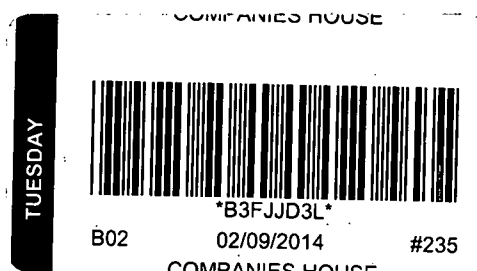


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Financial Statements Lind AG Limited

For the year ended 31 December 2013

Registered number: 02727708



Company Information

Directors	G M Dacre R B Dacre D A Stuart (appointed 29 April 2014)
Company secretary	G M Dacre
Registered number	02727708
Registered office	Brook Farm Five Oak Green Road Tonbridge Kent TN11 0QN
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB
Bankers	Bank of Scotland 3 Queen Street Norwich NR2 4SG

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Directors' Report

For the year ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Principal activity

The principal activity of the company continued to be that of operating a motor dealership.

Results

The profit for the year, after taxation, amounted to £39,030 (2012 - £118,836).

Directors

The directors who served during the year were:

G M Dacre
R B Dacre

Subsequent to the year end, on 29 April 2014, D A Stuart was appointed as a Director of the company.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 judgments 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' Report

For the year ended 31 December 2013

Matters covered in the Strategic report

The following sections which have previously been included within the Directors' report are now included within the Strategic report:

- Business review, key performance indicators and future developments
- Principal risks and uncertainties
- Financial risk management objectives and policies

This report was approved by the board and signed on its behalf.



R B Dacre
Director

Date: 6 August 2014

Strategic Report

For the year ended 31 December 2013

The directors present their Strategic Report for the year ended 31 December 2013.

Business review, key performance indicators and future developments

The company uses a range of performance measures to monitor business performance. The directors consider that, consistent with the size and non-complex nature of the business, the key performance indicators are those that communicate the financial performance of the business as a whole and are as follows

	2013	2012
Turnover (£)	25,216,875	24,324,674
Gross profit (£)	2,999,753	3,109,215
Operating profit (£)	148,029	302,604

The business retails new and used Porsche cars, parts and other service from its dealership in Tonbridge, Kent. Over the course of 2013 the business continued to trade through inconsistent market conditions as a result of the recessionary economic climate in the UK. The total sales marginally increased over the prior year (+3.5%) but margins remained under pressure throughout the period. Encouragingly following the UK economy growth the businesses performance improved from Q4 and has continued to be more consistent throughout the 2014 financial year.

The announcement of the new Porsche Macan was a welcome addition to the existing 5 car model range, and as a result of this and the improving market conditions year-on-year forward orders into the 2014 financial year were double the prior year (+43 units). The business is now trading well ahead of 2013 with a 49% increase in new vehicle sales and a 5% increase in its already well established after sales services. Margins have also strengthened across all of the departments in-line with an increased demand for new and used Porsche sales and after care services.

Principal risks and uncertainties

Business risks

The company operates within a niche area of the mature, and highly-competitive, UK car market. As with many retail businesses, the company's performance is sensitive to consumers' spending patterns, their overall level of disposable income and, more recently, the general tightening of credit facilities within the economy. In the longer term, the impact of consumer trends towards products they perceive as more environmentally friendly may also be an important consideration. On the supply side, the volume of sales can be affected by the availability of new vehicles from the manufacturer, along with the timing of new model launches.

General economy

The company is not immune to the general economic conditions. The possibility of inflation, growing unemployment, interest rate rises and exchange rate fluctuations could have a negative impact on the business. Franchise agreements

The company operates a vehicle manufacturer franchise; the loss of which would have a significant impact on the business. The Group's strategy is to maintain close links with the company's brand partner and continue to perform at the highest levels to mitigate these risks.

Competition

The company operates in the mature and highly competitive UK car markets. Both sales and aftersales profitability could be impacted in the future by the development of the internet and/or by potential new market entrants. The company aims to minimise this risk by ensuring it offers competitively priced products and delivering high levels of customer satisfaction.

Strategic Report (continued)

For the year ended 31 December 2013

Regulatory Compliance Risk

The company is subject to regulatory compliance risk by failing to comply with laws, regulations or codes as set by the Health and Safety Executive, Financial Conduct Authority and local authorities. Non-compliance can lead to fines, public reprimand and suspension from selling general insurance products.

Management

The company is dependent on members of its senior management team and the loss of such individuals could have an adverse effect on the business. Further, failure to attract, develop and retain staff of sufficient calibre could also affect the ability of the business to grow.

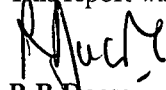
Information risk

The company is dependent on the continuous operation of its information technology and computer systems which are vulnerable to damage, failure and sabotage. Whilst insurance cover is in place, such a disaster could have a detrimental effect on the business.

Financial risk management objectives and policies

In common with other businesses, the company aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Trade debtors are closely monitored to keep the risk of bad debts to a minimum level. Levels of stock are also regularly scrutinised to reduce the risk of slow moving stocks being held.

This report was approved by the board and signed on its behalf.



R B Dacre
Director

Date: 6 August 2014

Independent Auditor's Report to the Member of Lind AG Limited

We have audited the financial statements of Lind AG Limited for the year ended 31 December 2013, which comprise the Profit and loss account, the Balance sheet and the related notes. 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 member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

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 2013 and of its profit 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Member of Lind AG 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.

A handwritten signature in black ink, appearing to read "Anders Rasmussen".

Anders Rasmussen
(Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Norwich

20 August 2014

Profit and Loss Account

For the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	1	25,216,875	24,324,674
Cost of sales		(22,217,122)	(21,215,459)
Gross profit		2,999,753	3,109,215
Administrative expenses		(2,851,724)	(2,806,611)
Operating profit	2	148,029	302,604
Interest payable and similar charges	3	(94,195)	(100,795)
Profit on ordinary activities before taxation		53,834	201,809
Tax on profit on ordinary activities	5	(14,804)	(82,973)
Profit for the financial year	12	39,030	118,836

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 9 to 17 form part of these financial statements.

Balance Sheet

As at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	6		86,529		143,879
Current assets					
Stocks	7	2,963,219		3,064,572	
Debtors (includes £1,260,000 (2012 - £965,000) due after more than one year)	8	2,348,942		1,698,467	
Cash at bank and in hand		346,788		113,607	
		<u>5,658,949</u>		<u>4,876,646</u>	
Creditors: amounts falling due within one year	9	<u>(4,282,835)</u>		<u>(3,596,912)</u>	
Net current assets			<u>1,376,114</u>		<u>1,279,734</u>
Net assets			<u>1,462,643</u>		<u>1,423,613</u>
Capital and reserves					
Called up share capital	11		200,000		200,000
Profit and loss account	12		<u>1,262,643</u>		<u>1,223,613</u>
Shareholders' funds	13		<u>1,462,643</u>		<u>1,423,613</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



R B Dacre
Director

Date: 6 August 2014

The notes on pages 9 to 17 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

1.2 Going concern

The company has traded through difficult trading conditions and has managed its cash to ensure that the business can continue to operate with optimum levels of stock and working capital. Forecasts indicate that the group of which this company is part has sufficient working capital for at least the next twelve months. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, it remains appropriate to prepare the financial statements on a going concern basis.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

Turnover is attributable to the sale and repair of motor vehicles and other ancillary services, excluding Value Added Tax and trade discounts. Vehicle sales are normally recognised on delivery to the customer and other sales are recognised when the right to consideration has been earned on completion of the work (parts and services). Manufacturer bonuses and related income are recognised in the period to which they relate providing they can be estimated with reasonable certainty.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	5-10 years
Motor vehicles	-	3-5 years
Fixtures, fittings and equipment (included in plant and machinery)	-	3-5 years

1.6 Leasing and hire purchase

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the company's depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.8 Stocks

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

Under supply agreements with Porsche, the company has access to "consignment stock". Where the nature of these supply agreements transfer the risks and rewards to the company, which in substance gives the company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with the equivalent liability.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.10 Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with Financial Reporting Standard 19, provision is made for deferred tax in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised when it is more likely than not that the deferred tax asset will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

1.11 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Notes to the Financial Statements

For the year ended 31 December 2013

2. Operating profit

The operating profit is stated after charging/(crediting):

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	69,365	65,247
- held under finance leases	5,123	9,392
Auditor's remuneration	8,050	7,000
Auditor's remuneration - non-audit	2,217	2,390
Operating lease rentals:		
- land and buildings	250,000	250,000
Profit on disposal of fixed assets	(4,264)	(29,667)

During the year, no director received any emoluments from Lind AG Limited (2012 - £NIL).

3. Interest payable

	2013 £	2012 £
Stocking loan interest	94,195	100,795

4. Staff costs

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	1,235,282	1,219,959
Social security costs	139,935	141,374
Other pension costs	32,082	31,708
	1,407,299	1,393,041

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

	2013 No.	2012 No.
Mechanical	9	9
Sales and distribution	8	8
Administration	23	23
Directors	2	2
	42	42

Notes to the Financial Statements

For the year ended 31 December 2013

5. Taxation

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	-	-
Deferred tax		
Origination and reversal of timing differences	2,453	8,675
Unrelieved tax losses carried forward to future years	12,351	49,412
Adjustments in respect of prior periods	-	24,886
Total deferred tax (see note 10)	<u>14,804</u>	<u>82,973</u>
Tax on profit on ordinary activities	<u>14,804</u>	<u>82,973</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activity before tax	<u>53,834</u>	<u>201,809</u>
Profit on ordinary activity multiplied by average rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	12,516	49,443
Effects of:		
Expenses not deductible for tax purposes	1,793	13,038
Differences between capital allowances and depreciation	-	(9,923)
Utilisation of tax losses	(14,309)	(52,635)
Other timing differences	-	77
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 23% to 20% by 1 April 2015, was included in the Finance Act 2013 which has since become substantively enacted. Deferred tax has been provided at 20% as this was the rate which was substantively enacted at the balance sheet date.

Notes to the Financial Statements

For the year ended 31 December 2013

6. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Total £
Cost			
At 1 January 2013	699,802	133,458	833,260
Additions	22,509	57,098	79,607
Disposals	-	(79,544)	(79,544)
At 31 December 2013	<u>722,311</u>	<u>111,012</u>	<u>833,323</u>
Depreciation			
At 1 January 2013	625,371	64,010	689,381
Charge for the year	37,097	37,391	74,488
On disposals	-	(17,075)	(17,075)
At 31 December 2013	<u>662,468</u>	<u>84,326</u>	<u>746,794</u>
Net book value			
At 31 December 2013	<u>59,843</u>	<u>26,686</u>	<u>86,529</u>
At 31 December 2012	<u>74,431</u>	<u>69,448</u>	<u>143,879</u>

Included within the net book value above is £5,919 (2012: £21,132) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £5,123 (2012: £9,392).

7. Stocks

	2013 £	2012 £
Vehicles and part stocks	<u>2,963,219</u>	<u>3,064,572</u>

Included within the total stock figure is £858,321 (2012 - £893,770) of consignment stock.

Also included within the total stock figure are demonstrator vehicles amounting to £842,798 (2012 - £1,078,093) and used vehicles amounting to £1,225,868 (2012 - £831,306) which are secured against the relevant vehicle creditors included within note 9.

Notes to the Financial Statements

For the year ended 31 December 2013

8. Debtors

	2013 £	2012 £
Due after more than one year		
Amounts owed by group undertakings	1,260,000	965,000
Due within one year		
Trade debtors	524,585	230,828
Other debtors	89,019	69,204
Prepayments and accrued income	384,880	328,173
Deferred tax asset (see note 10)	90,458	105,262
	<u>2,348,942</u>	<u>1,698,467</u>

9. Creditors:**Amounts falling due within one year**

	2013 £	2012 £
Payments received on account	522,890	219,304
Net obligations under finance leases and hire purchase contracts	-	7,555
Trade creditors	2,442,593	2,125,778
Other taxation and social security	213,001	142,819
Consignment stock creditor	858,321	893,770
Accruals and deferred income	246,030	207,686
	<u>4,282,835</u>	<u>3,596,912</u>

Obligations under finance leases and hire purchase contracts are secured over the assets required.

The consignment stock creditor is secured against the relevant stock items (note 7).

Included within trade creditors is a demonstrator vehicle funding creditor amounting to £842,798 (2012 - £1,078,093) and a used vehicle funding creditor amounting to £1,225,868 (2012 - £831,306) which is secured against the relevant vehicle stocks to which it relates.

10. Deferred tax asset

	2013 £	2012 £
At beginning of year	105,262	188,235
Charged for year (P&L)	(14,804)	(82,973)
	<u>90,458</u>	<u>105,262</u>

Notes to the Financial Statements

For the year ended 31 December 2013

10. Deferred tax asset (continued)

The deferred tax asset is made up as follows:

	2013 £	2012 £
Differences between depreciation and capital allowances	21,331	23,784
Tax losses carried forward	69,127	81,478
	<u>90,458</u>	<u>105,262</u>

11. Share capital

	2013 £	2012 £
Authorised		
10,000,000 Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

12. Reserves

	Profit and loss account £
At 1 January 2013	1,223,613
Profit for the year	39,030
	<u>1,262,643</u>
At 31 December 2013	

13. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	1,423,613	1,304,777
Profit for the financial year	39,030	118,836
	<u>1,462,643</u>	<u>1,423,613</u>
Closing shareholders' funds		

Notes to the Financial Statements

For the year ended 31 December 2013

14. Pension commitments

The company contributes to a group personal pension plan for individuals. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year was £32,082 (2012 - £31,708). At 31 December 2013, the company had outstanding contributions of £NIL (2012 - £NIL) and no prepaid pension contributions (2012 - £NIL).

15. Operating lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Within 1 year	-	-	13,660	-
Between 2 and 5 years	-	-	12,758	31,485
After more than 5 years	250,000	250,000	-	-

16. Related party transactions

During the year, the company rented premises from G M Dacre under a formal lease agreement and rent totalling £250,000 (2012 - £250,000) was charged. There were no rental amounts payable to G M Dacre at balance sheet date.

The company has taken advantage of the exemptions available under Financial Reporting Standard 8 (revised), whereby wholly owned subsidiary undertakings do not have to disclose transactions with other wholly owned members of that group.

During the year, the company purchased from, or sold goods to, the following directors:

	2013	2013	2012	2012
	Sales	Purchases	Sales	Purchases
	£	£	£	£
G M Dacre	211,124	62,736	-	-
R B Dacre	8,600	7,000	-	27,203

No balances with directors remain outstanding or owing as at the year end (2012: None).

Notes to the Financial Statements

For the year ended 31 December 2013

17. Ultimate parent undertaking and controlling party

The ultimate parent undertaking of the company is Lind Group Holding Company Limited, a company registered in England and Wales by virtue of its holding of 100% of the issued equity share capital of Lind AG Limited. Lind Group Holding Company Limited prepares consolidated financial statements in which the results of Lind AG Limited are included. These consolidated financial statements are available from Companies House, Cardiff, CF4 3UZ.

The company was under the control of G M Dacre by virtue of his controlling interest in the share capital in the ultimate parent undertaking, Lind Group Holding Company Limited. Subsequent to the year end, G M Dacre transferred some of his ordinary shares to R B Dacre who now both jointly control the company.