

Company Registration No. 00682402 (England and Wales)

H W MOON LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



H W MOON LIMITED

COMPANY INFORMATION

Director	Mrs D.M. Moon
Secretary	Mrs D.M. Moon
Company number	00682402
Registered office	Challenge Way Martland Park Wigan WN5 0LD
Auditor	RP Smith & Co Limited 2 Southport Road Chorley Lancashire PR7 1LB
Accountants	John Goulding & Co Chartered Accountants 4 Southport Road Chorley PR7 1LD

H W MOON LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Director's report	3
Director's responsibilities statement	4
Independent auditor's report	5 - 6
Statement of income and retained earnings	7
Statement of financial position	8
Statement of cash flows	9
Notes to the financial statements	10 - 20

H W MOON LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents the strategic report for the year ended 31 December 2018.

Fair review of the business

The company's principal activities during the year continued to be the sale and service of new and used motor vehicles.

The year ended 31 December 2018 reported turnover of £20.02m, an increase of 8.0%, with a slight reduction in gross profit to 10.8%. Sales growth was reported across all areas of the business.

The balance sheet position remains strong with an increase in reserves reported, resulting in net assets amounting to £4.64m as at 31 December 2018.

Key performance indicators

The company's key financial and other performance indicators during the year were as follows:

	2018 £'000	2017 £'000	Change %
Turnover	20,024	18,547	7.96%
Gross profit as % of turnover	10.84%	11.40%	-4.91%
Operating profit	191	205	-6.83%
Profit before taxation	195	205	-4.88%
Profit before taxation as % of turnover	0.97%	1.10%	-11.64%
Shareholder's funds	4,639	4,489	3.34%
Number of employees	43	40	7.50%

Principal risks and uncertainties

The company is very well established within the motor industry and, coupled with a strong financial position, the director believes that there will be no significant risks and uncertainties facing the company over the coming year. The Directors have considered the risks associated with the UK exiting the European Union and have concluded that there is not a significant risk of disruption to the business.

Financial risk management

The company's policy is to ensure that adequate and cost effective arrangements are maintained to finance current and future activities and that exposure to financial risk is minimised.

Liquidity and funding

The company is financed by retained earnings and makes efforts to manage the financial risk by the monitoring of cash flow to ensure that the company is able to meet foreseeable debts as they fall due.

Interest rate risk

With no long or medium term debt at the 2018 year end, and with no plan or foreseeable need to introduce any into the business during 2019, the company believes it is not at risk from material adverse movements in interest rates.

Credit risk

To control credit risk from trade debtors, limits are set based on a combination of trade history and third party credit references and are reviewed regularly by the company directors.

H W MOON LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

On behalf of the board



.....
Mrs D.M. Moon

Director

18/1/2019

H W MOON LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents her annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company continued to be that of the sale and service of new and used motor vehicles.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mrs D.M. Moon

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid.


Auditor

The auditor, R P Smith & Co Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mrs D.M. Moon

Director

18/7/2019

H W MOON LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is 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. She is 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.

H W MOON LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF H W MOON LIMITED

Opinion

We have audited the financial statements of H W Moon Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of income and retained earnings, the statement of financial position, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

H W MOON LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF H W MOON LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 her 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.



Simon Worswick BA FCA (Senior Statutory Auditor)
for and on behalf of RP Smith & Co Limited

31 July 2019

Chartered Accountants
Statutory Auditor

2 Southport Road
Chorley
Lancashire
PR7 1LB

H W MOON LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	20,023,598	18,547,227
Cost of sales		(17,853,179)	(16,432,513)
Gross profit		2,170,419	2,114,714
Administrative expenses		(1,979,029)	(1,910,134)
Operating profit	4	191,390	204,580
Interest receivable and similar income	7	3,655	630
Interest payable and similar expenses	8	(467)	(400)
Profit before taxation		194,578	204,810
Taxation	9	(44,520)	(47,071)
Profit for the financial year		150,058	157,739
Retained earnings at 1 January 2018		4,487,815	4,330,076
Retained earnings at 31 December 2018		4,637,873	4,487,815

The Income Statement has been prepared on the basis that all operations are continuing operations.

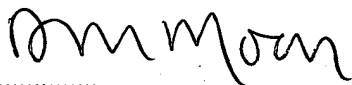
H W MOON LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	10		1,951,302		1,989,599
Current assets					
Stocks	12	2,226,394		1,314,589	
Debtors	13	481,944		662,600	
Cash at bank and in hand		1,567,128		2,019,569	
		<u>4,275,466</u>		<u>3,996,758</u>	
Creditors: amounts falling due within one year	14	<u>(1,576,864)</u>		<u>(1,485,950)</u>	
Net current assets			<u>2,698,602</u>		<u>2,510,808</u>
Total assets less current liabilities			4,649,904		4,500,407
Provisions for liabilities	15		<u>(11,031)</u>		<u>(11,592)</u>
Net assets			<u>4,638,873</u>		<u>4,488,815</u>
Capital and reserves					
Called up share capital	18		1,000		1,000
Profit and loss reserves			<u>4,637,873</u>		<u>4,487,815</u>
Total equity			<u>4,638,873</u>		<u>4,488,815</u>

The financial statements were approved and signed by the director and authorised for issue on 18/7/2019



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Mrs D.M. Moon
Director

Company Registration No. 00682402

H W MOON LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(403,801)		275,442
Interest paid			(467)		(400)
Income taxes paid			(39,727)		(24,181)
			<u> </u>		<u> </u>
Net cash (outflow)/inflow from operating activities			(443,995)		250,861
Investing activities					
Purchase of tangible fixed assets		(12,101)		(52,961)	
Proceeds on disposal of tangible fixed assets		-		6,909	
Interest received		3,655		630	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(8,446)		(45,422)
Net cash used in financing activities			-		-
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents			(452,441)		205,439
Cash and cash equivalents at beginning of year			2,019,569		1,814,130
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			1,567,128		2,019,569
			<u> </u>		<u> </u>

H W MOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

H W Moon Limited is a private company limited by shares incorporated in England and Wales. The registered office is Challenge Way, Martland Park, Wigan, WN5 0LD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Turnover principally comprises external vehicle sales, parts, servicing and bodyshop sales. Vehicle and parts sales are recognised at the time of delivery to the customer. Service and bodyshop sales are recognised only when work is completed. Turnover also comprises commissions receivable.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Plant and equipment	10% straight line
Fixtures and fittings	10% straight line
Motor vehicles	Residual value at each year end

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

H W MOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Vehicles, parts and other stocks are valued at purchase invoice cost which for parts and other stocks, is on a weighted average basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

H W MOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

H W MOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Derivatives

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

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

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

H W MOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

H W MOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018	2017
	£	£
Turnover		
Sale of goods & services	20,023,598	18,547,227
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	3,655	630
	<u> </u>	<u> </u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	9,000	9,000
Depreciation of owned tangible fixed assets	50,398	48,962
Cost of stocks recognised as an expense	17,853,179	16,432,513
Operating lease charges	27,986	27,986
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018	2017
	Number	Number
Administrative staff	7	7
Sales and service staff	36	33
	<u> </u>	<u> </u>
	43	40
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2018	2017
	£	£
Wages and salaries	1,247,764	1,212,488
Social security costs	147,139	142,167
Pension costs	9,078	4,019
	<u> </u>	<u> </u>
	1,403,981	1,358,674
	<u> </u>	<u> </u>

H W MOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6	Director's remuneration	2018	2017
		£	£
	Remuneration for qualifying services	182,848	148,215
		<u> </u>	<u> </u>
7	Interest receivable and similar income	2018	2017
		£	£
	Interest income		
	Interest on bank deposits	3,655	630
		<u> </u>	<u> </u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	3,655	630
		<u> </u>	<u> </u>
8	Interest payable and similar expenses	2018	2017
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Other interest on financial liabilities	467	400
		<u> </u>	<u> </u>
9	Taxation	2018	2017
		£	£
	Current tax		
	UK corporation tax on profits for the current period	45,081	39,727
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	(561)	7,344
		<u> </u>	<u> </u>
	Total tax charge	44,520	47,071
		<u> </u>	<u> </u>

H W MOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	194,578	204,810
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	36,970	39,426
Tax effect of expenses that are not deductible in determining taxable profit	1,116	1,425
Effect of change in corporation tax rate	-	(300)
Depreciation on assets not qualifying for tax allowances	6,434	6,520
Taxation charge for the year	44,520	47,071

The main rate of UK corporation tax reduced from 20% to 19% from 1 April 2017.

10 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2018	2,326,257	564,099	157,544	15,432	3,063,332
Additions	-	10,050	2,051	-	12,101
At 31 December 2018	2,326,257	574,149	159,595	15,432	3,075,433
Depreciation and impairment					
At 1 January 2018	405,871	514,806	150,998	2,058	1,073,733
Depreciation charged in the year	33,869	9,518	3,925	3,086	50,398
At 31 December 2018	439,740	524,324	154,923	5,144	1,124,131
Carrying amount					
At 31 December 2018	1,886,517	49,825	4,672	10,288	1,951,302
At 31 December 2017	1,920,387	49,291	6,546	13,375	1,989,599

H W MOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11	Financial instruments		2018	2017
			£	£
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		184,248	341,971
			<u> </u>	<u> </u>
	Carrying amount of financial liabilities			
	Measured at amortised cost		1,393,023	1,314,275
			<u> </u>	<u> </u>
12	Stocks		2018	2017
			£	£
	New and used vehicles		2,185,238	1,269,864
	Parts and consumables		41,156	44,725
			<u> </u>	<u> </u>
			2,226,394	1,314,589
			<u> </u>	<u> </u>
13	Debtors		2018	2017
			£	£
	Amounts falling due within one year:			
	Trade debtors		184,248	341,971
	Prepayments and accrued income		297,696	320,629
			<u> </u>	<u> </u>
			481,944	662,600
			<u> </u>	<u> </u>
14	Creditors: amounts falling due within one year		2018	2017
			£	£
	Trade creditors		921,114	851,760
	Corporation tax		45,081	39,727
	Other taxation and social security		138,760	131,948
	Other creditors		8,146	4,904
	Accruals and deferred income		463,763	457,611
			<u> </u>	<u> </u>
			1,576,864	1,485,950
			<u> </u>	<u> </u>
15	Provisions for liabilities		2018	2017
		Notes	£	£
	Deferred tax liabilities	16	11,031	11,592
			<u> </u>	<u> </u>

H W MOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018	Liabilities 2017
	£	£
Balances:		
Accelerated capital allowances	11,031	11,592
	<u> </u>	<u> </u>
Movements in the year:		2018
		£
Liability at 1 January 2018		11,592
Credit to profit or loss		(561)
Liability at 31 December 2018		<u>11,031</u>

17 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	9,078	4,019
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	27,986	27,936
Between two and five years	23,231	51,217
	<u> </u>	<u> </u>
	51,217	79,153
	<u> </u>	<u> </u>

H W MOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018	2017
	£	£
Aggregate remuneration	256,563	253,562

There were no other related party transactions required to be reported.

21 Directors' transactions

Included in creditors is an amount of £4,803 (2017: £4,904) owed to the Director in relation to an outstanding loan balance.

Interest has been paid by the company on the average loan balance at a rate of 2.5% per annum. Interest charged for the year amounted to £467 (2017: £400).

22 Ultimate controlling party

The ultimate control of the company lies with the shareholdings of Mrs D.M. Moon.

23 Cash generated from operations

	2018	2017
	£	£
Profit for the year after tax	150,058	157,739
Adjustments for:		
Taxation charged	44,520	47,071
Finance costs	467	400
Investment income	(3,655)	(630)
Depreciation and impairment of tangible fixed assets	50,398	48,962
Movements in working capital:		
(Increase)/decrease in stocks	(911,805)	225,294
Decrease/(increase) in debtors	180,656	(72,831)
Increase/(decrease) in creditors	85,560	(130,563)
Cash (absorbed by)/generated from operations	(403,801)	275,442