

Company Registration number 07380405 (England and Wales)

Vehicle Stocking Limited
Report and Financial Statements
For the year ended
31 March 2017
Pages for filing with registrar

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Vehicle Stocking Limited

Company Information

Directors	C Burgess P Behrens J Hodge
Secretary	J Bieda
Company Number	07380405
Registered office	VTG House No 1 The Osiers Business Park Laversall Way Leicester LE19 1DX
Auditors	RSM UK Audit LLP Chartered Accountants Rivermead House 7 Lewis Court Grove Park Leicester Leicestershire LE19 1SD
Business address	VTG House No 1 The Osiers Business Park Laversall Way Leicester LE19 1DX

Vehicle Stocking Limited

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Directors' responsibilities statement

For the year ended 31 March 2017

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Vehicle Stocking Limited

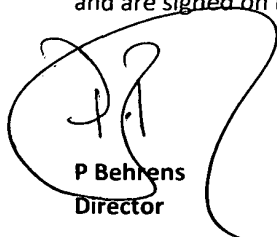
Statement of financial position as at 31 March 2017

	Notes	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	3		130,983		362,407
			130,983		362,407
Current assets					
Stock		523,727		639,613	
Debtors	4	7,193,970		11,621,286	
Cash at bank and in hand		995,591		297,460	
		8,713,288		12,558,359	
Creditors: amounts falling due within one year	5	(770,644)		(1,960,228)	
Net current assets			7,942,644		10,598,131
Total assets less current liabilities			8,073,627		10,960,538
Creditors: amounts falling due after more than one year	6		(12,756,236)		(13,825,441)
Provisions for liabilities	7		(911,634)		(105,549)
Net liabilities			(5,594,243)		(2,970,452)
Capital and reserves					
Called up share capital	8		3,000,100		3,000,100
Profit and loss reserves			(8,594,343)		(5,970,552)
Total Equity			(5,594,243)		(2,970,452)

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 21st December 2017 and are signed on its behalf by:


P Behrens
Director

Registration number: 07380405

Vehicle Stocking Limited

Notes to the financial statements for the year ended 31 March 2017

1. Accounting policies

Company information

Vehicle Stocking Limited is a private company limited by shares incorporated in England and Wales. The registered office is VTG House, No 1 The Osiers Business Park, Laversall Way, Leicester, LE19 1DX.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 below.

Going concern

In May 2017 the company was purchased by RateSetter Motor Limited ("RML") and its ultimate parent company Retail Money Market Ltd ("RMM") from Vehicle Trading Group Limited (in administration). If needed RMM have agreed to supply the necessary finance to the company to ensure that it is able to continue to meet its liabilities and operating requirements as they become due, for a period of at least 12 months from the approval of the financial statements.

The year end intercompany creditor balance of £12,739,982 with Vehicle Trading Group Limited was taken on by RateSetter as part of the purchase of Vehicle Stocking Limited from the administrator in May 2017.

The directors having considered the above, reviewed the business, its funding, its forecast and have made due enquiries, have continued with the adoption for the preparation of the financial statements on the going concern basis. This has been done on the understanding that the directors have confirmed that on the date of signing of these accounts, there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern for at least 12 months from the date of this report and for the foreseeable future.

Turnover

Turnover represents interest and fee income on trade receivables at amortised cost which is recognised using the effective interest method which allocates interest and fees over the expected lives of the assets in the normal course of business, and is shown net of VAT and other sales related taxes.

The effective interest method requires the company to estimate future cash flows, in some cases based on its experience of customers' behaviour, considering all contractual terms of the financial instrument, as well as the expected lives of the trade receivables.

Vehicle Stocking Limited

Notes to the financial statements for the year ended 31 March 2017

1. Accounting policies (continued)

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 and Fittings	- 33.33% straight line per annum
Motor vehicles	- 30% reducing balance
Computer equipment	- 33.33% straight line per annum

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.

Impairment of fixed assets

Recoverable amount is the higher of the 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.

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.

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.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised 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.

Basic financial assets

Basic financial assets, which include trade and other receivables amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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Notes to the financial statements for the year ended 31 March 2017

1. Accounting policies (continued)

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts due from group companies, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantially enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing difference that exist at the reporting date. Timing differences represent the difference between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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Notes to the financial statements for the year ended 31 March 2017

1. Accounting policies (continued)

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Provisions are made against operating leases where the unavoidable cost of meeting the lease obligations exceed the economic benefits received.

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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement 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 base asset are consumed.

2. Employees

The average monthly number of persons (including directors) employed by the company during the year was 29 (2016: 42).

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Notes to the financial statements for the year ended 31 March 2017

3. Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2016	548,709
Additions	18,508
Disposals	(181,606)
At 31 March 2017	<u>385,611</u>
Depreciation and impairment	
At 1 April 2016	186,302
Depreciation charged in the year	89,639
Impairments	63,162
Eliminated in respect of disposals	(84,475)
At 31 March 2017	<u>254,628</u>
Carrying amount	
At 31 March 2017	<u>130,983</u>
At 31 March 2016	<u>362,407</u>

Assets utilised under operating leases:

Included in the net book value of £130,983 (2016: £362,407) is £58,043 (2016: £151,919) relating to assets utilised under operating lease agreements.

4. Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	7,023,902	8,876,891
Corporation tax recoverable	3	113,725
Amounts owed by group undertakings	39,824	2,532,988
Other debtors	130,241	97,682
	<u>7,193,970</u>	<u>11,621,286</u>

5. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	596,647	657,079
Amounts owed to group undertakings	29,749	19,975
Other taxation and social security	20,288	42,680
Other creditors	123,960	1,240,494
	<u>770,644</u>	<u>1,960,228</u>

Amounts shown under hire purchase contracts are secured on the assets concerned.

Included in creditors is £nil (2016: £1,000,000) which is secured by way of a fixed and floating charge over the company's assets.

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Notes to the financial statements for the year ended 31 March 2017

6. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to group undertakings	12,739,982	-
Other creditors	16,254	13,825,441
	<u>12,756,236</u>	<u>13,825,441</u>

Included in creditors is £nil (2016: £13,625,277) which is secured by way of a fixed and floating charge over the company's assets.

7. Provisions for liabilities

	2017 £	2016 £
Amounts due under onerous leases	350,361	105,549
Partial exemption VAT	561,273	-
	<u>911,634</u>	<u>105,549</u>

8. Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 3,000,100 Ordinary shares of £1 each	<u>3,000,100</u>	<u>3,000,100</u>

9. Operating lease commitments

Leases

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	60,000	60,000
Between one and five years	240,000	240,000
In over five years	127,500	187,500
	<u>427,500</u>	<u>487,500</u>

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Notes to the financial statements for the year ended 31 March 2017

10. Related party transactions

Transactions with related parties

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

	Sale of goods		Purchase of goods	
	2017	2016	2017	2016
	£	£	£	£
Other related parties	<u>8,576,823</u>	<u>19,401,899</u>	<u>593,405</u>	<u>15,489,255</u>
	Payment of trading loans		Receipt of trading loans	
	2017	2016	2017	2016
	£	£	£	£
Other related parties	<u>-</u>	<u>9,210,268</u>	<u>-</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	2017	2016
	£	£
Amounts owed to related parties		
Other related parties	<u>42,000</u>	<u>31,033</u>
Amounts owed by related parties		
Other related parties	<u>279,273</u>	<u>1,785,177</u>

Other related parties include companies with shared common directors.

Amounts written off during the year in respect of related parties identified above amounted to £nil (2016: £394,494).

11. Events after the reporting date

In May 2017 the parent company, Vehicle Trading Group Limited, went into administration. RateSetter Motor Limited, a company whose ultimate parent company is Retail Money Market Ltd ("RMM") purchased Vehicle Stocking Limited from the administrator.

RateSetter Motor Limited is now the 100% shareholder of the company and if needed RMM have agreed to supply the necessary finance to the company to ensure that it is able to continue to meet its liabilities and operating requirements as they become due, for a period of at least 12 months from the approval of the financial statements.

The year end intercompany creditor balance of £12,739,982 with Vehicle Trading Group Limited was taken on by RateSetter as part of the purchase of Vehicle Stocking Limited from the administrator in May 2017.

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Notes to the financial statements for the year ended 31 March 2017

12. Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

- The audit report was unqualified;
- The senior statutory auditor was Benjamin Lawrance;
- The auditor was RSM UK Audit LLP