

South Hereford Garages Trade Parts LLP

Registered number OC329367

Members' report and financial statements

For the period ended 29 February 2016

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Members' report

For the period ended 29 February 2016

The Members present their annual report and the audited financial statements of the LLP for the period ended 29 February 2016. The registered number of the LLP is OC329367.

Principal activities

The principal activity of the LLP is the provision of parts wholesale agency for VW group.

Review of business and future developments

On 1 October 2015, the entire issued share capital of SHG Holdings Limited, the immediate parent company of South Hereford Garages Limited, a designated member of the LLP, was acquired by Vertu Motors plc ("the Group"). On the same date, the remaining three designated members resigned and Vertu Motors plc was appointed as a designated member. The year end was then changed to 29 February to align with that of the Group. These financial statements therefore reflect a 14 month accounting period.

Principal risks and uncertainties

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

Designated members

The Members of the LLP during the period and up to the date of signing the financial statements are listed below:

South Hereford Garages Limited
CJF Richards (resigned 1 October 2015)
S Powell (resigned 1 October 2015)
I Phillips (resigned 1 October 2015)
Vertu Motors plc (appointed 1 October 2015)

Members' Interests

Members make contributions by way of debt to the LLP. These contributions are in proportions agreed between the members from time to time.

A person ceasing to be a member will be entitled to repayment of his LLP loan and debt, as defined by the members' agreement, within 12 months of the date on which he ceased to be a member, as well as accrued profits to that date, including a fair assessment of work in progress.

In the event of the cash requirements of the business conflicting with the need to allow cash drawings by members, members will be required either to reduce their drawings or introduce funds to meet those cash requirements. Any reduction of monthly drawings or introduction of funds will be made in the ratios of members' LLP shares.

Political donations

The LLP did not make any political contributions in the period (2014: £Nil).

Members' report (continued)

For the period ended 29 February 2016

Disclosure of information to auditors

So far as the Members are aware, there is no relevant audit information of which the LLP's auditors are unaware, and each Member has taken all the steps that they ought to have taken as a Member, in order to make themselves aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

The members have taken advantage of the exemption available to small LLPs from preparation of a strategic report in accordance with section 414B of Companies Act 2006.

On behalf of the Members:



M Sherwin

Director of South Hereford Garages Limited

18 November 2016

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

Statement of Members' responsibilities

For the period ended 28 February 2016

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulation 2008 requires the members 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 and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

These responsibilities are exercised by the designated members on behalf of the members.

Independent auditors' report to the members of South Hereford Garages Trade Parts LLP

Our opinion

In our opinion, South Hereford Garages Trade Parts LLP's financial statements (the "financial statements"):

- give a true and fair view of the state of the limited liability partnership's affairs as at 29 February 2016 and of its profit for the 14 month period (the "Period") 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

What we have audited

The financial statements, included within the Members' Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 29 February 2016;
- the Statement of Comprehensive Income for the Period then ended;
- the Statement of Changes in Equity for the Period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of Members' Responsibilities set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Independent auditors' report to the members of South Hereford Garages Trade Parts LLP (continued)

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Randal Casson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

18 November 2016

Statement of Comprehensive Income

For the period ended 29 February 2016

		Period ended 29 February 2016 £	Year ended 31 December 2014 £
	Note		
Turnover – commission receivable		239,079	187,964
Operating profit	2	239,079	187,964
Profit for the financial period/year before members' remuneration and profit share		239,079	187,964
Profit for the financial period/year available for discretionary division among members		239,079	187,964
Total comprehensive income		239,079	187,964

Balance Sheet
As at 29 February 2016

		29 February 2016 £	31 December 2014 £
	Note		
Fixed assets			
Tangible assets	4	58,910	72,341
Current assets			
Debtors	5	136,840	162,991
Cash at bank and in hand		285,854	147,716
		<u>422,694</u>	<u>310,707</u>
Creditors: amounts falling due within one year	6	(8,168)	(15,990)
Net current assets		<u>414,526</u>	<u>294,717</u>
Total assets less current liabilities		<u>473,436</u>	<u>367,058</u>
Net assets attributable to members		<u>473,436</u>	<u>367,058</u>
Represented by:			
Total members' interests			
Loans and other debts due to members		<u>473,436</u>	<u>367,058</u>

The notes on pages 9 to 11 form part of the financial statements.

These financial statements were approved by the members of the LLP on 18 November 2016 and were signed on its behalf by:



M Sherwin
Director of South Hereford Garages Limited – Designated Member

Statement of Changes in Equity

For the period ended 29 February 2016

	Other reserves – amounts owed to members in respect of profits £	Loans and other debts due to members £	Total £
Balance at 1 January 2015	187,964	179,094	367,058
Profit for the financial period available for discretionary division amount members	239,079	-	239,079
Members' interests after profit for the period	427,043	179,094	606,137
Other divisions of profit:			
Other movements	(353,997)	575,293	221,296
Drawings paid in the period	-	(353,997)	(353,997)
Balance due at 29 February 2016	73,046	400,390	473,436

For the year ended 31 December 2014

	Other reserves – amounts owed to members in respect of profits £	Loans and other debts due to members £	Total £
Balance at 1 January 2014	131,748	51,512	183,260
Profit for the financial year available for discretionary division amount members	187,964	-	187,964
Members' interests after profit for the year	319,712	51,512	371,224
Other divisions of profit:			
Other movements	(131,748)	259,330	127,582
Drawings paid in the year	-	(131,748)	(131,748)
Balance due at 31 December 2014	187,964	179,094	367,058

Notes to the financial statements

For the period to 29 February 2016

1. Principal accounting policies

Statement of compliance

The financial statements of South Hereford Garages Trade Parts LLP 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"), applicable law and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the LLP's designated members.

The LLP 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 LLP's cash flows;
- from disclosing the LLP's key management personnel compensation.

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The principal accounting policies, which have been consistently applied throughout the period and the preceding period, are set out below.

Tangible fixed assets and depreciation

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 period 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:

Computer equipment	33.33% straight line
Fixture and fittings	10% straight line
Office equipment	10% straight line

Turnover

Turnover represents commission recharges to VW Group which falls under an agency arrangement under FRS 102. All costs of the LLP are recharged at cost plus commission to VW Group.

All turnover derives from activities in the United Kingdom.

Notes to the financial statements (continued)

For the period to 29 February 2016

2. Operating profit

	Period ended 29 February 2016 £	Year ended 31 December 2014 £
The operating profit is stated after charging:		
Wages and salaries (note 3)	898,966	767,489
Operating lease rentals	60,251	51,644
Depreciation of tangible fixed assets – owned assets	19,181	16,027

These costs were recharged to VW in full as part of the agency arrangement described in note 1.

Auditors' remuneration was borne by Vertu Motors plc in the period ended 29 February 2016 and South Hereford Garages Limited in the year ended 31 December 2014.

3. Employee information

The average number of persons employed during the period/year (excluding members) was:

	2016 No	2014 No
Management	1	1
Sales and Distribution	36	36
Administration	1	1
	38	38

Costs for the above colleagues were:

	Period ended 29 February 2016 £	Period ended 31 December 2014 £
Wages and salaries	820,022	700,067
Social security costs	71,023	62,949
Other pension costs	7,920	4,473
	898,965	767,489

These costs were recharged to VW in full as part of the agency arrangement described in note 1.

4. Tangible assets

	Computer equipment £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 January 2015	53,580	105,671	18,036	177,287
Additions	2,068	3,682	-	5,750
At 29 February 2016	55,648	109,353	18,036	183,037
Depreciation				
At 1 January 2015	45,804	45,366	13,776	104,946
Charge for the financial period	4,467	12,610	2,104	19,181
At 29 February 2016	50,271	57,976	15,880	124,127
Net book value				
At 29 February 2016	5,377	51,377	2,156	58,910
At 31 December 2014	7,776	60,305	4,260	72,341

Notes to the financial statements (continued)

For the period to 29 February 2016

5. Debtors

	29 February 2016 £	31 December 2014 £
Trade debtors	112,674	147,120
Prepayments	24,166	15,871
	<u>136,840</u>	<u>162,991</u>

6. Creditors – amounts falling due within one year

	29 February 2016 £	31 December 2014 £
Accruals	8,168	15,990
	<u>8,168</u>	<u>15,990</u>

7. Related party disclosure

The LLP has related party relationships with its designated members and subsidiary companies of Vertu Motors plc.

The LLP is exempt from the requirements of FRS 102 'Related Party Disclosures' to disclose transactions between group companies as all subsidiaries are wholly owned by Vertu Motors plc who have produced consolidated financial statements.

8. Ultimate controlling party

Vertu Motors plc has ultimate control over the affairs of the LLP by virtue of being a designated member of the LLP, and the ultimate parent company of South Hereford Garages Limited, the remaining designated members of the LLP.

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.