

**South Hereford Garages Trade Parts LLP**

Registered number OC329367

## Members' report and financial statements

For the year ended 28 February 2019

WEL SATURDAY



\*A8JB36ER\*

A30                      30/11/2019                      #271

COMPANIES HOUSE  
\*A8J3AU2G\*

\*A8J3AU2G\*

A08 27/11/2019 #48

COMPANIES HOUSE

## Contents

<i>Members' report</i>	1
Statement of Members' responsibilities	3
Statement of comprehensive income	4
Balance sheet	5
Statement of changes in equity	6
Notes to the financial statements	7

## Members' report

*For the year ended 28 February 2019*

The Members present their annual report and financial statements of South Hereford Garages Trade Parts LLP ("the LLP") for the year ended 28 February 2019. 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**

*Turnover represents commission recharges to VW group. All costs are recharged at cost plus commission to VW group.*

Turnover and profit have decreased by £28,187 since the previous period.

The members consider the trading results for the year ended 28 February 2019 to be satisfactory. The statement of comprehensive income for the year is set out on page 4.

### **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 year and up to the date of signing the financial statements are listed below:

*South Hereford Garages Limited*  
Vertu Motors plc

### **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 their LLP loan and debt, as defined by the members' agreement, within 12 months of the date on which they 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.

## Members' report (continued)

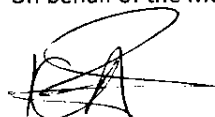
*For the year ended 28 February 2019*

### Political donations

The LLP did not make any political donations in the year (2018: £Nil).

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:



K Anderson  
**Director of South Hereford Garages Limited**  
**26 November 2019**

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

## Statement of Members' responsibilities

*For the year ended 28 February 2019*

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 members 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; 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.

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

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

- the LLP 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 LLP;
- the Members' Report includes a fair review of the development and performance of the business and the position of the LLP, together with a description of the principal risks and uncertainties that it faces.

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

## Statement of Comprehensive Income

For the year ended 28 February 2019

		Year ended 28 February 2019 £	Year ended 28 February 2018 £
	Note		
Turnover – commission receivable		<u>186,757</u>	<u>214,944</u>
Operating profit	2	<u>186,757</u>	<u>214,944</u>
Profit for the financial year before members' remuneration and profit share		<u>186,757</u>	<u>214,944</u>
Profit for the financial year available for discretionary division among members		<u>186,757</u>	<u>214,944</u>
Total comprehensive income		<u>186,757</u>	<u>214,944</u>

All results are derived from continuing operations.

The notes on pages 7 to 10 form part of the financial statements.

## Balance Sheet

As at 28 February 2019

	Note	28 February 2019 £	28 February 2018 £
<b>Fixed assets</b>			
Tangible assets	4	228,230	37,062
<b>Current assets</b>			
Debtors	5	196,083	657,602
		<u>196,083</u>	<u>657,602</u>
<b>Creditors: amounts falling due within one year</b>	6	(33,058)	(16,681)
<b>Net current assets</b>		<u>163,025</u>	<u>640,921</u>
<b>Total assets less current liabilities</b>		<u>391,255</u>	<u>677,983</u>
<b>Net assets attributable to members</b>		<u>391,255</u>	<u>677,983</u>
<b>Represented by:</b>			
<b>Total members' interests</b>			
Loans and other debts due to members		<u>391,255</u>	<u>677,983</u>

The notes on pages 7 to 10 form part of the financial statements.

For the financial year in question, the Limited Liability Partnership was entitled to exemption under section 479a of the Companies Act 2006 (as applied by Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulation 2008).

The members acknowledge their responsibility for complying with the requirements of the Companies Act 2006 (as applied to Limited Liability Partnerships) with respect to accounting records and the preparation of accounts.

These financial statements were approved by the members of the LLP on 26 November 2019 and were signed on its behalf by:



K Anderson

Director of South Hereford Garages Limited – Designated Member

## Statement of Changes in Equity

For the year ended 28 February 2019

	Other reserves – amounts owed to members in respect of profits £	Loans and other debts due to members £	Total £
Balance at 1 March 2018	48,911	629,072	677,983
Profit for the financial year available for discretionary division among members	186,757	-	186,757
Members' interests after profit for the year	235,668	629,072	864,740
Other divisions of profit:			
Other movements	(153,357)	(106,682)	(260,039)
Drawings paid in the year	-	(213,446)	(213,446)
<b>Balance due at 28 February 2019</b>	<b>82,311</b>	<b>308,944</b>	<b>391,255</b>

For the year ended 28 February 2018

	Other reserves – amounts owed to members in respect of profits £	Loans and other debts due to members £	Total £
Balance at 1 March 2017	57,225	638,814	696,039
Profit for the financial year available for discretionary division among members	214,944	-	214,944
Members' interests after profit for the period	272,169	638,814	919,297
Other divisions of profit:			
Other movements	(223,258)	223,258	-
Drawings paid in the year	-	(233,000)	(233,000)
<b>Balance due at 28 February 2018</b>	<b>48,911</b>	<b>629,072</b>	<b>677,983</b>



# Notes to the financial statements

*For the year to 28 February 2019*

## 1. Principal accounting policies

### General information

South Hereford Garages Trade Parts LLP is a limited liability partnership 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 OC329367.

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

### 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

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 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 LLP's 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 (as applied by Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) and applicable accounting standards in the United Kingdom.

The LLP has taken the exemption from an audit for the year ended 28 February 2019 by virtue of s479A of Companies Act 2006 (as applied by Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). In order to allow the LLP to take the audit exemption, the parent company Vertu Motors plc has given a statutory guarantee of all of the outstanding liabilities of the LLP as at 28 February 2019.

Under section 479C of the Companies Act 2006 (as applied by Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), the parent company Vertu Motors plc has guaranteed all outstanding liabilities to which the LLP was subject at the end of 28 February 2019 until they are satisfied in full. 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.

## Notes to the financial statements (continued)

For the year to 28 February 2019

### 1. Principal accounting policies (continued)

#### 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 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:

Computer equipment	25% - 33.33% straight line
Fixture and fittings	20% straight line
Office equipment	20% 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.

### 2. Operating profit

	Year ended 28 February 2019 £	Year ended 28 February 2018 £
Operating profit is stated exclusive of:		
Wages and salaries (note 3)	1,024,051	961,344
Operating lease rentals	56,999	54,998
Depreciation of tangible fixed assets – owned assets (note 4)	17,054	12,402

As such, costs were settled by VW in full as part of the agency arrangement described in note 1.

### 3. Employee information

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

	2019 No	2018 No
Management	2	2
Sales and Distribution	41	40
Administration	6	3
	<u>49</u>	<u>45</u>

Costs for the above colleagues were:

	Year ended 28 February 2019 £	Year ended 28 February 2018 £
Wages and salaries	898,461	849,449
Social security costs	114,661	105,661
Other pension costs	10,929	6,234
	<u>1,024,051</u>	<u>961,344</u>

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

## Notes to the financial statements (continued)

For the year to 28 February 2019

### 4. Tangible assets

	Computer equipment £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>				
At 1 March 2018	56,351	114,591	20,185	191,127
Additions	-	206,674	16,159	222,833
Disposals	(40,783)	(65,609)	(16,176)	(122,568)
Intercompany transfers	-	(3,912)	-	(3,912)
<b>At 28 February 2019</b>	<b>15,568</b>	<b>251,744</b>	<b>20,168</b>	<b>287,480</b>
<b>Depreciation</b>				
At 1 March 2018	54,290	79,590	20,185	154,065
Charge for the financial year	361	15,163	1,530	17,054
Disposals	(40,783)	(52,715)	(16,176)	(109,674)
Intercompany transfers	-	(2,195)	-	(2,195)
<b>At 28 February 2019</b>	<b>13,868</b>	<b>39,843</b>	<b>5,539</b>	<b>59,250</b>
<b>Net book value</b>				
<b>At 28 February 2019</b>	<b>1,700</b>	<b>211,901</b>	<b>14,629</b>	<b>228,230</b>
At 28 February 2018	2,061	35,001	-	37,062

### 5. Debtors

	28 February 2019 £	28 February 2018 £
Amounts owed to Group undertakings	-	507,230
Trade debtors	185,195	120,967
Prepayments	10,888	29,405
	<b>196,083</b>	<b>657,602</b>

### 6. Creditors – amounts falling due within one year

	28 February 2019 £	28 February 2018 £
Accruals	33,058	16,681
	<b>33,058</b>	<b>16,681</b>

### 7. Commitments under operating leases

At 28 February 2019, the future aggregate minimum lease payments, under non-cancellable operating leases, are as follows:

	Land and Buildings 28 February 2019	Land and Buildings 28 February 2018
Within 1 year	40,750	40,750
Within 2 to 5 years	163,000	163,000
Over 5 years	85,296	126,046
	<b>289,046</b>	<b>329,796</b>

## Notes to the financial statements (continued)

*For the year to 28 February 2019*

### **8. 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.

### **9. 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.