

**SIMONSTONE (BRISTOL) LIMITED**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2010**

**COMPANY NUMBER 04585756**

**Presented by:**

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

WEDNESDAY



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**SIMONSTONE (BRISTOL) LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2010**

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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	04585756
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 2010**

The directors present their annual report and the audited financial statements for the year ended 31st December 2010

#### **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 £49,738 (2009 £100,904)

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 do not recommend payment of an ordinary dividend

#### **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 2010	At 31 December 2009
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 2010 (continued)**

**Directors' responsibilities for preparing the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


**Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

**Auditors**

In accordance with the company's articles, a resolution proposing that Afford Bond LLP be reappointed as auditors of the company will be put at a General Meeting.

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

  
S Sowerby  
Secretary

Date 22/2/2011

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

We have audited the financial statements of Simonstone (Bristol) Limited for the year ended 31st December 2010 set out on pages 4 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 and 2, 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 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 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.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st December 2010 and of its loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



**Gary Greer FCA (Senior Statutory Auditor)**  
for and on behalf of Afford Bond LLP

**Chartered Accountants**  
**Statutory Auditor**

Date 22/2/2011

31 Wellington Road  
Nantwich  
Cheshire  
CW5 7ED

**SIMONSTONE (BRISTOL) LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2010**

		<b>Continuing operation</b>	
	<u>Notes</u>	<u>2010</u> <u>£</u>	<u>2009</u> <u>£</u>
<b>Turnover</b>		16,223,355	16,466,573
Cost of sales		(14,449,115)	(14,692,078)
<b>Gross profit</b>		1,774,240	1,774,495
Other operating income		188,913	309,958
Administration expenses		(1,871,927)	(1,888,264)
<b>Operating profit</b>		91,226	196,189
Interest receivable		980	-
Interest payable and similar charges	3	(42,468)	(95,285)
<b>Profit on ordinary activities before taxation</b>	4	49,738	100,904
Tax on profit on ordinary activities	7	(1,469)	(15,980)
<b>Profit for the financial year</b>		48,269	84,924

**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 2010 and 2009

**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 2010**

	<u>Notes</u>	<u>2010</u>		<u>2009</u>
		£	£	£
<b>Fixed assets</b>				
Intangible assets	8	24,600		36,750
Tangible assets	8	153,646		149,409
		<u>178,246</u>		<u>186,159</u>
<b>Current assets</b>				
Stocks	9	1,148,514	1,094,839	
Debtors	11	859,935	863,266	
Cash at bank and in hand		199,455	134,267	
		<u>2,207,904</u>	<u>2,092,372</u>	
<b>Creditors : amounts falling due within one year</b>	12	<u>(2,103,521)</u>	<u>(2,044,171)</u>	
<b>Net current assets</b>		<u>104,383</u>		<u>48,201</u>
<b>Net assets</b>		<u><u>282,629</u></u>		<u><u>234,360</u></u>
<b>Capital and reserves</b>				
Called up share capital	15	5,000		5,000
Profit and loss account	16	277,629		229,360
Shareholders' funds	17	<u><u>282,629</u></u>		<u><u>234,360</u></u>

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

  
M Keen  
Director

Date 22/2/2011

The annexed notes form part of these financial statements



**SIMONSTONE (BRISTOL) LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2010**

	<u>Notes</u>	<u>2010</u> £	<u>2009</u> £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		91,226	196,189
Depreciation		66,025	62,557
Profit on sale of fixed assets		1,458	-
(Increase)/decrease in stocks		(53,675)	283,707
Decrease/(increase) in debtors		150,831	(15,739)
(Decrease)/increase in creditors		(113,859)	147,508
<b>Net cash inflow from operating activities</b>		<u>142,006</u>	<u>674,222</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		142,006	674,222
Returns on investments and servicing of finance	21	(40,634)	(98,861)
Capital expenditure	21	(59,570)	(11,036)
Dividends paid		-	-
Financing	21	50,355	(430,682)
Taxation		(26,969)	11,020
<b>Increase in cash</b>		<u>65,188</u>	<u>144,663</u>
Reconciliation of net cash flow to movement in net debt	22		
<b>Increase in cash in the period/change in net debt</b>		65,188	144,663
<b>Net funds at 31st December 2009</b>		<u>134,267</u>	<u>(10,396)</u>
<b>Net funds at 31st December 2010</b>		<u>199,455</u>	<u>134,267</u>

**SIMONSTONE (BRISTOL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31ST DECEMBER 2010**

**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 2010 (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>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>
On vehicle funding	42,468	95,285

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

Depreciation of tangible and intangible fixed assets	66,025	62,557
Equipment hire and leasing	3,528	2,664
Auditors' remuneration – audit services	4,550	4,376

**5 Staff numbers and cost**

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

	<u>No. of Employees</u>	
	<u>2010</u>	<u>2009</u>
Production	11	11
Sales and distribution	16	16
Administration	21	21
	<u>48</u>	<u>48</u>

Cost in respect of these employees

	<u>£</u>	<u>£</u>
Wages and salaries	1,162,690	1,214,951
Social security costs	106,240	110,550
Stakeholder pension contributions	14,579	14,579
	<u>1,283,509</u>	<u>1,340,080</u>

**SIMONSTONE (BRISTOL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31ST DECEMBER 2010 (continued)**

**6 Directors' remuneration**

	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>
Directors' emoluments	75,000	75,000
Emoluments excluding pension contributions		
Chairman	Nil	Nil
Highest paid director	40,000	55,000

Number of other directors whose emoluments fell within the bands stated

	<u>No of Directors</u>	
	<u>2010</u>	<u>2009</u>
£0 - £5,000	1	1
£20,000 - £25,000	-	1
£30,000 - £35,000	1	-

**7 Tax on profit on ordinary activities**

	<u>£</u>	<u>£</u>
Taxation charge for the year		
Corporation tax charge/(refund)	1,500	27,000
Adjustment in prior years	(31)	(11,020)
	<u>1,469</u>	<u>15,980</u>

**8 Intangible fixed assets**

	<u>Goodwill</u>
	<u>£</u>
Cost	
At 1st January 2010	121,503
At 31st December 2010	<u>121,503</u>
Amortisation	
At 1st January 2010	84,753
Charge for the year	12,150
At 31st December 2010	<u>96,903</u>
Net book value	
At 31st December 2010	<u>24,600</u>
At 31st December 2009	<u>36,750</u>

**SIMONSTONE (BRISTOL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31ST DECEMBER 2010 (continued)**

**8 Tangible fixed assets**

	Fixtures and fittings £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1st January 2010	174,486	124,605	34,711	19,906	353,708
Additions	33,369	7,085	9,728	34,143	84,325
Disposals	-	(1,495)	-	(31,041)	(32,536)
At 31st December 2010	<u>207,855</u>	<u>130,195</u>	<u>44,439</u>	<u>23,008</u>	<u>405,497</u>
Depreciation					
At 1st January 2010	136,633	52,029	10,670	4,967	204,299
Charge for the year	25,227	12,718	10,291	5,639	53,875
Disposals	-	(37)	-	(6,286)	(6,323)
At 31st December 2010	<u>161,860</u>	<u>64,710</u>	<u>20,961</u>	<u>4,320</u>	<u>251,851</u>
Net book value					
At 31st December 2010	<u>45,995</u>	<u>65,485</u>	<u>23,478</u>	<u>18,688</u>	<u>153,646</u>
At 31st December 2009	<u>37,853</u>	<u>72,576</u>	<u>24,041</u>	<u>14,939</u>	<u>149,409</u>

**9 Stocks**

	<u>2010</u> £	<u>2009</u> £
Goods for resale	<u>1,148,514</u>	<u>1,094,839</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 £358,896 (2009 £244,707) 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 2010 (continued)**

**11 Debtors**

	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>
Trade debtors	270,050	418,862
Other debtors	224,541	219,492
Loan to group company	325,000	177,500
Prepayments and accrued income	40,344	47,412
	<u>859,935</u>	<u>863,266</u>

**12 Creditors : amounts falling due within one year**

Trade creditors	742,547	779,253
Other creditors - secured	1,062,607	864,752
Corporation tax	1,500	27,000
Other taxation and social security	164,388	181,648
Accruals and deferred income	132,479	191,518
	<u>2,103,521</u>	<u>2,044,171</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 2010 (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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Accelerated capital allowances	<u>21,954</u>	<u>18,824</u>	<u>-</u>	<u>-</u>

The potential liability and provision are based on a corporation tax rate of 21% (2009 21%)

**15 Called up share capital**

	<u>2010</u>	<u>2009</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 2010	229,360	144,436
Profit for the financial year	48,269	84,924
Dividends	-	-
At 31st December 2010	<u>277,629</u>	<u>229,360</u>

**SIMONSTONE (BRISTOL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31ST DECEMBER 2010 (continued)**

<b>17 Reconciliation of movements in shareholders' funds</b>	<b><u>2010</u></b>	<b><u>2009</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Profit for the financial year	48,269	84,924
Dividends	-	-
	<u>48,269</u>	<u>84,924</u>
Net addition to shareholders' funds	234,360	149,436
Opening shareholders' funds	<u>282,629</u>	<u>234,360</u>
Closing shareholders' funds	<u>282,629</u>	<u>234,360</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 £14,579 (2009 £14,579).

**19 Related parties**

During the year the company paid costs of £100,000 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 and Wales which is under the ultimate control of M Keen, Director.



**SIMONSTONE (BRISTOL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31ST DECEMBER 2010 (continued)**

21	<b>Gross cash flows</b>	<u>2010</u>	<u>2009</u>	
		<u>£</u>	<u>£</u>	
	<b>Returns on investments and servicing of finance</b>			
	Interest paid	(41,614)	(98,861)	
	Interest received	980	-	
		<u>(40,634)</u>	<u>(98,861)</u>	
	<b>Capital expenditure</b>			
	Payments to acquire tangible fixed assets	(84,325)	(17,008)	
	Receipt from sale of tangible fixed assets	24,755	5,972	
		<u>(59,570)</u>	<u>(11,036)</u>	
	<b>Financing</b>			
	Loan from/to group company	(147,500)	(156,834)	
	Other loans	197,855	(273,848)	
		<u>50,355</u>	<u>(430,682)</u>	
22	<b>Analysis of changes in net debt</b>			
		<b>At 1st January 2010</b>	<b>Cash flows</b>	<b>At 31st December 2010</b>
	Cash at bank and in hand	134,267	65,188	199,455