

Company Registration No. 04585756 (England and Wales)

**SIMONSTONE (BRISTOL) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**



# SIMONSTONE (BRISTOL) LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	M W Hooper	
	M Wilson	(Appointed 29 December 2017)
	I Jones	(Appointed 29 December 2017)
<b>Secretary</b>	M Wilson	
<b>Company number</b>	04585756	
<b>Registered office</b>	803-805 Bath Road Brislington Bristol BS4 5NL	
<b>Auditor</b>	Afford Bond Holdings Limited 31 Wellington Road Nantwich Cheshire CW5 7ED	
<b>Bankers</b>	The Bank Of Scotland PLC Bristol Branch P O Box 208 21 Prince Street Bristol Avon BS99 7JG	
<b>Solicitors</b>	Pannone Corporate 378-380 Deansgate Manchester M3 4LY	

---

# SIMONSTONE (BRISTOL) LIMITED

## CONTENTS

---

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 21

---

# **SIMONSTONE (BRISTOL) LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

---

The directors present the strategic report for the year ended 31 December 2017.

### **Fair review of the business**

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 and takes into account the sectors competitive environment combined with the changing economic climate.

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

The directors consider their key accounting indicators are those that communicate the financial performance of the company as a whole, being turnover, gross profit and shareholders' funds.

Turnover in 2017 increased by £1,721,657 to £16,697,712 and gross profit increased by £78,533 to £1,931,492.

The profit before tax was £21,259.

After taxation, shareholders' funds increased by £21,259 to £344,133.

The results for the period and the financial position at the period end were considered satisfactory by the directors who anticipate growth in the foreseeable future.

On behalf of the board



M Wilson

**Director**

28 February 2018

# **SIMONSTONE (BRISTOL) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

---

The directors present their annual report and financial statements for the year ended 31 December 2017.

#### **Principal activities**

The company trades in the retail sale and repair of motor vehicles. A review of the business is included within the strategic report.

#### **Directors**

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

M Keen	(Resigned 29 December 2017)
J Keen	(Resigned 29 December 2017)
S Sowerby	(Resigned 15 December 2017)
M W Hooper	
M Wilson	(Appointed 29 December 2017)
I Jones	(Appointed 29 December 2017)

#### **Results and dividends**

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Supplier 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.

#### **Auditor**

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

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 or 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.

# **SIMONSTONE (BRISTOL) LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

---

### **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



M Wilson

**Director**

28 February 2018

# **SIMONSTONE (BRISTOL) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SIMONSTONE (BRISTOL) LIMITED**

---

#### **Opinion**

We have audited the financial statements of Simonstone (Bristol) Limited (the 'company') for the year ended 31 December 2017 set out on pages 6 to 21. 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 2017 and of its 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 directors are 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

# **SIMONSTONE (BRISTOL) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SIMONSTONE (BRISTOL) 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 Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have 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.

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 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.

*Afford Bond Holdings Limited*

Gary Greer FCA (Senior Statutory Auditor)  
for and on behalf of Afford Bond Holdings Limited

*28/2/18*

Chartered Accountants  
Statutory Auditor

31 Wellington Road  
Nantwich  
Cheshire  
CW5 7ED



# SIMONSTONE (BRISTOL) LIMITED

## STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

---

	Notes	2017 £	2016 £
Turnover	3	16,697,712	14,976,055
Cost of sales		(14,766,220)	(13,123,096)
<b>Gross profit</b>		<u>1,931,492</u>	<u>1,852,959</u>
Administrative expenses		(1,842,952)	(1,869,014)
<b>Operating profit/(loss)</b>	4	<u>88,540</u>	<u>(16,055)</u>
Interest payable and similar expenses	7	(67,281)	(39,978)
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>21,259</u>	<u>(56,033)</u>
Tax on profit/(loss) on ordinary activities	8	-	-
<b>Profit/(loss) for the financial year</b>		<u><u>21,259</u></u>	<u><u>(56,033)</u></u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# SIMONSTONE (BRISTOL) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Goodwill	9	-	-	-	-
Tangible assets	10	80,281		85,969	
		<u>80,281</u>		<u>85,969</u>	
<b>Current assets</b>					
Stocks	12	2,439,284		2,197,198	
Debtors	13	1,007,653		1,159,048	
Cash at bank and in hand		560,972		262,273	
		<u>4,007,909</u>		<u>3,618,519</u>	
<b>Creditors: amounts falling due within one year</b>		<u>3,744,057</u>		<u>3,381,614</u>	
Net current assets		263,852		236,905	
Total assets less current liabilities		<u>344,133</u>		<u>322,874</u>	
<b>Capital and reserves</b>					
Called up share capital	16	5,000		5,000	
Profit and loss reserves		339,133		317,874	
Total equity		<u>344,133</u>		<u>322,874</u>	

The financial statements were approved by the board of directors and authorised for issue on 28 February 2018

Signed on its behalf by:



M Wilson  
Director

Company Registration No. 04585756

28/2/18

# **SIMONSTONE (BRISTOL) LIMITED**

## **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017**

---

	<b>Share capital</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 January 2016</b>	5,000	373,907	378,907
<b>Year ended 31 December 2016:</b>			
Loss and total comprehensive income for the year	-	(56,033)	(56,033)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2016</b>	5,000	317,874	322,874
<b>Year ended 31 December 2017:</b>			
Profit and total comprehensive income for the year	-	21,259	21,259
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2017</b>	<u>5,000</u>	<u>339,133</u>	<u>344,133</u>

# SIMONSTONE (BRISTOL) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

---

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20	394,877		104,329	
Interest paid		(67,281)		(39,978)	
<b>Net cash inflow from operating activities</b>		<b>327,596</b>		<b>64,351</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(36,505)		(39,768)	
Proceeds on disposal of tangible fixed assets		7,608		-	
<b>Net cash used in investing activities</b>		<b>(28,897)</b>		<b>(39,768)</b>	
<b>Net cash used in financing activities</b>			<b>-</b>		<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>298,699</b>		<b>24,583</b>	
Cash and cash equivalents at beginning of year		262,273		237,690	
<b>Cash and cash equivalents at end of year</b>		<b>560,972</b>		<b>262,273</b>	

---

# **SIMONSTONE (BRISTOL) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

---

#### **1 Accounting policies**

##### **Company information**

Simonstone (Bristol) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 803-805 Bath Road, Brislington, Bristol, BS4 5NL.

##### **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. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue 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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Sale of goods are recognised when delivery has occurred and title has passed.

Commissions are recognised when the relevant performance conditions have been met.

##### **1.4 Intangible fixed assets - 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 depending upon the economic conditions prevailing at the time.

##### **1.5 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:

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

# SIMONSTONE (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### 1 Accounting policies

(Continued)

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.

##### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

##### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Due to the nature of the stock held, cost is recorded at purchase price.

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.

##### 1.8 Cash and cash equivalents

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.

##### 1.9 Financial assets

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 balance sheet 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.

# SIMONSTONE (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### 1 Accounting policies

(Continued)

##### **Loans and receivables**

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### **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. The impairment loss 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.

#### 1.10 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.

##### **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 or 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.

# SIMONSTONE (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

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

#### 1.11 Equity instruments

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

#### 1.12 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 profit and loss account 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.

##### *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 profit and loss account, 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.

#### 1.13 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.

#### 1.14 Retirement benefits

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



# SIMONSTONE (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 Accounting policies

(Continued)

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3 Turnover and other revenue

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

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Sale of goods	15,988,952	14,546,864
Commissions	708,760	429,191
	<u>16,697,712</u>	<u>14,976,055</u>
	2017 £	2016 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	<u>16,697,712</u>	<u>14,976,055</u>

# SIMONSTONE (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

4	Operating profit/(loss)	2017 £	2016 £
	Operating profit/(loss) for the year is stated after charging/(crediting):		
	Fees payable to the company's auditors for the audit of the company's annual accounts	3,756	3,450
	Depreciation of owned tangible fixed assets	34,585	41,416
	Cost of stocks recognised as an expense	14,414,373	12,770,049
	Operating lease charges and associated costs	260,152	260,888

#### 5 Employees

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

	2017 Number	2016 Number
Production, sales and distribution	26	28
Administration	15	15
	41	43

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,271,712	1,288,271
Pension costs	18,117	17,773
	1,289,829	1,306,044

#### 6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	33,746	50,030

#### 7 Interest payable and similar expenses

	2017 £	2016 £
Other finance costs:		
Other interest	67,281	39,978

# SIMONSTONE (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

8	Taxation	2017 £	2016 £
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	-	-

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

	2017 £	2016 £
Profit/(loss) before taxation on continued operations	21,259	(56,033)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of corporation tax of 19.25% (2016 - 20.00%)	4,092	(11,207)
Tax effect of utilisation of tax losses not previously recognised	(5,462)	-
Unutilised tax losses carried forward	-	5,675
Group relief	(1,040)	5,202
Capital allowances in excess of depreciation	2,410	330
	(4,092)	11,207
Tax expense for the year	-	-

## 9 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2017 and 31 December 2017	121,503
<b>Amortisation and impairment</b>	
At 1 January 2017 and 31 December 2017	121,503
<b>Carrying amount</b>	
At 31 December 2017	-
At 31 December 2016	-

# SIMONSTONE (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 10 Tangible fixed assets

	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2017	285,182	253,949	30,255	569,386
Additions	11,131	5,231	20,143	36,505
Disposals	-	-	(18,259)	(18,259)
At 31 December 2017	296,313	259,180	32,139	587,632
<b>Depreciation and impairment</b>				
At 1 January 2017	233,831	237,429	12,157	483,417
Depreciation charged in the year	17,743	8,012	8,830	34,585
Eliminated in respect of disposals	-	-	(10,651)	(10,651)
At 31 December 2017	251,574	245,441	10,336	507,351
<b>Carrying amount</b>				
At 31 December 2017	44,739	13,739	21,803	80,281
At 31 December 2016	51,351	16,520	18,098	85,969

### 11 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	946,884	1,066,831
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	3,629,468	3,335,681

### 12 Stocks

	2017 £	2016 £
Finished goods and goods for resale	2,439,284	2,197,198

The replacement cost of the stock held would not be significantly different from the values stated.

At the year end the company held consignment stock of £1,122,092 (2016: £1,068,194). 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 (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 13 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	134,623	218,246
Amounts owed by group undertakings	592,617	625,000
Other debtors	219,644	223,585
Prepayments and accrued income	60,769	92,217
	<u>1,007,653</u>	<u>1,159,048</u>

Trade debtors disclosed above are measured at amortised cost.

### 14 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,321,857	1,088,077
Amounts due to group undertakings	64,223	50,000
Other taxation and social security	114,589	45,933
Other creditors	2,003,297	2,095,653
Accruals and deferred income	240,091	101,951
	<u>3,744,057</u>	<u>3,381,614</u>

Other loans, which is included within Other creditors, relates to vehicle funding, which has a floating charge over vehicle stock.

Simonstone (Bristol) Limited have an agreed bank loan and overdraft facility secured for all sums between the companies in the group including Simonstone Motor Group PLC and Simonstone (South West) Limited.

### 15 Retirement benefit schemes

	2017	2016
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>18,117</u>	<u>17,773</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.

# SIMONSTONE (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 16 Share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
5,000 Ordinary shares of £1 each	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

### 17 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel, including those who are also directors, is as follows.

	2017 £	2016 £
Aggregate compensation	33,746	50,030

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	<b>Purchase of goods</b>	
	2017 £	2016 £
Entities with control, joint control or significant influence over the company	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
	<b>Amounts owed by</b>	
	2017 £	2016 £
Entities with control, joint control or significant influence over the company	-	-
Other related parties	592,617	625,000
	<u>592,617</u>	<u>625,000</u>
	<b>Amounts owed to</b>	
	2017 £	2016 £
Entities with control, joint control or significant influence over the company	64,223	50,000
Other related parties	-	-
	<u>64,223</u>	<u>50,000</u>

Sales to, and purchases from, related parties are made on a commercial basis.

The amounts owed by, and to, related parties are unsecured balances repayable on demand for agreed consideration, preferably cash settlement.

No guarantees have been given or received.

# SIMONSTONE (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 17 Related party transactions

(Continued)

The purchase of goods from entities with control over the company are management charges paid to the immediate parent company, Simonstone Motor Group PLC.

The amounts owed to entities with control over the company are due to the immediate parent company, Simonstone Motor Group PLC. The amounts owed by other related parties are due from a fellow subsidiary company, Simonstone (South West) Limited.

### 18 Controlling party

The immediate and ultimate parent company is Simonstone Motor Group PLC, a company registered in England and Wales.

The directors, M W Hooper, M Wilson and I Jones, control the ultimate parent company.

Simonstone Motor Group PLC is the head of the group into which the entity is consolidated.

### 19 Operating lease commitments

#### Lessee

Operating lease payments represent rentals payable by the company for certain of its properties. Leases are negotiated for a term of 25 years.

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:

	2017 £	2016 £
Within one year	157,000	157,000
Between two and five years	628,000	628,000
In over five years	798,083	955,083
	<u>1,583,083</u>	<u>1,740,083</u>

# SIMONSTONE (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 20 Cash generated from operations

	2017 £	2016 £
Profit/(loss) for the year after tax	21,259	(56,033)
<b>Adjustments for:</b>		
Finance costs	67,281	39,978
Depreciation and impairment of tangible fixed assets	34,585	41,416
<b>Movements in working capital:</b>		
(Increase) in stocks	(242,086)	(867,823)
Decrease/(increase) in debtors	151,395	(197,020)
Increase in creditors	362,443	1,143,811
<b>Cash generated from operations</b>	<u>394,877</u>	<u>104,329</u>