136,000	136,000
Fees payable to the company's auditor for the audit of the group and company's annual accounts	13,500	13,500
- The audit of the group's subsidiary pursuant to legislation	10,250	10,250
- Other services pursuant to legislation	17,357	15,657
- Other services relating to taxation	1,350	1,150
	<u>283,834</u>	<u>284,573</u>
Directors' remuneration	5,100	6,316
Directors' pension contributions to money purchase schemes		

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	2014 £	2013 £
Emoluments etc	200,819	196,706
Pension contributions to money purchase schemes	<u>5,100</u>	<u>5,100</u>

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014****4. Interest payable and similar charges**

	2014 £	2013 £
Bank interest	14,834	23,653
Bank loan interest	197,778	60,296
Stocking loan interest	134,666	85,332
Other interest	51,588	26,109
HMRC interest	31	334
	<u>398,897</u>	<u>195,724</u>

5. Taxation**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2014 £	2013 £
Current tax:		
UK corporation tax	480,677	425,766
Adjustment in respect of prior year	(4,769)	-
Total current tax	<u>475,908</u>	<u>425,766</u>
Deferred tax	<u>(10,129)</u>	<u>14,203</u>
Tax on profit on ordinary activities	<u>465,779</u>	<u>439,969</u>

UK corporation tax has been charged at 21.49% (2013 - 23.25%).

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>1,760,633</u>	<u>1,537,031</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.493% (2013 - 23.247%)	378,413	357,314
Effects of:		
Expenses not deductible for tax purposes	36,286	18,103
Depreciation in excess of capital allowances	65,978	50,349
Adjustments to tax charge in respect of previous periods	<u>(4,769)</u>	<u>-</u>
Current tax charge	<u>475,908</u>	<u>425,766</u>

No provision has been made for deferred tax on gains recognised on revaluing freehold property to market value, as in the opinion of the directors, there would be no liability.

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

6. Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the Profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £924,109 (2013 - £823,124).

7. Intangible fixed assets

Group

	Goodwill £
Cost	
At 1 January 2014	754,363
Additions	130,299
	<hr/>
At 31 December 2014	884,662
	<hr/>
Amortisation	
At 1 January 2014	695,742
Amortisation for year	188,920
	<hr/>
At 31 December 2014	884,662
	<hr/>
Net book value	
At 31 December 2014	-
	<hr/>
At 31 December 2013	58,621
	<hr/>

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

8. Tangible fixed assets

Group

	Freehold property £	Long leasehold £	Plant and machinery £
Cost or valuation			
At 1 January 2014	6,438,102	3,941,559	758,941
Additions	14,726	202,982	72,914
Disposals	-	-	(3,995)
Reclassification/transfer	2,580	-	248,096
At 31 December 2014	6,455,408	4,144,541	1,075,956
Depreciation			
At 1 January 2014	610,931	595,552	525,189
Charge for year	91,252	132,112	67,467
Eliminated on disposal	-	-	(2,097)
Reclassification/transfer	-	-	248,096
At 31 December 2014	702,183	727,664	838,655
Net book value			
At 31 December 2014	5,753,225	3,416,877	237,301
At 31 December 2013	5,827,171	3,346,007	233,752

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost or valuation				
At 1 January 2014	697,500	544,626	204,225	12,584,953
Additions	306,187	69,933	34,118	700,860
Disposals	-	(40,772)	-	(44,767)
Reclassification/transfer	182,469	41,999	136,184	611,328
At 31 December 2014	1,186,156	615,786	374,527	13,852,374
Depreciation				
At 1 January 2014	493,549	221,342	105,444	2,552,007
Charge for year	86,724	58,243	39,556	475,354
Eliminated on disposal	-	(32,173)	-	(34,270)
Reclassification/transfer	185,049	41,999	136,184	611,328
At 31 December 2014	765,322	289,411	281,184	3,604,419
Net book value				
At 31 December 2014	420,834	326,375	93,343	10,247,955
At 31 December 2013	203,951	323,284	98,781	10,032,946

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

8. Tangible fixed assets - continued

Group

Cost or valuation at 31 December 2014 is represented by:

	Freehold property £	Long leasehold £	Plant and machinery £
Valuation in 2007	100,000	-	-
Valuation in 2010	69,964	-	-
Cost	6,285,444	4,144,541	1,075,956
	<u>6,455,408</u>	<u>4,144,541</u>	<u>1,075,956</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2007	-	-	-	100,000
Valuation in 2010	-	-	-	69,964
Cost	1,186,156	615,786	374,527	13,682,410
	<u>1,186,156</u>	<u>615,786</u>	<u>374,527</u>	<u>13,852,374</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2014 £	2013 £
Cost	5,549,371	5,532,065
Aggregate depreciation	<u>928,693</u>	<u>853,918</u>
Value of land in freehold land and buildings	<u>2,073,749</u>	<u>2,073,749</u>

Certain freehold property was valued on an open market basis on 21 March 2011 by Taylor & Company Chartered Surveyors.

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

8. Tangible fixed assets - continued

Company

	Freehold property £	Long leasehold £	Plant and machinery £
Cost			
At 1 January 2014	3,435,102	3,941,559	768,373
Additions	-	202,982	45,946
Disposals	-	-	(3,995)
At 31 December 2014	3,435,102	4,144,541	810,324
Depreciation			
At 1 January 2014	482,326	595,552	607,721
Charge for year	48,292	132,112	48,634
Eliminated on disposal	-	-	(2,097)
At 31 December 2014	530,618	727,664	654,258
Net book value			
At 31 December 2014	2,904,484	3,416,877	156,066
At 31 December 2013	2,952,776	3,346,007	160,652

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost				
At 1 January 2014	660,210	536,759	288,774	9,630,777
Additions	303,926	69,933	24,049	646,836
Disposals	-	(40,772)	-	(44,767)
At 31 December 2014	964,136	565,920	312,823	10,232,846
Depreciation				
At 1 January 2014	484,842	233,553	208,544	2,612,538
Charge for year	73,437	53,130	30,074	385,679
Eliminated on disposal	-	(32,173)	-	(34,270)
At 31 December 2014	558,279	254,510	238,618	2,963,947
Net book value				
At 31 December 2014	405,857	311,410	74,205	7,268,899
At 31 December 2013	175,368	303,206	80,230	7,018,239

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

9. Fixed asset investments

Group

	Listed investments £
Cost	
Additions	100,000
At 31 December 2014	100,000
Net book value	
At 31 December 2014	100,000

Company

	Shares in group undertakings £	Listed investments £	Totals £
Cost			
At 1 January 2014	4,495,789	-	4,495,789
Additions	130,299	100,000	230,299
At 31 December 2014	4,626,088	100,000	4,726,088
Net book value			
At 31 December 2014	4,626,088	100,000	4,726,088
At 31 December 2013	4,495,789	-	4,495,789

Market value of listed investments at 31 December 2014 - £101,568.

The group or the company's investments at the Balance sheet date in the share capital of companies include the following:

Subsidiary

Halliwell Jones (North Wales) Limited

Nature of business: Franchised motor dealer and repairer

	% holding	2014 £	2013 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		8,259,696	7,700,031
Profit for the year		559,665	381,704

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

10. Stocks

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Motor vehicles	16,074,027	16,633,123	10,786,992	9,978,887
Motor vehicles on consignment	1,936,724	1,845,558	1,198,172	1,290,543
Parts and accessories	372,454	373,689	247,812	265,008
	<u>18,383,205</u>	<u>18,852,370</u>	<u>12,232,976</u>	<u>11,534,438</u>

11. Debtors: amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	2,447,591	2,343,335	1,827,428	1,956,569
Other debtors	186,142	-	-	-
Due from associated companies	8,200,676	1,102,601	7,728,694	62,262
VAT	311,836	676,198	286,178	458,280
Prepayments and accrued income	616,513	624,339	602,653	478,194
	<u>11,762,758</u>	<u>4,746,473</u>	<u>10,444,953</u>	<u>2,955,305</u>

12. Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts (see note 14)	1,260,000	654,000	1,260,000	678,680
Other loans (see note 14)	3,532,678	9,832,349	2,752,462	5,367,833
Trade creditors	10,929,189	4,854,221	8,661,149	3,791,079
Tax	206,839	115,305	135,695	99,016
Social security and other taxes	218,168	210,650	168,764	165,133
Other creditors	130,299	-	130,299	-
Consignment creditor	1,936,724	1,845,558	1,198,172	1,290,543
Due to associated companies	22,689	1,792,751	1,123,754	3,438,132
Deposits in advance	174,550	77,027	142,977	35,688
Directors' current accounts	100,000	-	100,000	-
Accrued expenses	439,332	400,871	338,757	325,365
	<u>18,950,468</u>	<u>19,782,732</u>	<u>16,012,029</u>	<u>15,191,469</u>

13. Creditors: amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans (see note 14)	10,395,000	2,720,700	10,395,000	2,720,700
Accruals and deferred income	102,420	-	102,420	-
	<u>10,497,420</u>	<u>2,720,700</u>	<u>10,497,420</u>	<u>2,720,700</u>

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

14. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	-	-	24,680
Bank loans	1,260,000	654,000	1,260,000	654,000
Used/ demonstrator vehicle finance loans	3,532,678	9,832,349	2,752,462	5,367,833
	<u>4,792,678</u>	<u>10,486,349</u>	<u>4,012,462</u>	<u>6,046,513</u>
Amounts falling due between one and two years:				
Bank loans	<u>1,260,000</u>	<u>536,000</u>	<u>1,260,000</u>	<u>536,000</u>
Amounts falling due between two and five years:				
Bank loans	<u>9,135,000</u>	<u>1,110,000</u>	<u>9,135,000</u>	<u>1,110,000</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>-</u>	<u>1,074,700</u>	<u>-</u>	<u>1,074,700</u>

The loan for £11,655,000 is repayable in instalments totalling £1,260,000 per annum. Interest is being charged at 1.50% per annum above the London Interbank Offered Rate (LIBOR). The loan is structured with a 10 year repayment profile, but is only active for a 5 year period; on this basis, a final payment of £6,615,000 falls due on 31st March 2019. The company and other associated companies refinanced their bank loans during March 2014, with all such companies moving to The Royal Bank of Scotland Plc. The loan documents were effected in the name of Halliwell Jones (Warrington) Ltd, who then created inter-company loan balances with associated companies. Thus, The Royal Bank of Scotland loan balance for Halliwell Jones (Warrington) Ltd is inflated by such inter-company loans, which are identified separately within related party balances.

15. Operating lease commitments

The following operating lease payments are committed to be paid within one year:

Group	Land and buildings	
	2014	2013
	£	£
Expiring:		
Within one year	17,000	3,000
Between one and five years	-	24,000
In more than five years	<u>100,000</u>	<u>100,000</u>
	<u>117,000</u>	<u>127,000</u>

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

15. Operating lease commitments - continued

Company

	Land and buildings	
	2014	2013
	£	£
Expiring:		
Within one year	9,000	-
Between one and five years	-	18,000
In more than five years	100,000	100,000
	<u>109,000</u>	<u>118,000</u>

16. Secured debts

The following secured debts are included within creditors:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank overdrafts	-	-	-	24,680
Bank loans	11,655,000	3,374,700	11,655,000	3,374,700
Used/ demonstrator vehicle finance loans	3,532,678	9,832,349	2,752,462	5,367,833
Consignment liabilities	1,936,724	1,845,558	1,198,172	1,290,543
	<u>17,124,402</u>	<u>15,052,607</u>	<u>15,605,634</u>	<u>10,057,756</u>

The bank borrowings are secured by a fixed charge over the freehold and leasehold property and a floating charge over all other assets. Vehicle stocking finance is secured by a charge on the vehicles concerned. Consignment liabilities are secured over the vehicles concerned.

17. Provisions for liabilities

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Deferred tax	<u>14,964</u>	<u>25,093</u>	<u>7,275</u>	<u>21,229</u>
Group				
				Deferred tax
				£
Balance at 1 January 2014				25,093
Accelerated capital allowances				10,355
Other timing differences				(20,484)
Balance at 31 December 2014				<u>14,964</u>

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

17. Provisions for liabilities - continued

Company

	Deferred tax £
Balance at 1 January 2014	21,229
Accelerated capital allowances	6,530
Other timing differences	(20,484)
Balance at 31 December 2014	<u>7,275</u>

18. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2014 £ <u>1,000</u>	2013 £ <u>1,000</u>
1,000	Ordinary			

19. Reserves

Group

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2014	10,532,360	202,158	599,000	11,333,518
Profit for the year	1,294,854			1,294,854
Transfer	16,477	(16,477)	-	-
At 31 December 2014	<u>11,843,691</u>	<u>185,681</u>	<u>599,000</u>	<u>12,628,372</u>

Company

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 January 2014	7,471,653	599,000	8,070,653
Profit for the year	924,109		924,109
At 31 December 2014	<u>8,395,762</u>	<u>599,000</u>	<u>8,994,762</u>

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

20. Contingent liabilities

In March 2014 the company and its associated companies negotiated new bank borrowing facilities, new other loans and increased vehicle stocking facilities. Roundel Limited, Halliwell Jones (Wilmslow) Limited and Halliwell Jones (Wilmslow) Bodyshop Limited became associated companies in March 2014. All of these facilities are secured and this security includes cross guarantees between the company and its associated companies.

The unlimited cross company guarantee is between Halliwell Jones (Warrington) Limited, Halliwell Jones Limited, Halliwell Jones (Chester) Limited, Halliwell Jones (North Wales) Limited, Halliwell Jones Holdings Limited, Halliwell Jones Holdings (Chester) Limited, Halliwell Jones (Wilmslow) Limited, Halliwell Jones (Wilmslow) Bodyshop Limited and Roundel Limited. The potential liability at 31st December 2014 under this guarantee is £19,529,633.

Security is as detailed in the Secured Debts note above.

21. Capital commitments

	2014 £	2013 £
Contracted but not provided for in the financial statements	-	325,733
	<u> </u>	<u> </u>

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

22. Related party disclosures

The group supplies and receives goods and services from the following related companies. The companies are related through directors in common.

Group	2014 £	2013 £
Goods and services supplied to related companies amounted to:		
Halliwell Jones Limited	5,728,372	6,879,592
Halliwell Jones (Chester) Limited	3,005,244	4,011,236
Halliwell Jones (Wilmslow) Limited	1,283,164	-

Goods and services received from related companies amounted to:

Halliwell Jones Limited	2,236,238	3,030,790
Halliwell Jones (Chester) Limited	1,680,457	2,767,921
Halliwell Jones (Wilmslow) Limited	1,394,573	-

Debtors include the following balances owed by related companies

Halliwell Jones Limited	2,292,632	1,102,601
Halliwell Jones (Chester) Limited	3,080,616	-
Halliwell Jones (Wilmslow) Limited	42,911	-
Halliwell Jones (Wilmslow) Bodyshop Limited	11,851	-
Roundel Limited	2,772,666	-

Creditors include the following balance owed to related companies

Halliwell Jones (Chester) Limited	-	1,792,751
Halliwell Jones (Wilmslow) Limited	22,689	-

During the year the group maintained various loans with related companies. Interest of £171,829 (2013 £20,589) has been credited to profit and loss account. Interest of £51,027 (2013 £26,109) has been debited to profit and loss account.

P. Jones made a loan to the group of £100,000 during 2014. Interest of £561 has been debited to the profit and loss, following accrual at HMRC's statutory interest rate.

During the year the group sold seven vehicles at cost to two directors totalling £288,046 and purchased seven vehicles from two directors totalling £283,192.

By virtue of P Jones being a trustee and a beneficiary of the Halliwell Jones (Chester) Supplementary Pension Scheme, which owns 100% of the voting share capital, the company is controlled by P Jones.

By virtue of being a trustee of The Halliwell Jones Pension Scheme, P Jones is directly interested in rents paid by the group to the scheme of £100,000 (2013 £100,000).

By virtue of his shareholding in Zenin Limited, P Jones is directly interested in rents paid to the company of £18,000 (2013 £18,000).

The subsidiary company incurred rent charges of £6,000 (2013 £6,000) in relation to a property in which J M C Houghton has part ownership.

The above arrangements were on arms' length commercial terms.

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

Advantage has been taken of the exemption conferred to group companies by Financial Reporting Standard 8 in relation to non-disclosure of inter-group company member transactions.

Company	2014 £	2013 £
Goods and services supplied to related companies amounted to:		
Halliwell Jones Limited	4,111,856	4,088,740
Halliwell Jones (Chester) Limited	1,970,025	2,031,444
Halliwell Jones (North Wales) Limited	670,673	1,089,764
Halliwell Jones (Wilmslow) Limited	620,211	-

Goods and services received from related companies amounted to:

Halliwell Jones Limited	1,209,411	1,711,738
Halliwell Jones (Chester) Limited	1,497,135	1,360,287
Halliwell Jones (North Wales) Limited	1,422,275	1,493,580
Halliwell Jones (Wilmslow) Limited	830,575	-

Debtors include the following balances owed by related companies

Halliwell Jones Limited	1,822,117	62,262
Halliwell Jones (Chester) Limited	3,079,149	-
Halliwell Jones (Wilmslow) Limited	42,911	-
Halliwell Jones (Wilmslow) Bodyshop Limited	11,851	-
Roundel Limited	2,772,666	-

Creditors include the following balances owed to related companies

Halliwell Jones (Chester) Limited	-	1,766,683
Halliwell Jones (North Wales) Limited	1,123,754	1,671,449

During the year the company maintained various loans with related companies. Interest of £90,623 (2013 £68,544) has been debited to profit and loss account. Interest of £162,497 (2013 £nil) has been credited to profit and loss account.

P Jones made a loan to the company of £100,000 during 2014. Interest of £561 has been debited to the profit and loss account, following accrual at HMRC's statutory interest rate.

During the year the company sold six vehicles at cost to two directors totalling £255,505 and purchased six vehicles from two directors totalling £247,992.

By virtue of P Jones being a trustee and a beneficiary of the Halliwell Jones (Chester) Supplementary Pension Scheme, which owns 100% of the voting share capital, the company is controlled by the director.

By virtue of being a trustee of The Halliwell Jones Pension Scheme, P Jones is directly interested in rents paid to the scheme of £100,000 (2013 £100,000).

By virtue of his shareholding in Zenin Ltd, P Jones is directly interested in rents paid to the company of £18,000 (2013 £18,000).

The above arrangements were on arms' length commercial terms.

HALLIWELL JONES (WARRINGTON) LIMITED (REGISTERED NUMBER: 03323081)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

23. Ultimate controlling party

The group is under the control of P Jones.

24. Reconciliation of movements in shareholders' funds

Group

	2014 £	2013 £
Profit for the financial year	1,294,854	1,097,062
Net addition to shareholders' funds	1,294,854	1,097,062
Opening shareholders' funds	11,334,518	10,237,456
Closing shareholders' funds	12,629,372	11,334,518

Company

	2014 £	2013 £
Profit for the financial year	924,109	823,124
Net addition to shareholders' funds	924,109	823,124
Opening shareholders' funds	8,071,653	7,248,529
Closing shareholders' funds	8,995,762	8,071,653