

SIMONSTONE (BRISTOL) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007

COMPANY NUMBER 04585756

Presented by:

Afford Astbury Bond LLP
Chartered Accountants
31 Wellington Road
Nantwich
Cheshire
CW5 7ED

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SIMONSTONE (BRISTOL) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2007

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SIMONSTONE (BRISTOL) LIMITED

COMPANY INFORMATION

Directors	M Keen (Chairman) S Sowerby P Keen J Keen
Secretary	S Sowerby
Registered Office	100 Barbirolli Square Manchester M2 3AB
Company Number	4585756
Auditors	Afford Astbury Bond LLP Chartered Accountants Registered Auditors 31 Wellington Road Nantwich Cheshire CW5 7ED
Bankers	Bank of Scotland PO Box 208 21 Prince Street Bristol BS99 7JG
Solicitors	Addleshaw Goddard 100 Barbirolli Square Manchester M2 3AB

SIMONSTONE (BRISTOL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2007

The directors present their annual report and the audited financial statements for the year ended 31st December 2007

Principal activity and review of the business

The company trades in the retail sale and repair of motor vehicles

Having taken into consideration the continuing downturn in the motor trade the directors are satisfied with the results for the year, which show a profit on ordinary activities before tax of £49,479 (2006 £81,306)

The company's balance sheet as detailed on page 5 shows a satisfactory position given current market risks and uncertainties

Fixed assets

The movement in tangible fixed assets during the year is set out in note 8 to the financial statements

Results and dividends

The results for the year are set out in detail on page 4

The directors have paid a dividend during the year of £75,000 (2006 £75,000)

Directors and directors' interests

The directors who served during the year and their ultimate beneficial interests in the shares of the company were

	Ordinary shares of £1 each	
	At 31 December 2007	At 31 December 2006
M Keen and J Keen	3,500	3,500
S Sowerby	500	500
P Keen	1,000	1,000

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with the company's contractual and other legal obligations

SIMONSTONE (BRISTOL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2007 (continued)

Directors' responsibilities for preparing the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments 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
- state whether applicable accounting standards have been followed, subject to any material departures, disclosed and explained in the financial statements

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Statement of disclosure to the auditors

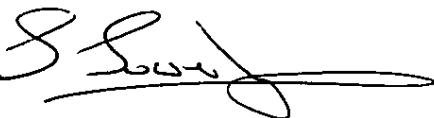
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Afford Astbury Bond LLP as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

The Directors' Report was approved by the Board and signed on its behalf by

S Sowerby
Secretary



Date

29/2/08

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SIMONSTONE (BRISTOL) LIMITED

We have audited the financial statements of Simonstone (Bristol) Limited on pages 4 to 14 for the year ended 31st December 2007. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31st December 2007 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, and the information given in the Directors' Report is consistent with the financial statements.

Afford Astbury Bond LLP
Chartered Accountants
Registered Auditors
31 Wellington Road
Nantwich
Cheshire
CW5 7ED
Date

Afford Astbury Bond LLP

7/3/08

SIMONSTONE (BRISTOL) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2007

		Continuing operation	
	<u>Notes</u>	<u>2007</u> £	<u>2006</u> £
Turnover	2	14,593,220	14,720,679
Cost of sales		(12,673,542)	(12,709,072)
Gross profit		1,919,678	2,011,607
Other operating income		207,628	259,184
Administration expenses		(1,991,162)	(2,096,725)
Operating profit		136,144	174,066
Interest receivable		2,574	2,181
Interest payable and similar charges	3	(89,239)	(94,941)
Profit on ordinary activities before taxation	4	49,479	81,306
Tax on profit on ordinary activities	7	(11,793)	(35,721)
Profit for the financial year		37,686	45,585

Statement of total recognised gains/losses

The company has no recognised gains or losses other than profits as disclosed for the two periods ended 31st December 2007.

Historical cost profits and losses

There is no material difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis

The annexed notes form part of these financial statements

SIMONSTONE (BRISTOL) LIMITED
BALANCE SHEET AT 31ST DECEMBER 2007

	Notes	<u>2007</u>	<u>2006</u>
		£	£
Fixed assets			
Intangible assets	8	61,051	73,201
Tangible assets	8	199,310	214,670
		<u>260,361</u>	<u>287,871</u>
Current assets			
Stocks	9	1,643,816	1,616,537
Debtors	11	667,658	673,185
Cash at bank and in hand		99,587	290
		<u>2,411,061</u>	<u>2,290,012</u>
Creditors : amounts falling due within one year	12	<u>(2,425,924)</u>	<u>(2,225,195)</u>
Net current liabilities/assets		<u>(14,863)</u>	<u>64,817</u>
Total assets less current liabilities		<u>245,498</u>	<u>352,688</u>
Creditors: amounts falling due after more than one year	13	<u>-</u>	<u>(69,876)</u>
Net assets		<u><u>245,498</u></u>	<u><u>282,812</u></u>
Capital and reserves			
Called up share capital	15	5,000	5,000
Profit and loss account	16	240,498	277,812
Shareholders' funds	17	<u><u>245,498</u></u>	<u><u>282,812</u></u>

The financial statements were approved by the Board and signed on its behalf by

M Keen
Director

Date 29/2/08

The annexed notes form part of these financial statements

SIMONSTONE (BRISTOL) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2007

	<u>Notes</u>	<u>2007</u> £	<u>2006</u> £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		136,144	174,066
Depreciation		86,122	74,931
(Increase) in stocks		(27,279)	(201,855)
Increase in debtors		5,527	43,560
Increase/(decrease) in creditors		304,375	(108,318)
Net cash inflow/outflow from operating activities		<u>504,889</u>	<u>(17,616)</u>
Cash flow statement			
Net cash inflow/outflow from operating activities		504,889	(17,616)
Returns on investments and servicing of finance	21	(87,019)	(91,411)
Capital expenditure	21	(58,612)	(71,684)
Dividends paid		(75,000)	(75,000)
Financing	21	34,893	138,098
Taxation		(17,870)	(26,862)
Increase/(decrease) in cash		<u>301,281</u>	<u>(144,475)</u>
Reconciliation of net cash flow to movement in net debt			
	22		
Increase/(Decrease) in cash in the period/change in net debt		301,281	(144,475)
Net funds at 31st December 2006		<u>(201,694)</u>	<u>(57,219)</u>
Net funds at 31st December 2007		<u>99,587</u>	<u>(201,694)</u>

SIMONSTONE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2007

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules

Depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Motor vehicles	- 25% per annum straight line
Fixtures and fittings	- 10% per annum straight line
Plant and machinery	- 10% per annum straight line
Computer equipment	- 25% per annum straight line

Pensions

The company operates a defined contribution/stakeholder pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Stocks

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

Taxation

The charge for taxation is based on the profit for the year and takes into account, where material, taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision for deferred taxation is made under the liability method, where material, to the extent that it is probable that the liability will become payable in the foreseeable future.

Leased assets and hire purchase contracts

Where the assets are financed by leasing agreements 'finance leases' or hire purchase contracts the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease or hire purchase contract in proportion to the balance of capital payments outstanding. Rentals payable under operating leases are charged to the profit and loss account as incurred.

Goodwill

Purchased goodwill incurred on the acquisition of new dealership sites is written off against the profit and loss account over its useful economic life, considered to range from ten to twenty years, a reasonable maximum estimated by the directors.

SIMONSTONE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2007 (continued)

2 Turnover

Turnover consists of the invoice value excluding VAT for goods and services supplied to third parties

3 Interest payable and similar charges

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
On vehicle funding	<u>89,239</u>	<u>94,941</u>

4 Profit on ordinary activities before taxation is stated after charging:

Depreciation of tangible fixed assets	86,122	74,931
Equipment hire and leasing	3,848	3,848
Auditors' remuneration	7,060	6,030
	<u> </u>	<u> </u>

5 Staff numbers and cost

Average number of people (including directors)
employed by the company during the year

	<u>No of Employees</u>	
	<u>2007</u>	<u>2006</u>
Production	13	14
Sales and distribution	18	19
Administration	22	24
	<u>53</u>	<u>57</u>

Cost in respect of these employees

	<u>£</u>	<u>£</u>
Wages and salaries	1,284,802	1,323,714
Social security costs	122,392	130,604
Stakeholder pension contributions	20,993	23,025
	<u>1,428,187</u>	<u>1,477,343</u>

SIMONSTONE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2007 (continued)

6 Directors' remuneration

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Directors emoluments	<u>75,000</u>	<u>86,022</u>
Emoluments excluding pension contributions		
Chairman	Nil	Nil
Highest paid director	<u>50,000</u>	<u>65,511</u>

Number of other directors whose emoluments fell within the bands stated

	<u>No. of Directors</u>	
	<u>2007</u>	<u>2006</u>
£0 - £5,000	1	1
£20,001 - £25,000	1	1
£40,001 - £45,000	<u>-</u>	<u>-</u>

7 Tax on profit on ordinary activities

	<u>£</u>	<u>£</u>
Taxation charge for the year		
Corporation tax	11,923	18,000
Underprovision in prior years	(130)	17,721
	<u>11,793</u>	<u>35,721</u>

8 Intangible fixed assets

	<u>Goodwill</u>
	<u>£</u>
Cost	
At 1st January 2007	<u>121,503</u>
At 31st December 2007	<u>121,503</u>
Amortisation	
At 1st January 2007	48,302
Charge for the year	12,150
At 31st December 2007	<u>60,452</u>
Net book value	
At 31st December 2007	<u>61,051</u>
At 31st December 2006	<u>73,201</u>

SIMONSTONE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2007 (continued)

8 Tangible fixed assets

	Fixtures and fittings £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1st January 2007	134,595	96,166	137,904	27,587	396,252
Additions	31,368	5,377	11,391	17,500	65,636
Disposals	-	-	-	(18,237)	(18,237)
At 31st December 2007	<u>165,963</u>	<u>101,543</u>	<u>149,295</u>	<u>26,850</u>	<u>443,651</u>
Depreciation					
At 1st January 2007	65,775	19,716	82,918	13,173	181,582
Charge for the year	21,235	9,786	36,105	6,846	73,972
Disposals	-	-	-	(11,213)	(11,213)
At 31st December 2007	<u>87,010</u>	<u>29,502</u>	<u>119,023</u>	<u>8,806</u>	<u>244,341</u>
Net book value					
At 31st December 2007	<u>78,953</u>	<u>72,041</u>	<u>30,272</u>	<u>18,044</u>	<u>199,310</u>
At 31st December 2006	<u>68,820</u>	<u>76,450</u>	<u>54,986</u>	<u>14,414</u>	<u>214,670</u>

9 Stocks

	<u>2007</u> £	<u>2006</u> £
Goods for resale	<u>1,643,816</u>	<u>1,616,537</u>

The replacement cost of the above stocks would not be significantly different from the values stated

10 Consignment stock

At the year end the company held consignment stocks of £456,652 (2006 £435,473) This has been reflected on the balance sheet as it is considered that the stock is in substance the property of the company

SIMONSTONE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2007 (continued)

11 Debtors

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Trade debtors	310,871	283,383
Other debtors	271,383	318,191
Prepayments and accrued income	85,404	71,611
	<u>667,658</u>	<u>673,185</u>

12 Creditors : amounts falling due within one year

Bank overdraft	-	201,984
Trade creditors	784,699	483,369
Other creditors - secured	1,089,044	1,112,932
Loan from group company	243,657	115,000
Corporation tax	11,923	18,000
Other taxation and social security	109,264	151,899
Accruals and deferred income	187,337	142,011
	<u>2,425,924</u>	<u>2,225,195</u>

13 Creditors : amounts falling due after more than one year

Other loans	<u>-</u>	<u>69,876</u>
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Creditors not repayable by instalments

Amount repayable within five years		
Other loans	<u>-</u>	<u>69,876</u>

The company's other creditors who provide vehicle funding have floating charges over vehicle stocks

The company have an agreed bank loan and overdraft facility secured for all sums between Simonstone Motor Group Plc, Simonstone (Bristol) Limited and Simonstone (South West) Limited

SIMONSTONE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2007 (continued)

14 Provision for liabilities and charges

The amounts provided for deferred taxation and the amounts involved if deferred taxation had been provided in full are as follows -

	<u>Full provision</u>		<u>Provided</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Accelerated capital allowances	<u>14,689</u>	<u>15,881</u>	<u>-</u>	<u>-</u>

The potential liability and provision are based on a corporation tax rate of 20% (2006 19%)

15 Called up share capital

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Authorised 5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid 5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

16 Reserves

Profit and loss account		
At 1st January 2007	277,812	307,227
Profit for the financial year	37,686	45,585
Dividends	(75,000)	(75,000)
At 31st December 2007	<u>240,498</u>	<u>277,812</u>

SIMONSTONE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2007 (continued)

17 Reconciliation of movements in shareholders' funds	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Profit for the financial year	37,686	45,585
Dividends	(75,000)	(75,000)
Net addition to shareholders' funds	<u>(37,314)</u>	<u>(29,415)</u>
Opening shareholders' funds	<u>282,812</u>	<u>312,227</u>
Closing shareholders' funds	<u><u>245,498</u></u>	<u><u>282,812</u></u>

18 Pension scheme

The company operates a defined contribution/stakeholder pension scheme. The pension cost charge for the year represented contributions payable by the company to the fund and amounted to £20,993 (2006 £23,025).

19 Related parties

During the year the company paid costs of £120,000 to Simonstone Motor Group Plc the parent company. All transactions are considered to be on a commercial basis between companies under the control of M Keen.

20 Ultimate holding company/controlling party

The company is owned by Simonstone Motor Group Plc a company registered in England which is under the ultimate control of M Keen, Director.

SIMONSTONE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2007 (continued)

21	Gross cash flows	<u>2007</u>	<u>2006</u>
		£	£
	Returns on investments and servicing of finance		
	Interest paid	(89,593)	(93,592)
	Interest received	2,574	2,181
		<u>(87,019)</u>	<u>(91,411)</u>
	Capital expenditure		
	Payments to acquire tangible fixed assets	(65,636)	(71,684)
	Receipt from sale of tangible fixed assets	7,024	-
		<u>(58,612)</u>	<u>(71,684)</u>
	Financing		
	Loan from/to group company	128,657	61,138
	Other loans	(93,764)	76,960
		<u>34,893</u>	<u>138,098</u>
22	Analysis of changes in net debt		
		At 1st January 2007	Cash flows
			At 31st December 2007
	Cash at bank and in hand	(201,694)	301,281
			<u>99,587</u>

SIMONSTONE (BRISTOL) LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 2007**

	<u>2007</u>		<u>2006</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Sales		14,593,220		14,720,679
Cost of sales				
Purchases	12,309,164		12,327,360	
Direct wages	364,378		381,712	
		<u>12,673,542</u>		<u>12,709,072</u>
Gross profit		1,919,678		2,011,607
Other operating income		207,628		259,184
		<u>2,127,306</u>		<u>2,270,791</u>
Overhead expenditure				
Directors' remuneration	75,000		86,022	
Indirect wages and salaries	967,816		986,584	
Pension contributions	20,993		23,025	
Security costs	2,268		28,252	
Rent and rates	212,921		215,563	
Light, heat and power	36,979		35,791	
Motor, transport and delivery	41,491		37,585	
Equipment costs	4,429		4,619	
Repairs and renewals	16,098		17,010	
Telephone and fax	21,192		18,972	
Insurance	28,064		32,927	
Printing, postage and stationery	21,745		22,131	
Advertising	159,873		182,962	
Computer costs	39,675		34,939	
Professional fees	3,080		5,093	
Audit and accountancy	7,060		6,030	
Management charges	120,000		120,000	
Bank charges	12,746		12,206	
Credit card charges	13,361		14,648	
Cleaning	26,801		26,584	
Sundry	37,282		64,603	
Depreciation	73,972		62,780	
Amortisation	12,150		12,151	
Overalls	3,915		4,874	
Training costs	13,795		16,019	
Health and safety	3,635		2,142	
Subscriptions	1,169		1,707	
Consumables	11,902		19,356	
Commissions	1,750		2,150	
		<u>1,991,162</u>		<u>2,096,725</u>
Net profit from trading activities		136,144		174,066

SIMONSTONE (BRISTOL) LIMITED
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2007 (continued)

	<u>2007</u>		<u>2006</u>	
	£	£	£	£
Net profit from trading activities		136,144		174,066
Other income				
Interest received		2,574		2,181
		<u>138,718</u>		<u>176,247</u>
Interest payable				
On vehicle funding	<u>89,239</u>		<u>94,941</u>	
		<u>89,239</u>		<u>94,941</u>
Net profit for the year before taxation		<u><u>49,479</u></u>		<u><u>81,306</u></u>