

SIMONSTONE (BRISTOL) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2008

COMPANY NUMBER 04585756

Presented by:

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

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SIMONSTONE (BRISTOL) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2008

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SIMONSTONE (BRISTOL) LIMITED

COMPANY INFORMATION

Directors	M Keen (Chairman) S Sowerby P Keen J Keen
Secretary	S Sowerby
Registered Office	803 – 805 Bath Road Brislington Bristol BS4 5NL
Company Number	4585756
Auditors	Afford 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 2008

The directors present their annual report and the audited financial statements for the year ended 31st December 2008.

Principal activity and review of the business

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

The results for the year show a profit on ordinary activities before tax and exceptional items of £101,016 (2007 £49,479).

The directors aim to present a balanced review of the development and performance of the business during the period and the company's position at the period end. Our review is consistent with the size and nature of the business.

The directors consider their key accounting indicators are those that communicate the financial performance of the company as a whole, being turnover and operating profit which are included in the financial statements.

The company's balance sheet is detailed on page 5 and shows a satisfactory position given the current economic environment.

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 £Nil (2007 £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 2008	At 31 December 2007
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 2008 (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.

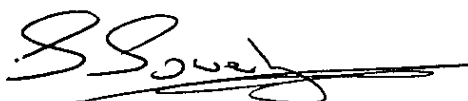
Statement of disclosure to the auditors

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 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 12/3/09

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 2008. 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 2008 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.

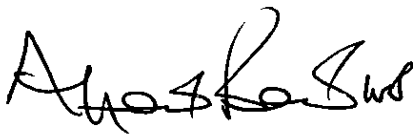
Afford Bond LLP
Chartered Accountants
Registered Auditors

31 Wellington Road
Nantwich

Cheshire

CW5 7ED

Date 12/03/09



SIMONSTONE (BRISTOL) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2008

		Continuing operation	
	<u>Notes</u>	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Turnover		14,005,332	14,593,220
Cost of sales		(12,259,984)	(12,673,542)
Gross profit		1,745,348	1,919,678
Other operating income		160,547	207,628
Administration expenses		(1,717,698)	(1,991,162)
Operating profit		188,197	136,144
Exceptional item	2	(209,001)	-
		(20,804)	136,144
Interest receivable		2,577	2,574
Interest payable and similar charges	3	(89,758)	(89,239)
Profit/(loss) on ordinary activities before taxation	4	(107,985)	49,479
Tax on profit on ordinary activities	7	11,923	(11,793)
Profit/(loss) for the financial year		(96,062)	37,686

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 2008.

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 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Intangible assets	8		48,900		61,051
Tangible assets	8		188,780		199,310
			<u>237,680</u>		<u>260,361</u>
Current assets					
Stocks	9	1,378,546		1,643,816	
Debtors	11	770,027		667,658	
Cash at bank and in hand		290		99,587	
		<u>2,148,863</u>		<u>2,411,061</u>	
Creditors : amounts falling due within one year	12	<u>(2,237,107)</u>		<u>(2,425,924)</u>	
Net current liabilities			<u>(88,244)</u>		<u>(14,863)</u>
Net assets			<u>149,436</u>		<u>245,498</u>
Capital and reserves					
Called up share capital	15		5,000		5,000
Profit and loss account	16		144,436		240,498
Shareholders' funds	17		<u>149,436</u>		<u>245,498</u>

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

M Keen
Director

Date 12/3/09

The annexed notes form part of these financial statements.

SIMONSTONE (BRISTOL) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2008

	<u>Notes</u>	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit/(loss)		(20,804)	136,144
Depreciation		71,075	86,122
Profit on sale of fixed assets		(16,623)	-
Decrease/(increase) in stocks		265,270	(27,279)
(Increase)/decrease in debtors		(2,369)	5,527
(Decrease)/increase in creditors		(72,030)	304,375
Net cash inflow from operating activities		<u>224,519</u>	<u>504,889</u>
Cash flow statement			
Net cash inflow from operating activities		224,519	504,889
Returns on investments and servicing of finance	21	(87,964)	(87,019)
Capital expenditure	21	(31,771)	(58,612)
Dividends paid		-	(75,000)
Financing	21	(214,767)	34,893
Taxation		-	(17,870)
Increase/(decrease) in cash		<u>(109,983)</u>	<u>301,281</u>
Reconciliation of net cash flow to movement in net debt	22		
Increase/(decrease) in cash in the period/change in net debt		(109,983)	301,281
Net funds at 31st December 2007		<u>99,587</u>	<u>(201,694)</u>
Net funds at 31st December 2008		<u>(10,396)</u>	<u>99,587</u>

SIMONSTONE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2008

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 2008 (continued)

Turnover

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

2. Exceptional item

The exceptional item arose as a result of a combination of vehicle stock losses due to the substantial fall in residual resale values on high value, nearly new, 4x4 and equivalent vehicle types and the associated redundancy costs following departmental restructuring due to the current continuing economic downturn.

3. Interest payable and similar charges

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
On vehicle funding	89,758	89,239

4. Profit/(loss) on ordinary activities before taxation is stated after charging:

Depreciation of tangible fixed assets	71,075	86,122
Equipment hire and leasing	3,848	3,848
Auditors' remuneration	7,500	7,060

5. Staff numbers and cost

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

	<u>No. of Employees</u>	
	<u>2008</u>	<u>2007</u>
Production	11	13
Sales and distribution	15	18
Administration	20	22
	<u>46</u>	<u>53</u>

Cost in respect of these employees:

	<u>£</u>	<u>£</u>
Wages and salaries	1,065,396	1,284,802
Social security costs	99,824	122,392
Stakeholder pension contributions	19,220	20,993
	<u>1,184,440</u>	<u>1,428,187</u>

SIMONSTONE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2008 (continued)

6. Directors' remuneration

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Directors emoluments	55,000	75,000
Emoluments excluding pension contributions:		
Chairman	Nil	Nil
Highest paid director	55,000	50,000

Number of other directors whose emoluments fell within the bands stated:

	<u>No. of Directors</u>	
	<u>2008</u>	<u>2007</u>
£0 - £5,000	2	1
£20,001 - £25,000	-	1
£40,001 - £45,000	-	-

7. Tax on profit on ordinary activities

	<u>£</u>	<u>£</u>
Taxation charge for the year:		
Corporation tax	(11,777)	11,923
Underprovision in prior years	(146)	(130)
	<u>(11,923)</u>	<u>11,793</u>

8. Intangible fixed assets

	<u>Goodwill</u>
	<u>£</u>
Cost	
At 1st January 2008	121,503
At 31st December 2008	121,503
Amortisation	
At 1st January 2008	60,452
Charge for the year	12,151
At 31st December 2008	72,603
Net book value	
At 31st December 2008	48,900
At 31st December 2007	61,051

SIMONSTONE (BRISTOL) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED****31ST DECEMBER 2008 (continued)****8. Tangible fixed assets**

	Fixtures and fittings £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1st January 2008	165,963	101,543	149,295	26,850	443,651
Additions	7,773	17,447	34,280	31,056	90,556
Disposals	-	-	(149,526)	(38,431)	(187,957)
At 31st December 2008	<u>173,736</u>	<u>118,990</u>	<u>34,049</u>	<u>19,475</u>	<u>346,250</u>
Depreciation					
At 1st January 2008	87,010	29,502	119,023	8,806	244,341
Charge for the year	24,710	10,481	17,703	6,030	58,924
Disposals	-	-	(134,599)	(11,196)	(145,795)
At 31st December 2008	<u>111,720</u>	<u>39,983</u>	<u>2,127</u>	<u>3,640</u>	<u>157,470</u>
Net book value					
At 31st December 2008	<u>62,016</u>	<u>79,007</u>	<u>31,922</u>	<u>15,835</u>	<u>188,780</u>
At 31st December 2007	<u>78,953</u>	<u>72,041</u>	<u>30,272</u>	<u>18,044</u>	<u>199,310</u>

9. Stocks

	<u>2008</u> £	<u>2007</u> £
Goods for resale	<u>1,378,546</u>	<u>1,643,816</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 £643,399 (2007 £456,652). 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 2008 (continued)

11. Debtors

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Trade debtors	316,185	310,871
Other debtors	269,920	271,383
Loan to group company	100,000	-
Prepayments and accrued income	83,922	85,404
	<u>770,027</u>	<u>667,658</u>

12. Creditors : amounts falling due within one year

Bank overdraft	10,686	-
Trade creditors	603,790	784,699
Other creditors - secured	1,138,600	1,089,044
Loan from group company	79,334	243,657
Corporation tax	-	11,923
Other taxation and social security	206,116	109,264
Accruals and deferred income	198,581	187,337
	<u>2,237,107</u>	<u>2,425,924</u>

13. 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 2008 (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>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Accelerated capital allowances	<u>16,725</u>	<u>14,689</u>	<u>-</u>	<u>-</u>

The potential liability and provision are based on a corporation tax rate of 21% (2007 20%).

15. Called up share capital

	<u>2008</u>	<u>2007</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 2008	240,498	277,812
Profit/(loss) for the financial year	(96,062)	37,686
Dividends	-	(75,000)
At 31st December 2008	<u>144,436</u>	<u>240,498</u>

SIMONSTONE (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2008 (continued)

17. Reconciliation of movements in shareholders' funds	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Profit/(loss) for the financial year	(96,062)	37,686
Dividends	-	(75,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	(96,062)	(37,314)
Opening shareholders' funds	245,498	282,812
	<hr/>	<hr/>
Closing shareholders' funds	<u>149,436</u>	<u>245,498</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 £19,220 (2007 £20,993).

19. Related parties

During the year the company paid costs of £75,000 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 2008 (continued)

21. Gross cash flows	2008 £	2007 £
Returns on investments and servicing of finance		
Interest paid	(90,541)	(89,593)
Interest received	2,577	2,574
	<u>(87,964)</u>	<u>(87,019)</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(90,556)	(65,636)
Receipt from sale of tangible fixed assets	58,785	7,024
	<u>(31,771)</u>	<u>(58,612)</u>
Financing		
Loan from/to group company	(264,323)	128,657
Other loans	49,556	(93,764)
	<u>(214,767)</u>	<u>34,893</u>

22. Analysis of changes in net debt

	At 1st January 2008	Cash flows	At 31st December 2008
Cash at bank and in hand	<u>99,587</u>	<u>(109,983)</u>	<u>(10,396)</u>