

VEHICLE STOCKING LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2020

Registered number: 07380405



VEHICLE STOCKING LIMITED

Annual report and financial statements for the year ended 31 March 2020

Contents

	Pages
Officers and professional advisors	1
Director's report	2
Director's responsibilities statement	4
Independent auditor's report	5
Statement of comprehensive income	7
Statement of changes in equity	8
Statement of financial position	9
Notes to the financial statements	10-17

VEHICLE STOCKING LIMITED

Officers and professional advisors

Director	P Behrens
Company Number	07380405
Registered office	No 1 The Osiers Business Centre Leicester LE19 1DX
Independent auditor	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

VEHICLE STOCKING LIMITED

Director's report

The director presents the annual report and audited financial statements of Vehicle Stocking Limited ("the Company"), a private company limited by shares which is domiciled and incorporated in the United Kingdom, for the year ended 31 March 2020.

Principal Activity

The principal activity of the Company throughout the year was the management of the run-off of the Company's loan portfolio. Previously, the Company provided finance to the motor trade however no new loans were originated in the current or prior financial year. In addition to its principal activity, the Company receives commissions associated with the performance of the RateSetter group's motor finance business.

Dividend

The director does not propose a dividend in respect of the year ended 31 March 2020 (2019: £nil).

Directors

The director of the Company who served during the year and up to the date of this report was Peter Behrens.

Auditor

The director has confirmed that:

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

Subsequent events

Acquisition of RateSetter Group

On 14 September 2020, the Company's ultimate parent company, Retail Money Market Ltd, was acquired by Metro Bank Plc. The change in ownership has not resulted in a change in the principal activity of the Company.

Cash receipts and repayment of loans and borrowings

In December 2020, RateSetter Motor Limited made a capital contribution of £4.8m to the Company, enabling the full repayment of its loans and borrowings and amounts owed to group undertakings, which at 30 November 2020 stood at £4.0m and £0.8m respectively.

Cessation of commission agreement

In August 2019, the Company entered into a commission agreement with Retail Money Market Ltd, which entitled the Company to receive commissions generated by the RateSetter group's motor finance business. As per the terms of the agreement, the agreement terminated in December 2020 when all sums owed by the Company were repaid to the RateSetter lenders (i.e. the repayment of the loan and borrowings). Following the termination of this agreement, the Company is no longer entitled to receive commissions under this agreement.

Going concern

These financial statements are prepared on a basis other than that of going concern (see Note 1.1 on page 10).

Small companies exemption

The Company is entitled to small companies' exemption in relation to the Strategic Report as it would be entitled to prepare accounts for the year in accordance with the small companies' regime but for having been a member of an ineligible group.

VEHICLE STOCKING LIMITED

Director's report

Outlook for the entity

The intention of the director is to wind-up the Company within the next 12 months of these financial statements being approved. International Accounting Standard (IAS) 1 "Presentation of Financial Statements" requires the financial statements in such circumstances to be prepared on a basis other than going concern. No material adjustments to the valuation of the assets at recoverable amount and liabilities at settlement value were required as a result of preparing the financial statements on other than going concern basis. Any costs associated with the wind-up of the entity will be borne by Retail Money Market Ltd.

This report has been approved by the Board and signed on behalf of the Board by:

Peter Behrens

P Behrens
Director
18 December 2020

VEHICLE STOCKING LIMITED

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the comprehensive income of the Company for that year. In preparing these financial statements, International Accounting Standard 1 requires that the director:

- selects suitable accounting policies and then applies them consistently;
- makes judgments and accounting estimates that are reasonable and prudent;
- presents information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provides additional disclosures when compliance with the accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and performance; and
- make an assessment of the Company's ability to continue as a going concern. For the reasons stated in the Director's report and Note 1.1, the financial statements have been prepared on a basis other than going concern.

The director is 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. He is 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.

Under applicable law and regulations, the director is also responsible for preparing a Director's report that complies with that law.

VEHICLE STOCKING LIMITED

Independent auditor's report

Opinion

We have audited the financial statements of Vehicle Stocking Limited ('the Company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of changes in equity, statement of financial position, and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 below. 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.

Emphasis of Matter – financial statements prepared on a basis other than going concern

We draw attention to Note 1.1 to the financial statements which explains that the director intends to wind up the Company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 1.1. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 the audit:

- the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with applicable legal requirements.

VEHICLE STOCKING LIMITED

Independent auditor's report

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 Director's report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the director was not entitled to take advantage of the small companies' exemption from preparing a Strategic report.

Responsibilities of directors

As explained more fully in the Director's responsibilities statement on page 4, the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or has 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our 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.

Ernst & Young LLP

Andy Blackmore (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
Bristol, United Kingdom
18 December 2020

VEHICLE STOCKING LIMITED**Statement of comprehensive income for the year ended 31 March 2020**

	Note	2020 £	2019 £
Interest and fee income		-	169,465
Finance costs		(367,532)	(434,606)
Cost of sales		-	(15,596)
Gross loss		(367,532)	(280,737)
Administrative expenses		(163,461)	(628,071)
Amounts recovered on loans receivables previously impaired		119,768	233,973
Movement in provision	12	195,450	82,987
Operating loss	6	(215,775)	(591,848)
Interest receivable		25,110	24
Loss before taxation		(190,665)	(591,824)
Tax charge	7	-	-
Total comprehensive loss for the year		(190,665)	(591,824)

The notes on pages 10 to 17 form part of these financial statements.

VEHICLE STOCKING LIMITED**Statement of changes in equity for the year ended 31 March 2020**

	Share capital £	Capital contribution £	Retained losses £	Total £
At 31 March 2018	3,000,100	-	(9,296,936)	(6,296,836)
Capital contribution	-	1,104,280	-	1,104,280
Loss for the year	-	-	(591,824)	(591,824)
At 31 March 2019	3,000,100	1,104,280	(9,888,760)	(5,784,380)
Capital contribution	-	899,075	-	899,075
Loss for the year	-	-	(190,665)	(190,665)
At 31 March 2020	3,000,100	2,003,355	(10,079,425)	(5,075,970)

The notes on pages 10 to 17 form part of these financial statements.

VEHICLE STOCKING LIMITED

Statement of financial position as at 31 March 2020

	Notes	2020 £	2019 £
Non-current assets			
Property, plant and equipment	8	-	3,050
		-	3,050
Current assets			
Trade and other receivables	9	2,498	1,328,698
Cash and cash equivalents		62,740	71,222
		65,238	1,399,920
Total assets		65,238	1,402,970
Current liabilities			
Trade and other payables	10	(284,130)	(924,263)
Loans & borrowings	11	(4,626,780)	(1,661,447)
Provisions	12	(230,298)	(425,748)
		(5,141,208)	(3,011,458)
Non-current liabilities			
Loans & borrowings	11	-	(4,175,892)
		-	(4,175,892)
Total liabilities		(5,141,208)	(7,187,350)
Net liabilities		(5,075,970)	(5,784,380)
Capital and reserves			
Share capital	13	3,000,100	3,000,100
Capital contribution		2,003,355	1,104,280
Retained losses		(10,079,425)	(9,888,760)
Equity shareholders' deficit		(5,075,970)	(5,784,380)

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 18 December 2020 by:

Peter Behrens

P Behrens
Director

Registration Number: 07380405

The notes on pages 10 to 17 form part of these financial statements.

VEHICLE STOCKING LIMITED

Notes forming part of the financial statements for the year ended 31 March 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements were prepared on a basis consistent with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Company has taken advantage of the disclosure exemptions allowed under this standard. The Company's ultimate parent undertaking, Retail Money Market Ltd, was notified of, and did not object to, the use of any disclosure exemptions.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of IFRS 7 Financial Instruments: Disclosures,
- b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement,
- c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1; (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- d) the requirements of paragraphs 10(d), 10(f), 38(a-d), 40(a-d) and 134-136 of IAS 1 Presentation of Financial Statements;
- e) the requirements of IAS 7 Statement of Cash Flows;
- f) related party transactions; and
- g) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The Company's presentational currency is pound sterling ("£"). The functional currency of the Company is also pound sterling on the basis that it is the pricing currency in which the transactions of the Company are conducted.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions change. Management believe that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

Small companies exemption

The Company is entitled to the small companies' exemption in relation to the Strategic Report as it would be entitled to prepare accounts for the year in accordance with the small companies' regime but for having been a member of an ineligible group.

COVID-19

During 2020, the outbreak of COVID-19 in the UK, and the subsequent actions taken by the UK Government, have resulted in turbulence across the financial system and a significant increase in economic uncertainty. Although there remains uncertainty regarding the continuing pandemic and the UK's future economic recovery, given the decision to wind-up the Company in the next 12 months, the director does not consider that the pandemic will have a material impact on the Company in the future.

Going concern

The intention of the director is to wind-up the Company within the next 12 months of these financial statements being approved. International Accounting Standard (IAS) 1 "Presentation of Financial Statements" requires the financial statements in such circumstances to be prepared on a basis other than going concern. No material adjustments to the valuation of the assets at recoverable amount and liabilities at settlement value were required as a result of preparing the financial statements on other than going concern basis. Following the change in the basis of preparation, the entire value of the outstanding loans and borrowings has been classified as a current liability. Any costs associated with the wind-up of the entity will be borne by Retail Money Market Ltd.

1.2 Changes in accounting policy and disclosures

New and amended standards issued, effective and adopted by the Company

IFRS 16 (Leases)

The Company has adopted IFRS 16 with a date of transition of 1 April 2019, however this resulted in no material changes to the Company's accounting policies and financial statement disclosures.

IFRS 16 provides guidance on the classification, recognition and measurement of leases to help provide useful information to the users of financial statements. IFRS 16 replaces IAS 17 'Leases' and provides a single lessee accounting model, requiring lessees to recognise right of use ('RoU') assets and lease liabilities for all applicable leases with operating leases being brought onto the face of the balance sheet.

The Company did not have outstanding commitments for future minimum lease payments under non-cancellable operating leases or finance leases in the current, or prior year. As a result, there was no adjustment for the recognition of any RoU assets or lease liabilities.

1.3 Summary of accounting policies

Interest and fee income

Interest and fee income represents interest and fee income on loan receivables held 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 loan receivables.

Finance costs

Finance costs comprise interest arising on loans and borrowings measured at amortised cost using the effective interest method.

Cost of sales

Cost of sales comprise fees associated with the transportation, storage and repair of repossessed vehicles.

Administrative expenses

Administrative expenses comprise office costs, professional costs, depreciation of assets and other costs.

Interest receivable

Interest receivable is the interest arising on intercompany loans made to companies within the RateSetter group.

Cash and cash equivalents

Cash and cash equivalents include short-term deposits, with an initial maturity of three months or less, held with banks.

Property, plant and equipment

Property, plant and equipment is initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is recognised to write off the cost or valuation of assets, less their residual values, over their useful lives on the following bases:

Motor vehicles - 30% reducing balance

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 recognised within the statement of comprehensive income.

VEHICLE STOCKING LIMITED

Notes forming part of the financial statements for the year ended 31 March 2020

Impairment of fixed assets

The recoverable value of a fixed asset is the higher of its fair value less any costs to sell, and the value in use. In assessing an asset's 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 value of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable value. Impairment losses are recognised immediately within the statement of comprehensive income.

Financial instruments

Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

All financial assets are recognised initially at fair value plus any transaction costs that are attributable to the acquisition of the financial asset, with the exception of assets valued at fair value where transactions costs are expensed through the statement of comprehensive income. Following an assessment of the business model for managing the financial assets and the contractual terms of the cashflows, the Company classifies its financial assets, at initial recognition and for subsequent measurement, as financial assets held at amortised cost.

Amortised cost

Assets that are held for the collection of contractual cashflows, where the cashflows represent solely repayments of principal and interest, are measured at amortised cost using the effective interest method, net of any impairment provision. Interest earned from such financial assets is recognised in the statement of comprehensive income as revenue on an accruals basis using the effective interest method. Any losses arising from impairment of the asset are recognised in the statement of comprehensive income. The Company's financial assets measured at amortised cost includes trade and other receivables.

Trade receivables are recognised at fair value on initial recognition which equates to the amount expected to be receivable on settlement of the asset. All amounts are assessed for impairment based on a consideration of whether the Company will be able to collect all amounts due according to the original terms of the receivable using the expected credit loss ("ECL") approach. Any losses arising from impairment of the asset are recognised in the statement of comprehensive income within administrative expenses.

Impairment of financial assets

Under IFRS 9, for financial assets measured at amortised cost, the Company assesses the ECL. With respect to loan receivables, as the Company has adopted the simplified approach the loss allowance is equal to the lifetime ECL.

The ECL for the Company's loan receivables is derived from extrapolated loss curves created using historical credit loss data. In calculating the ECL forward-looking information is incorporated, such as the impact on future loan performance of certain macroeconomic variables.

Significant estimates included within the ECL calculations include the impact of the forward-looking information and the estimates around expected future recovery rates. Significant estimates will be reviewed on an ongoing basis as part of the IFRS 9 review process.

The other current assets have been analysed for impairment using the ECL approach and no material loss allowance has been deemed to be required.

De-recognition of financial assets

Financial assets are derecognised when the contractual rights to the cashflows from the financial assets expire or the Company has either transferred the contractual right to receive the cashflows from that asset or has assumed an obligation to pay those cashflows to one or more recipients.

VEHICLE STOCKING LIMITED

Notes forming part of the financial statements for the year ended 31 March 2020

Financial liabilities

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The Company classifies its financial liabilities, at initial recognition and for subsequent measurement, as financial liabilities held at amortised cost.

Amortised cost

Financial liabilities recognised in the Company's statement of financial position as either loans and borrowings or trade and other payables are classified as financial liabilities held at amortised cost. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method with all movements recognised in the statement of comprehensive income.

Taxation

The tax expense comprises current and deferred tax. Current tax is recognised in the statement of comprehensive income and is provided at the amount expected to be paid (or recovered) applying tax rates and laws enacted or substantively enacted at the end of the reporting year.

Deferred tax is provided in full, using a temporary difference approach, and is the tax expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated applying tax rates and laws enacted or substantively enacted at the end of the reporting year. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Provisions for liabilities

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.

Capital Contributions

Capital contributions are received from the ultimate parent company Retail Money Market Ltd via a commission agreement and are recognised on an accruals basis. These capital contributions are recorded in a separate reserve account.

2. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with FRS 101 requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Measurement of impairment provision

The Company exercises judgement in measuring and recognising provisions related to loans made to the motor trade to acquire vehicles under hire purchase contracts. An estimation technique is adopted in assessing the likelihood that a liability will arise, and to quantify the possible range of the financial settlement. Due to the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

3. Segmental analysis

The Company's operations are carried out solely in the UK and are considered by the director to consist of a single business unit. The results and net liabilities of the Company are derived from its principal activity.

VEHICLE STOCKING LIMITED

Notes forming part of the financial statements for the year ended 31 March 2020

4. Employees

The average number of employees (including key management personnel) of the Company during the year was nil (2019: nil). The Company has no employees and the employee services provided to the Company have been borne by the ultimate parent company and were not re-charged.

5. Directors' remuneration

The director is the only member of management that meets the definition of 'key management personnel' and during the year he did not receive any emoluments for services provided to the Company (2019: £nil). The emoluments of the director have been borne by the ultimate parent company and were not re-charged to the Company on the basis that the activity that the director performs as a director of the Company is not deemed to be material relative to the services he provides to the wider RateSetter group and, as a result, it is not considered possible to attribute a proportion of the director's overall remuneration to the Company.

6. Operating loss

	2020 £	2019 £
Operating loss for the year is stated after charging:		
Auditor's remuneration	13,500	7,800
Profit on sale of property, plant and equipment	(2,276)	-
Rent and operating lease expense	-	44,417

7. Tax on loss on ordinary activities

The standard UK corporation tax rate was 19% for the year (19% for the year ended 31 March 2019).

	2020 £	2019 £
Current tax		
Current tax on loss for the year	-	-
Adjustment in respect of prior years	-	-
Tax charge	-	-
Factors affecting the tax charge for the current year:		
Loss for the year	(190,665)	(591,824)
Tax on loss at standard UK tax rate of 19% (2019: 19%)	(36,227)	(112,447)
Effects of:		
Expenses not deductible	-	1,007
Income not taxable	(679)	-
Capital contribution	-	209,813
Movement in deferred tax not recognised	36,906	(98,373)
Tax charge for the year	-	-
Unrecognised deferred tax:		
Fixed Assets	(48,437)	(46,248)
Losses	(1,520,304)	(1,077,977)
	(1,568,741)	(1,124,225)

The current UK corporation tax rate is 19% and is not expected to change in the foreseeable future, therefore the unrecognised deferred tax asset of £1,568,741 (2019: £1,124,225) has been calculated at a rate of 19% (2019: 17%).

VEHICLE STOCKING LIMITED

Notes forming part of the financial statements for the year ended 31 March 2020

8. Property, plant and equipment

	Motor vehicles £
Cost	
At 1 April 2018	140,296
Disposals	(137,246)
At 31 March 2019	3,050
Disposals	(3,050)
At 31 March 2020	-
Depreciation and impairment	
At 1 April 2018	105,615
Eliminated in respect of disposals	(105,615)
At 31 March 2019	-
Charge during the year	76
Eliminated in respect of disposals	(76)
At 31 March 2020	-
Carrying amount	
At 31 March 2020	-
At 31 March 2019	3,050

VEHICLE STOCKING LIMITED

Notes forming part of the financial statements for the year ended 31 March 2020

9. Trade and other receivables

	2020 £	2019 £
Current assets:		
Prepayments	2,498	-
Amounts owed by group	-	1,306,612
Other receivables	-	22,086
	<hr/>	<hr/>
	2,498	1,328,698
	<hr/>	<hr/>

The table below provides further detail of the loan receivables balance of nil (2019: £nil):

	2020 £	2019 £
Gross loans receivables	3,423,864	3,976,679
Impairment provisions	(3,423,864)	(3,976,679)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

10. Trade and other payables

	2020 £	2019 £
Current liabilities:		
Trade creditors	4,222	60,244
Accruals	10,658	55,161
Amounts owed to group	267,850	-
Corporation tax liability	49	53,358
Other creditors	1,351	755,500
	<hr/>	<hr/>
	284,130	924,263
	<hr/>	<hr/>

11. Loans and borrowings

	2020 £	2019 £
Current liabilities:		
Loans and borrowings	4,626,780	1,661,447
Non-current liabilities:		
Loans and borrowings	-	4,175,892

Loans and borrowings represent secured debt repayable to the RateSetter investors, with an average interest charge of 7%. The debt amortises monthly and had an original maturity of August 2022, which was extended to August 2024 in the prior year. Since the reporting date, the debt has been repaid in full (see *Subsequent events* section in the Director's report).

VEHICLE STOCKING LIMITED

Notes forming part of the financial statements for the year ended 31 March 2020

12. Provisions

	2020 £	2019 £
At 31 March 2019 / 31 March 2018	425,748	508,735
Released in the year	(195,450)	(82,987)
At 31 March 2020 / 31 March 2019	230,298	425,748

The provision figure at 31 March 2020 and 31 March 2019 represents the amount due to HMRC in relation to historical VAT obligations. The provision release during the year followed the agreement with HMRC of the final amount payable.

13. Called up share capital

	2020 £	2019 £
Ordinary share capital (issued and fully paid)		
3,000,100 Ordinary shares of £1 each	3,000,100	3,000,100

14. Operating lease commitments

At the reporting end date, the Company had no outstanding commitments for future minimum lease payments under non-cancellable operating leases.

15. Related party transactions

There are no other related party balances except those already disclosed within the notes of these accounts.

16. Ultimate controlling entity

As at 31 March 2020, the ultimate controlling entity was Retail Money Market Ltd (company number: 07075792), a company incorporated in England and Wales. At the date of this report, the ultimate controlling entity was Metro Bank Plc (company number: 06419578), a company incorporated in England and Wales.

17. Subsequent events

Acquisition of RateSetter Group

On 14 September 2020, the Company's ultimate parent company, Retail Money Market Ltd, was acquired by Metro Bank Plc. The change in ownership has not resulted in a change in the principal activity of the Company.

Cash receipts and repayment of loans and borrowings

In December 2020, RateSetter Motor Limited made a capital contribution of £4.8m to the Company, enabling the full repayment of its loans and borrowings and amounts owed to group undertakings, which at 30 November 2020 stood at £4.0m and £0.8m respectively.

Cessation of commission agreement

In August 2019, the Company entered into a commission agreement with Retail Money Market Ltd, which entitled the Company to receive commissions generated by the RateSetter Group's motor finance business. As per the terms of the agreement, the agreement terminated in December 2020 when all sums owed by the Company were repaid to the RateSetter lenders (i.e. the repayment of the loan and borrowings). Following the termination of this agreement, the Company is no longer entitled to receive commissions under this agreement.