REGISTERED NUMBER: 07781944 (England and Wales)

Report of the Directors and

Financial Statements for the Period 21 September 2011 to 31 December 2012

for

Carrs (Threemilestone) Limited

Carrs (Threemilestone) Limited (Registered number: 07781944)

Contents of the Financial Statements
for the Period 21 September 2011 to 31 December 2012

Carrs (Threemilestone) Limited

Company Information
for the Period 21 September 2011 to 31 December 2012

DIRECTORS:	D S Carr Mrs B V Carr A J Barrett J C Glanville FCA T Moore
SECRETARY:	P Mitchell
REGISTERED OFFICE:	85 Meneage Street Helston Cornwall TR13 8RD
REGISTERED NUMBER:	07781944 (England and Wales)
SENIOR STATUTORY AUDITOR:	Ian Pinder FCA
AUDITORS:	A C Mole & Sons Chartered Accountants & Statutory Auditor Stafford House Blackbrook Park Avenue Taunton Somerset TA1 2PX
BANKERS:	Lloyds Banking Group plc 1 Market Place Helston Cornwall TR13 8SU
SOLICITORS:	Foot Anstey Senate Court Southernhay Gardens Exeter EX1 1NT

Carrs (Threemilestone) Limited (Registered number: 07781944)

Report of the Directors
for the Period 21 September 2011 to 31 December 2012

The directors present their report with the financial statements of the company for the period 21 September 2011 to 31 December 2012

INCORPORATION
The company was incorporated on 21 September 2011 and commenced trading on 14 October 2011.

PRINCIPAL ACTIVITY
The company trades as Truro Landrover and Jaguar whose principal activities throughout the period were selling and repairing motor vehicles and supplying motor accessories.

REVIEW OF BUSINESS
The company is a member of the Helston Garages Group which operates a number of similar dealerships in western England

The performance of the company and franchise is dependent on the support of the manufacturer The level of this support varies from year to year and even during the year

The company operates in a competitive market but the directors consider that the quality of service that the company offers will give it a competitive edge.

The company started trading on 14th October 2011 after acquiring the assets from Riders Group. The results are below the directors' expectations for the business but this is unsurprising with a newly acquired business. Work is underway to develop the performance and the directors believe that the company is positioned well to maximise any additional opportunities that may become available in the future.

The directors consider the following Key Performance Indicators to be of relevance -

	period to 31/12/12 £'000
Turnover	18,359
Gross profit	630
Operating profit	31
Loss before tax	(47)
Shareholders funds	204

Given the straight forward nature of the business, the directors are of the opinion that further analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business

The company in accordance with its accounting policies revalues its freehold property on an annual basis, and this ensures that a fair value for this asset is disclosed in the Balance Sheet

DIVIDENDS
No dividends will be distributed for the period ended 31 December 2012

FUTURE DEVELOPMENTS
The directors aim to maintain the current management policies and plan to improve profitability.

DIRECTORS

The directors who have held office during the period from 21 September 2011 to the date of this report are as follows

D S Carr - appointed 21 September 2011
Mrs B V Carr - appointed 21 September 2011
A J Barrett - appointed 21 September 2011
J C Glanville FCA - appointed 23 October 2012
T Moore - appointed 1 April 2012
N W Perry FCA - appointed 21 September 2011 - resigned 23 October 2012

FINANCIAL INSTRUMENTS

The group does not actively use financial instruments as part of its financial risk management. Due to the industry it operates within, the exposure to the usual credit and cashflow risk associated with selling on credit is minimal and it manages this through standard credit control procedures The nature of its financial instruments means that the group's exposure to the price risk of financial instruments is therefore minimal. As the counterparty to all financial instruments is either its banker or its suppliers, it is also exposed to minimal credit and liquidity risks in respect of these instruments.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

Carrs (Threemilestone) Limited (Registered number: 07781944)

Report of the Directors
for the Period 21 September 2011 to 31 December 2012

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

B V Carr

Mrs B V Carr - Director

Date 13 June 2013

Report of the Independent Auditors to the Members of Carrs (Threemilestone) Limited

We have audited the financial statements of Carrs (Threemilestone) Limited for the period ended 31 December 2012 on pages seven to seventeen. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 and express an opinion on 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 In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2012 and of its loss for the period 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of Carrs (Threemilestone) Limited

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

Ian Pinder

Ian Pinder FCA (Senior Statutory Auditor)
for and on behalf of A C Mole & Sons
Chartered Accountants & Statutory Auditor
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date 13 June 2013

Carrs (Threemilestone) Limited (Registered number: 07781944)

Profit and Loss Account
for the Period 21 September 2011 to 31 December 2012

	Notes	£'000
TURNOVER		18,359
Cost of sales		17,729
GROSS PROFIT		630
Administrative expenses		851
		(221)
Other operating income		252
OPERATING PROFIT	3	31
Impairment loss		39
		(8)
Interest receivable and similar income		1
		(7)
Interest payable and similar charges	4	40
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(47)
Tax on loss on ordinary activities	5	(1)
LOSS FOR THE FINANCIAL PERIOD		(46)

CONTINUING OPERATIONS
All of the company's trading activities were newly acquired at the beginning of the period.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the loss for the current period.

The notes form part of these financial statements

Balance Sheet
31 December 2012

	Notes	£'000	£'000
FIXED ASSETS			
Intangible assets	6		2,010
Tangible assets	7		2,261
			4,271
CURRENT ASSETS			
Stocks	8	2,038	
Debtors	9	254	
Cash at bank		119	
		2,411	
CREDITORS			
Amounts falling due within one year	10	6,456	
NET CURRENT LIABILITIES			(4,045)
TOTAL ASSETS LESS CURRENT LIABILITIES			226
PROVISIONS FOR LIABILITIES	12		22
NET ASSETS			204
CAPITAL AND RESERVES			
Called up share capital	13		250
Profit and loss account	14		(46)
SHAREHOLDERS' FUNDS	19		204

The financial statements were approved by the Board of Directors on ....13 June 2013..
and were signed on its behalf by:

....
D S Carr - Director

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention
The financial statements are prepared under the historical cost convention modified to include the revaluation of certain freehold land and buildings and in accordance with applicable accounting standards.

Turnover
Turnover, which is stated net of valued added tax, represents amounts invoiced to third parties.

The turnover and pre-tax profit is attributable to one continuing activity, the selling and repairing of motor vehicles and supplying motor accessories in the South West of England

Goodwill
Goodwill, being the amount paid in connection with the acquisition of a business in 2011, is being amortised evenly over its estimated useful life of ten years

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write down each asset to its residual value over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- see below
Plant, machinery, fixtures and fittings	- 10% on cost
Garage vehicles	- at varying rates
Short leasehold improvements	- over the period of the lease

Freehold land is not depreciated. Freehold buildings are maintained to a very high standard such that their residual value is not materially less than their current value, so no depreciation charge is provided in respect of freehold buildings

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

Stocks
Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal

New vehicles are invoiced to the company by the manufacturer at the point of consignment. As such these vehicles are shown as new vehicles within stock and the liability is shown within trade creditors

Deferred tax
Deferred tax is not provided in respect of gains arising from the revaluation of fixed assets or gains on disposal of fixed assets that have been rolled over into replacement assets Deferred tax is recognised in respect of all other timing differences that have originated but not reversed at the balance sheet date. Deferred tax is charged at the tax rates expected to apply in the periods in which timing differences reverse

continued...

1 **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments
Assets acquired under finance leases or hire purchase contracts are capitalised in the balance sheet. The interest element of these obligations is charged to the profit and loss account over the relevant period The capital element of the future payments is treated as a liability

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Revaluations
Freehold and long leasehold properties are stated in the balance sheet at their market value. For properties acquired more than three years before the balance sheet date, market value is determined annually by a professional valuation carried out by an independent qualified valuer. Properties acquired within three years of the balance sheet date are stated at cost which the directors consider to be the fairest measurement of market value. Revaluation surpluses are credited to the revaluation reserve Revaluation deficits are charged to the revaluation reserve to the extent that they reverse previous surpluses and thereafter to the profit and loss account

Cash flow statement
The company's ultimate holding company is Helston Garages Group Limited, and the cash flow movements of the company are included in the consolidated cash flow statement of the group. Consequently, this company is exempt under the terms of Financial Reporting Standard No.1 from publishing a cash flow statement.

Pension costs and other post-retirement benefits
The company contributes to the personal pensions of participating employees. Contributions payable are re-charged from Helston Garages Group (Management) Limited as detailed in note 2 and are charged to the profit and loss account in the period to which they relate

continued.

2. STAFF COSTS

Payroll costs are paid by Helston Garages Group (Management) Limited, a group company, and re-charged at 100% of the cost to that company.

The recharge is made up as follows:

	2012
	£'000
Wages and salaries	804
Social security costs	76
Other pension costs	1
	881

The monthly average number of employees during the year, including directors and employees recharged, was as follows:

	2012
Management and administration	8
Selling	27
	35

3. OPERATING PROFIT

The operating profit is stated after charging

	£'000
Hire of plant and machinery	1
Other operating leases	28
Depreciation - owned assets	56
Goodwill amortisation	265
Auditors' remuneration	7

	£
Directors' remuneration	-

4. INTEREST PAYABLE AND SIMILAR CHARGES

	£'000
Other loans	40

continued...

5 TAXATION

Analysis of the tax credit
The tax credit on the loss on ordinary activities for the period was as follows.

	£'000
Current tax·	
Group relief	(23)
Deferred tax	22
Tax on loss on ordinary activities	(1)

Factors affecting the tax credit
The tax assessed for the period is lower than the standard rate of corporation tax in the UK The difference is explained below

	£'000
Loss on ordinary activities before tax	(47)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.500%	(12)
Effects of:	
Capital allowances in excess of depreciation	(21)
Impairment loss	10
Current tax credit	(23)

6. INTANGIBLE FIXED ASSETS

	Goodwill £'000
COST	
Additions	2,275
At 31 December 2012	2,275
AMORTISATION	
Amortisation for period	265
At 31 December 2012	265
NET BOOK VALUE	
At 31 December 2012	2,010

continued. .

7. TANGIBLE FIXED ASSETS

	Freehold property £'000	Short leasehold £'000	Plant, machinery, fixtures and fittings £'000	Garage vehicles £'000	Totals £'000
COST OR VALUATION					
Additions	1,269	23	251	2,895	4,438
Disposals	-	-	-	(2,082)	(2,082)
Impairments	(39)	-	-	-	(39)
At 31 December 2012	1,230	23	251	813	2,317
DEPRECIATION					
Charge for period	-	8	25	23	56
At 31 December 2012	-	8	25	23	56
NET BOOK VALUE					
At 31 December 2012	1,230	15	226	790	2,261

7 TANGIBLE FIXED ASSETS - continued

The company's freehold properties were valued on 31 December 2012 by an external valuer, Andrew Hector MRICS of Jones Lang LaSalle. The valuations were in accordance with the requirements of the RICS Valuation Standards and FRS 15 (and any other regulatory requirements).

The valuation of each property was on the following bases and assumptions:
a) for owner-occupied property: valued at existing use value assuming that the property would be sold as part of the continuing business
b) for property held for redevelopment: valued at market value assuming that the property would be sold with vacant possession in its existing condition.
The valuer's opinion of existing use value and market value was primarily derived using comparable recent market transactions on arm's length terms No taxation liability would arise if the property was disposed of at its revalued amount

Freehold property is stated net of impairment provisions of £39,000.

The remaining fixed assets of the company have not been revalued in the financial statements but the directors have considered their value and are satisfied that their aggregate value at 31 December 2012 was not less than their net book value in the financial statements.

Garage vehicles include vehicles with net book value of £749,000 which were subject to vehicle stocking loans at 31 December 2012

Cost or valuation comprises:

	Freehold land and buildings £'000
Cost	1,269
Valuation 2012	(39)
	1,230

 continued

8. STOCKS

	£'000
New vehicles	1,190
Used vehicles	696
Parts and accessories	103
Miscellaneous stock	48
Work-in-progress	1
	2,038

New vehicle stocks include vehicles to the value of £1,157,000 which were not paid for at 31 December 2012 and where legal title had not passed.

Used vehicle stocks include vehicles to the value of £630,000 which were subject to vehicle stocking loans at 31 December 2012

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£'000
Trade debtors	177
Group relief	23
Prepayments and accrued income	54
	254

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£'000
Payments received in advance	38
Trade creditors	1,751
Amounts owed to group undertakings	2,932
Social security and other taxes	134
Vehicle stocking loans	1,503
Accruals and deferred income	98
	6,456

Unlimited cross guarantees have been given to Lloyds Banking Group plc by the company for the benefit of its holding company and fellow subsidiaries in respect of the group's overdraft facility. Lloyds Banking Group plc hold a mortgage debenture creating a legal charge over the company's property and a floating charge over the other assets.

The vehicle stocking loans are secured on individual vehicles

The payments received in advance represent deposits against vehicles.

continued..

11. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings
	£'000
Expiring.	
Between one and five years	31

12. PROVISIONS FOR LIABILITIES

	£'000
Deferred tax	22

	Deferred tax £'000
Deferred tax charge (note 5)	22
Balance at 31 December 2012	22

The balance is analysed as follows:

	2012 £'000
Accelerated capital allowances	22

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£'000
250,000	Ordinary	£1	250

250,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

continued .

14 **RESERVES**

	Profit and loss account £'000
Deficit for the period	(46)
At 31 December 2012	(46)

15 **ULTIMATE PARENT COMPANY**

The company's immediate parent is Helston Garages Limited.

The ultimate holding company is Helston Garages Group Limited. Accounts for this company may be obtained from the Registrar of Companies, Cardiff.

16. **CONTINGENT LIABILITIES**

VAT

At 31 December 2012, the company was jointly and severally liable for the VAT liabilities of other group companies totalling £2,106,000

17. **RELATED PARTY DISCLOSURES**

The company is exempt from disclosing transactions with other group companies.

18. **ULTIMATE CONTROLLING PARTY**

The company is controlled by the directors D S Carr and Mrs B V Carr.

19 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	£'000
Loss for the financial period	(46)
New share capital subscribed	250
Net addition to shareholders' funds	204
Opening shareholders' funds	-
Closing shareholders' funds	204
Equity interests	204