

Vertu Motors (Knaresborough) Limited

Registered number 09526628

Directors' report and financial statements

For the year ended 29 February 2020

THURSDAY



A9H6SLRC

A25

05/11/2020

#174

COMPANIES HOUSE

Contents

Directors' report	1
Statement of Directors' responsibilities	3
Statement of income and retained earnings	4
Balance sheet	5
Notes to the financial statements	6

Directors' report

For the year ended 29 February 2020

The Directors present the annual report and financial statements of Vertu Motors (Knaresborough) Limited, "the Company", for the year ended 29 February 2020. The registered number of the Company is 09526628.

The Directors have taken advantage of the small companies' exemption from preparation of a Strategic Report in accordance with section 414B of the Companies Act 2006.

Principal activities

The principal activity of the Company is a property holding company.

Review of business and future developments

Turnover for the year has decreased by £3,000 (1.3%) to £220,000 and profit before tax has decreased by £5,000 (2.6%) to £184,000. Net assets have increased by £144,000 (29.3%) as a result of the profit after tax for the year.

The Directors consider the trading results for the year ended 29 February 2020 to be satisfactory. The Statement of Income and Retained Earnings for the year is set out on page 4.

The key factors impacting the financial performance for the year ended 29 February 2020 and financial position at 29 February 2020 are consistent with those of the Company's parent, Vertu Motors plc ("the Group"). Accordingly, a review of the financial performance and position of the Group, with details of likely future developments of the Group, which includes the Company, is set out in the Group's annual report which does not form part of this report. This includes the anticipated impact of the COVID-19 pandemic on the post year end performance of the Group. The Directors consider it appropriate to prepare the financial statements on the going concern basis, as set out in the Basis of Preparation paragraph in note 1 to these financial statements.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Vertu Motors plc, which include those of the Company, are discussed in the Group's annual report which does not form part of this report.

Directors and Directors' interests

The Directors of the Company during the year and up to the date of signing the financial statements are listed below:

R T Forrester

K Anderson

D Crane

M Sherwin (resigned 1 March 2019)

N Loose was the Company Secretary throughout the year ended 29 February 2020.

None of the Directors had a beneficial interest in the share capital of the Company at 29 February 2020.

R T Forrester, D Crane and K Anderson were also directors of the ultimate parent undertaking, Vertu Motors plc ("the Group") throughout the year ended 29 February 2020. The interests in the share capital of the Group of all Directors who served during the year are disclosed in the financial statements of the Group.

Directors' report (continued)

For the year ended 29 February 2020

Political donations

The Company did not make any political donations in the year (2019: £Nil).

By order of the Board:

A handwritten signature in black ink, appearing to be 'K Anderson', with a large, stylized 'K' and 'A'.

K Anderson

Director

4 November 2020

Vertu House
Fifth Avenue Business Park
Team Valley
Gateshead
Tyne and Wear
NE11 0XA

Statement of Directors' responsibilities

For the year ended 29 February 2020

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 period. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"), and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors consider that the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Each of the Directors confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Statement of Income and Retained Earnings

For the year ended 29 February 2020

		Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
	Note		
Turnover		220	223
Gross profit		220	223
Administrative expenses		(36)	(34)
Profit before taxation	3	184	189
Tax on profit	4	(40)	(49)
Profit for the financial year	10	144	140
Retained earnings at beginning of year	10	491	351
Retained earnings at end of year	10	635	491

The notes on pages 6 to 10 form part of the financial statements.

All amounts arise from continuing operations.

Balance Sheet

At 29 February 2020

		29 February 2020 £'000	28 February 2019 £'000
	Note		
Tangible fixed assets	6	2,893	2,915
Creditors: amounts falling due within one year	7	(2,224)	(2,395)
Net current liabilities		(2,224)	(2,395)
Total assets less current liabilities		669	520
Provisions for liabilities	8	(34)	(29)
Net assets		635	491
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	635	491
Total shareholders' funds	11	635	491

The notes on pages 6 to 10 form part of these financial statements.

For the year ended 29 February 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These financial statements were approved by the Board of Directors on 4 November 2020 and were signed on its behalf by:



K Anderson
Director

Notes to the financial statements

For the year ended 29 February 2020

1. Principal accounting policies

General information

Vertu Motors (Knaresborough) Limited is a private company limited by shares and it is incorporated in England. The address of its registered office is Vertu House, Fifth Avenue Business Park, Team Valley, Gateshead, NE11 0XA. The Company's registered number is 09526628.

The principal activity of the Company is that of a property holding company.

Statement of compliance

The financial statements of Vertu Motors (Knaresborough) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following exemptions in paragraph 1.12 of FRS 102:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows of Vertu Motors plc, the ultimate parent company, includes the Company's cash flows;
- from the financial instruments disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- from disclosing the Company key management personnel compensation as required by FRS 102 paragraph 33.7.

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Company is a wholly-owned subsidiary of Vertu Motors plc and is included in the consolidated financial statements of Vertu Motors plc which are publicly available.

The Company has taken the exemption from an audit for the year ended 29 February 2020 by virtue of s479A of Companies Act 2006. In order to allow the Company to take the audit exemption, per s479c of the Companies Act 2006, the parent company Vertu Motors plc has given a statutory guarantee of all the outstanding liabilities of the Company as at 29 February 2020. Such guarantees are enforceable against Vertu Motors plc by any person to whom any such liability is due.

The principal accounting policies, which have been consistently applied throughout the year and the preceding year, are set out below.

Going concern

The Directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Vertu Motors plc. The Directors have received confirmation that Vertu Motors plc intend to support Vertu Motors (Knaresborough) Limited for at least one year after these financial statements are signed. In order to prepare the accounts on the going concern basis, the Directors have considered this confirmation of support from Vertu Motors plc in conjunction with the Group's detailed financial projections for a period of 12 months from the date of signing the financial statements. Details of the key assumptions applied in the financial projections of the Group, which includes the Company as well as a number of other subsidiary companies, are provided in note 1 of the Vertu Motors plc consolidated financial statements.

Notes to the financial statements (continued)

For the year ended 29 February 2020

1. Principal accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the asset. Assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end. Depreciation is provided at rates calculated to write off the cost of tangible fixed assets less their estimated residual values, on a straight-line basis over their estimated useful lives as follows:

Freehold property	2%
-------------------	----

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Turnover

Turnover relates to the rental of properties and is measured at the fair value of consideration receivable, net of any discounts and Value Added Tax. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company.

2. Directors' emoluments

No Director received remuneration from the Company in respect of the year ended 29 February 2020 (2019: £Nil). There are no other employees. The emoluments of the Directors are paid by the parent company. All the Directors' services to this Company and to a number of fellow subsidiaries are of a non-executive nature and the emoluments are deemed to be attributable to the services to the parent company.

3. Profit before tax

Profit before tax is stated after charging:

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Depreciation charge (note 6)	36	34

Notes to the financial statements (continued)

For the year ended 29 February 2020

4. Tax on profit on ordinary activities

a) Analysis of tax

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Current tax		
UK corporation tax on profits of the year	35	33
Total current tax charge	35	33
Deferred tax		
Origination and reversal of timing differences	5	8
Adjustments in respect of prior period	-	9
Impact of rate change	-	(1)
Total deferred tax charge	5	16
Tax on profit on ordinary activities	40	49

b) Factors affecting taxation charge in the year

The tax assessed for the year is higher (2019: higher) than the standard rate of corporation tax in the UK (19%).

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Profit before taxation	184	189
Profit multiplied by the standard rate of tax in the UK of 19% (2019: 19%)	35	36
Non-qualifying depreciation	5	5
Remeasurement of deferred tax – change in UK rate	-	(1)
Adjustments in respect of prior period	-	9
Current tax charge	40	49

In March 2020 it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As the substantive enactment was after the balance sheet date, deferred tax balances as at 29 February 2020 continue to be measured at the rate of 17%.

During the year ending 28 February 2021, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge by £9,000. This is due to accelerated capital allowances and the change in deferred tax rate from 17% to 19%.

5. Dividends

No dividend was paid or proposed in the year to 29 February 2020 (2019: £Nil).

Notes to the financial statements (continued)

For the year ended 29 February 2020

6. Fixed assets

	Freehold land and buildings £'000
Cost	
At 1 March 2019	3,116
Additions	14
At 29 February 2020	3,130
Accumulated depreciation	
At 1 March 2019	201
Charge for financial year	36
At 29 February 2020	237
Net book value	
At 29 February 2020	2,893
At 28 February 2019	2,915

7. Creditors: amounts falling due within one year

	29 February 2020 £'000	28 February 2019 £'000
Amounts owed to Group undertakings	2,224	2,395
	2,224	2,395

Amounts owed to Group undertakings are unsecured, interest free and carry no fixed repayment date.

8. Provisions for liabilities

Deferred tax liability:	29 February 2020 £'000	28 February 2019 £'000
At beginning of year	29	13
Charged to profit and loss account (note 4)	5	16
At end of year	34	29
Total deferred tax liability:	29 February 2020 £'000	28 February 2019 £'000
Accelerated capital allowances	34	29
At end of year	34	29

9. Called up share capital

	29 February 2020 £	28 February 2019 £
Allotted, called up and fully paid:		
1 (2019: 1) ordinary share of £1 each	1	1

Notes to the financial statements (continued)

For the year ended 29 February 2020

10. Reserves

	Profit and loss account £'000
At 1 March 2019	491
Profit for the financial year	144
At 29 February 2020	635

11. Reconciliation of movement in shareholders' funds

	29 February 2020 £'000	28 February 2019 £'000
Profit for the financial year	144	140
Net movement in shareholders' funds	144	140
Opening shareholders' funds	491	351
Closing shareholders' funds	635	491

12. Related party transactions

The Company has a related party relationship with other Group subsidiaries and with its Directors and key management.

The Company is exempt from the requirements of FRS 102 to disclose transactions between Group companies as all subsidiaries are wholly owned by Vertu Motors plc who have produced consolidated financial statements.

13. Ultimate parent company and controlling party

The Company's immediate parent company and ultimate controlling party is Vertu Motors plc, a company incorporated in England and Wales.

Vertu Motors plc is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. The consolidated financial statements of Vertu Motors plc can be obtained from: The Company Secretary, Vertu Motors plc, Vertu House, Fifth Avenue Business Park, Team Valley, Gateshead, Tyne and Wear, NE11 0XA.

14. Post balance sheet event

On 16 September 2020, the freehold property owned by the Company was transferred to Vertu Motors (Property 2) Limited, a fellow subsidiary of the Group at fair value, which was equal to net book value.