

VEHICLE STOCKING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016

PAGES FOR FILING WITH REGISTRAR



VEHICLE STOCKING LIMITED

COMPANY INFORMATION

Directors	C Burgess J Hodge P Behrens
Secretary	J Bieda
Company number	07380405
Registered office	VTG House No 1 The Osiers Business Park Laversall Way Leicester LE19 1DX
Auditor	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

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

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 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;
- 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 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	3		-	3,919,567	
Tangible assets	4		362,407	695,010	
			<u>362,407</u>	<u>4,614,577</u>	
Current assets					
Stocks		639,613		681,942	
Debtors	6	11,621,286		27,967,950	
Cash at bank and in hand		297,460		379,743	
		<u>12,558,359</u>		<u>29,029,635</u>	
Creditors: amounts falling due within one year	7	<u>(1,960,228)</u>		<u>(9,915,917)</u>	
Net current assets			<u>10,598,131</u>	<u>19,113,718</u>	
Total assets less current liabilities			<u>10,960,538</u>	<u>23,728,295</u>	
Creditors: amounts falling due after more than one year	8		(13,825,441)	(21,507,250)	
Provisions for liabilities	9		<u>(105,549)</u>	<u>-</u>	
Net (liabilities)/assets			<u>(2,970,452)</u>	<u>2,221,045</u>	
Capital and reserves					
Called up share capital	11		3,000,100	3,000,100	
Capital contribution reserve			-	150,390	
Profit and loss reserves			<u>(5,970,552)</u>	<u>(929,445)</u>	
Total equity			<u>(2,970,452)</u>	<u>2,221,045</u>	

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.

The financial statements were approved by the board of directors and authorised for issue on 25/9/17 and are signed on its behalf by:


P. Behrens
Director

VEHICLE STOCKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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 out below.

These financial statements are the first financial statements of Vehicle Stocking Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) as applied to smaller entities by the adoption of Section 1A of FRS102. The financial statements of Vehicle Stocking Limited for the year ended 31 March 2015 were prepared in accordance with Financial Reporting Standard for Smaller Entities (effective April 2008) (FRSSE).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from FRSSE. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Going concern

On the 3 May 2017 the company was purchased by Ratesetter Motor Limited (RML) and its ultimate parent company Retail Money Market Limited (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 directors having considered the above, reviewed the business, its funding, its forecast and have made due enquires, 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 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.

VEHICLE STOCKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

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.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

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:

Plant and machinery	25% reducing balance
Fixtures, fittings and equipment	15% reducing balance
Computer equipment	25% reducing balance
Motor vehicles	25% 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 credited or charged to profit or loss.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

VEHICLE STOCKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

Impairment of fixed assets

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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 Instruments 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 debtors, 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.

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.

VEHICLE STOCKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

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 substantively 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 substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences 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.

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.

VEHICLE STOCKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The company participates in a share-based payment arrangement granted to its employees and employees of its subsidiaries. The company has elected to recognise and measure its share-based payment expense on the basis of a reasonable allocation of the expense for the group recognised in its consolidated accounts. The directors consider the number of unvested options granted to the company's employees compared to the total unvested options granted under the group plan to be a reasonable basis for allocating the expense.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

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 lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 42 (2015 - 38).

VEHICLE STOCKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2015 and 31 March 2016	4,600,000
Amortisation and impairment	
At 1 April 2015	680,433
Amortisation charged for the year	230,000
Impairment losses	3,689,567
At 31 March 2016	4,600,000
Carrying amount	
At 31 March 2016	-
At 31 March 2015	3,919,567

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2015	829,500
Additions	246,357
Disposals	(527,148)
At 31 March 2016	548,709
Depreciation and impairment	
At 1 April 2015	134,490
Depreciation charged in the year	186,760
Eliminated in respect of disposals	(134,948)
At 31 March 2016	186,302
Carrying amount	
At 31 March 2016	362,407
At 31 March 2015	695,010

Assets utilised under operating leases:

Included in the net book value of £362,407 (2015: £695,010) is £151,919 (2015: £54,583) relating to assets utilised under operating lease agreements.

VEHICLE STOCKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

5 Fixed asset investments

	2016 £	2015 £
Investment in joint venture	-	-

Movements in fixed asset investments

	Investment in joint venture £
Cost or valuation	
At 1 April 2015	-
Addition	50
At 31 March 2016	50
Impairment	
At 1 April 2015	-
Impairment	50
At 31 March 2016	50
Carrying amount	
At 31 March 2016	-
At 31 March 2015	-

6 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	8,876,891	14,389,541
Corporation tax recoverable	113,725	73,766
Amounts owed by group undertakings	2,532,988	10,787,719
Other debtors	97,682	2,496,924
	11,621,286	27,747,950
Deferred tax asset	-	220,000
	11,621,286	27,967,950

Included in other debtors is an amount of £Nil (2015: £219,412) relating to a motor vehicle held under a finance lease agreement, amounting to £Nil (2015: £222,500). Amount due in more than one year £Nil (2015: £176,608).

VEHICLE STOCKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

7 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	657,079	998,725
Amounts due to group undertakings	19,975	44,924
Other taxation and social security	42,680	76,831
Other creditors	1,240,494	8,795,437
	<u>1,960,228</u>	<u>9,915,917</u>

Included in other creditors is £1,000,000 (2015: £6,417,786) which is secured by way of a fixed and floating charge over the company's assets.

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

8 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	<u>13,825,441</u>	<u>21,507,250</u>

Included in other creditors is £13,625,277 (2015: £19,474,255) which is secured by way of a fixed and floating charge over the company's assets.

9 Provisions for liabilities

	2016 £	2015 £
Onerous lease	<u>105,549</u>	<u>-</u>

The onerous lease provision relates to rents due on the company's leased properties no longer occupied by the company, where there are no reasonable prospects of sub-letting the space.

VEHICLE STOCKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

10 Share-based payment transactions

During the previous year, a share-based payment transaction was accounted for. In the current period there was a clarification on the group structure whereby it was considered that Vehicle Trading Group didn't become the ultimate parent of Vehicle Stocking Limited until 6 April 2016. Therefore this transaction has been reversed.

11 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
3,000,100 Ordinary of £1 each	<u>3,000,100</u>	<u>3,000,100</u>

12 Operating lease commitments

Lessee

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:

	2016 £	2015 £
Within one year	60,000	60,000
Between one and five years	240,000	240,000
In over five years	<u>187,500</u>	<u>247,500</u>
	<u>487,500</u>	<u>547,500</u>

VEHICLE STOCKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

13 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	
	2016	2015	2016	2015
	£	£	£	£
Other related parties	19,401,899	6,640,852	15,489,255	5,290,860

	Payment of trading loans		Receipt of trading loans	
	2016	2015	2016	2015
	£	£	£	£
Other related parties	9,210,268	3,270,763	-	10,007,376

The following amounts were outstanding at the reporting end date:

	2016	2015
	£	£
Amounts owed to related parties		
Other related parties	31,033	9,227,637
	<u>31,033</u>	<u>9,227,637</u>

The following amounts were outstanding at the reporting end date:

	2016
	Balance
	£
Amounts owed by related parties	
Other related parties	1,785,177
	<u>1,785,177</u>
	2015
	Balance
	£
Amounts owed in previous period	
Other related parties	2,360,625
	<u>2,360,625</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 £394,494 (2015: £nil).

VEHICLE STOCKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

14 Events after the reporting date

On 3 May 2017 the parent company, Vehicle Trading Group Limited (VTG), went into administration. Ratesetter Motor Limited (RML), a company whose ultimate parent company is Retail Money Market Limited (RMM) purchased Vehicle Stocking Limited (VSL) 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.

On 1 December 2016, Clickcarcredit.Com Limited, a fellow subsidiary went into administration. Debts estimated at £448,000 were guaranteed by Vehicle Stocking Limited on behalf of Clickcarcredit.Com. These are repayable over 5 years.

15 Directors' transactions

Included within creditors due within one year are the following transactions with directors.

During the year, rent of £2,500 (2015: £30,000) was paid to the joint account of A Hubbard and J Voss, directors of the company.

Description	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
J Voss -	212,495	39,069	(251,564)	-
A Hubbard -	204,540	21,585	(226,125)	-
	<u>417,035</u>	<u>60,654</u>	<u>(477,689)</u>	<u>-</u>

16 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 Lawrence;
- the auditor was RSM UK Audit LLP