Company registration number 02970761 (England and Wales)

F. VINDIS & SONS (BEDFORD) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

F. VINDIS & SONS (BEDFORD) LIMITED

COMPANY INFORMATION

Directors	G F Vindis J F Vindis
Secretary	T J Potter
Company number	02970761
Registered office	Vindis House Washingley Road Huntingdon Cambridgeshire PE29 6WP
Auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT

F. VINDIS & SONS (BEDFORD) LIMITED

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F. VINDIS & SONS (BEDFORD) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Review of the business

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

The constituent parts of the company, at the end of the year, were unchanged as follows:

Franchised dealerships:

Volkswagen	2
Audi	2
Skoda	2
Volkswagen Commercial Vehicles	1
Bentley	1
SEAT	1
Ducati	1
AutoNow Used Car Centre	2

At these locations, the company continued to deal in new and used motor vehicles, providing servicing and repairs and parts and accessories.

We consider that our major key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, operating profit and return on capital employed. We employ a significant number of other KPI measurements, both financial and non-financial, in the day-to-day management of our businesses.

2022 started well with strong margins and volumes throughout the first quarter. New car supply remained problematic due to various reasons from component shortages due to the conflict in Europe through to logistical issues. We worked hard to increase our used vehicle volumes to help compensate for any shortfall in new cars. As the half year approached and the Bank of England base rate started to rise, our cost base came under pressure both directly from our vehicle stocking facility and indirectly through increased costs from suppliers.

Towards the end of the year used car prices, especially Electric Vehicles started to fall sharply due to several reasons, so the board decided to make a provision back to CAP clean (in previous years CAP retail had been used as this accurately reflected the market). This impacted the financial performance but ensured that the company is well positioned moving into 2023.

The company returned operating profit (before interest and tax) of £7.3m (3.2% of turnover) compared to an operating profit of £4.8m (2.2% of turnover) in 2021 with a profit before tax of £6.3m compared to £3.7m in 2021 however, the current year includes a gain of £5.24m on the sale and leaseback of some properties. The board were satisfied with this result considering the macro-economic climate and recognise and appreciate the effort made by all our staff in achieving this result.

Return on Capital Employed was 94.8% (2021: 46.3%). Return on Capital Employed is calculated as profit before interest and tax divided by capital employed, which constitutes total assets less current liabilities.

Despite the macro-economic environment creating difficult trading conditions the strength of our brand portfolio will help to ensure the company is well placed to deal with any continuing challenges. During the year the company continued to review all costs, overheads, and stocking policies to ensure that appropriate action is taken to match resources to demand whilst endeavouring to avoid compromising the customer experience.

The retail sector in which we operate remains marginal even in steady economic periods. The UK car market is highly competitive and the continued new car supply issues are challenging. We have continued to closely monitor and control our cost base whilst investing in technology to become more efficient. Trading this year continues to be tough with further interest rate rises and cost base pressures, however new car supply is improving, and we are increasing our volumes across all areas of the business.

Review of the business (continued)

The directors recognise that industry competition has put pressure on prices and margins. We believe that through working closely with our partners and our employees we can further enhance our company profitability and performance. In the longer term we will continue to look for growth opportunities both with our current brands and with those other aspirational brands that fit with our portfolio within our current geographical area.

We will continue to be the best we can be within the market that we operate in.

Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

Manufacturers supply of new and improved products

The company is reliant on new vehicle products from its manufacturer partner. This exposes the company to risks in a number of areas as the company is dependent on its manufacturer / supplier in respect of:

- availability of new vehicle products
- quality of new vehicle products
- pricing of new vehicle products

The directors are confident that future new products from its manufacturer / supplier will continue to be competitively priced and high quality and therefore consider that this "manufacturer risk" is minimal. It is, in any case, mitigated by the other core business areas of the company, including used vehicle sales, parts sales and service work.

Used vehicle price variation

Used vehicle prices can decline significantly. As a significant proportion of the business comprises used vehicle sales, these declines can have a material impact on the business. The impact of declines in used vehicle prices can result in reduced profits on sales and also write-downs in the value of used vehicle stock.

Competition

The company competes with other franchised vehicle dealerships, independent used vehicle sellers, private buyers and sellers, internet-based dealers, independent service and repair shops and vehicle manufacturers who have entered the retail market. The company competes for the sale of new and used vehicles, the performance of warranty repairs, non-warranty repairs, routine maintenance business and for the provision of spare parts. The principal competitive factors in service and parts sales are price, familiarity with a manufacturer's brands and models and the quality of customer service.

Company, people and reputation

The company has invested heavily in its people and its reputation over a number of years. It is therefore reliant on these individuals to a degree in delivering the company result and reinforcing the underlying company brand. The company undertakes a regular review of remuneration and packages to ensure that it attracts and retains the best people.

Economic downturn

The success of the business is reliant on consumer spending. An economic downturn, resulting in the reduction of consumer spending power will have a direct impact on the income achieved by the company.

In response to this risk senior management aim to keep abreast of economic conditions. In cases of severe economic downturn marketing and pricing strategies are modified to reflect the new market conditions.

F. VINDIS & SONS (BEDFORD) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

SECTION 172(1) STATEMENT

The directors of F. Vindis & Sons (Bedford) Limited consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in S172 (1) (a) - (f) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2022.

- Our plan was designed to have a long term beneficial impact on the company and to contribute to its success in delivering a high quality of service across all areas of our business.
- Our team members are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our team members receive. The health, safety and well being of our team members is one of our primary considerations in the way we do business.
- Engagement with suppliers and customers is key to our success. We meet with our major manufacturing partners regularly throughout the year and take appropriate action, where necessary, to prevent involvement in modern slavery, corruption, bribery and breaches of competition law.
- Our plan takes in to account the impact of the group operations on the community, environment and our wider social responsibilities, in particular how we comply with environmental legislation, pursue waste saving opportunities and react promptly to local community concerns.
- Our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both the construction and delivery of our plan that reflects our responsible behaviour.
- Our intention is to behave responsibly towards our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan.

Further details of how we engage and take account of the interests of our stakeholders are given below.

Stakeholder	Why it is important to engage	Ways we engage	Stakeholders' key interests
Customers	Engagement with our customers enables us to understand our customers' needs empowers us to deliver relevant models and aftersales services whilst retaining existing customers and attracting new ones.	Brand TV and radio advertising, face to face, telephone, website, social media and satisfaction surveys.	Availability of range and aftersales services together with convenience, reliability, trust and the ability to officially engage.
Employees	Engagement between our employees and our customers is the primary method by which we are able to exhibit the Vindis brand. Our employees are fundamental in delivering the customer experience and the key to our business success.	Recognition and reward environment, regular training and apprenticeship programmes.	Career progression, remuneration and benefits, training and development, employee interaction and well-being.
Suppliers	Engagement with our supply chain ensures that we are able to supply our customers with the models and aftersales products they desire whilst maintaining supply security as far as possible.	Regular supplier meetings building upon long term relationships, product updates, corporate image maintenance and infrastructure support.	Logistical efficiencies, cost efficiencies, maintenance of quality product supply and good working relationships.
Government	Policies and regulatory changes may provide opportunities or pose risks to our operations.	Engaging with HMRC, HSE, VOSA, DVLA, etc. Submission of tax returns and payment of tax.	Payment of the correct tax at the correct time. Compliance with laws and regulations.

On behalf of the board

G F Vindis
Director

19 September 2023

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of the sale on new and used motor vehicles, provision of motor vehicle servicing and repairs and the sales of spare parts and accessories.

Results and dividends

The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £12,000,000. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G F Vindis
J F Vindis

Financial instruments

The company uses various financial instruments which include bank, financial institution and stock loans, cash and various items such as trade debtors and trade creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for the company’s operations. Their existence exposes the company to a number of financial risks.

The main risks arising from the company’s financial instruments are liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks which are summarised below.

Liquidity risk

The company seeks to manage risk by ensuring sufficient liquidity is available to meet foreseeable needs to invest cash assets safely and profitably.

The company's policy throughout the year has been to achieve this objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum liquidity ratios.

Interest rate risk

The company finances its operations through a mixture of bank and other external borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities. The balance sheet includes trade debtors and creditors which do not attract interest and are therefore subject to fair value interest rate risk.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk therefore arises from its trade debtors.

In order to manage credit risk, the directors set credit limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the finance director on a regular basis in conjunction with debt ageing and collection history.

Disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirement of the job can be adequately fulfilled by a person with disabilities. Where an existing employee becomes disabled, it is company policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Auditor

In accordance with the company's articles, a resolution proposing that UHY Hacker Young Manchester LLP be reappointed as auditor of the company will be put at a General Meeting.

Energy and carbon report

This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 1 January 2022 to 31 December 2022, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.

Energy consumption	**2022 kWh**	**2021 kWh**
Aggregate of energy consumption in the year	4,971,663	4,308,325

Emissions of CO2 equivalent	**2022 metric tonnes**	**2021 metric tonnes**
Scope 1 - direct emissions		
- Gas combustion	90.00	166.00
- Fuel consumed for owned transport	506.00	476.00
	596.00	642.00
Scope 2 - indirect emissions		
- Electricity purchased	365.00	362.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	-	-
Total gross emissions	961.00	1,004.00
Intensity ratio		
Tonnes CO2e per employee	4.4	4.8

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £m turnover, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Part of the company's vision is to create sustainable processes and to become a carbon neutral business by 2030, this vision is shared with all employees and embedded within the culture across the business. During 2022 the company continued it paperless journey by installing new printers that require a code to print and investing in more digital services to remove the need to print all together. The company continues to engage with third parties to assist with reducing its carbon footprint

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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;
- state whether applicable UK Accounting Standards 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.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of reporting on future developments, engagement with employees and business relationships with suppliers, customers and others as noted in the S172 statement within the strategic report.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

G F Vindis
Director

19 September 2023

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF F. VINDIS & SONS (BEDFORD) LIMITED

Opinion

We have audited the financial statements of F. Vindis & Sons (Bedford) Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit 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. 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this 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 our audit:

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

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 strategic report or the directors' 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have 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.

Extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- the nature of the industry and sector, control environment and business performance
- any matters we identified having obtained and reviewed the company’s documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance,
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and involving relevant internal specialists, including tax, and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: valuation of used vehicle stocks and recognition of supplier incentives. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and those charged with governance concerning actual and potential litigation claims;
- in addressing the risk of fraud through inappropriate valuation of used vehicle inventory, assessing net realisable value of stock items sold after the year end was above cost or assessing their value with reference to third party data sources if unsold.
- in addressing the risk of fraud through inappropriate recording of supplier incentives, ensuring amounts recorded as due were then subsequently acknowledged as such by the supplier;
- in assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries and assessing whether judgements made in making accounting estimates are indicative of potential bias.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We also obtained an understanding of the legal and regulatory frameworks the company operates in, focussing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's FCA regulatory requirements.
A further description of our responsibilities is available 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.

Paul Daly BEng FCA
Senior Statutory Auditor
For and on behalf of UHY Hacker Young Manchester LLP 19 September 2023

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

F. VINDIS & SONS (BEDFORD) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	**3**	225,039,059	216,930,571
Cost of sales		(201,615,593)	(193,341,634)
Gross profit		23,423,466	23,588,937
Administrative expenses		(21,396,686)	(19,295,625)
Other operating income		-	537,979
Operating profit before exceptional item		2,026,780	4,831,291
Gain on sale and leaseback	**4**	5,245,299	-
Operating profit	**5**	7,272,079	4,831,291
Interest receivable and similar income	**7**	33,993	-
Interest payable and similar expenses	**8**	(1,033,770)	(1,134,363)
Profit before taxation		6,272,302	3,696,928
Tax on profit	**9**	(910,734)	(640,799)
Profit for the financial year		5,361,568	3,056,129

The profit and loss account has been prepared on the basis that all operations are continuing operations.

F. VINDIS & SONS (BEDFORD) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Goodwill	**11**		4,260		21,892
Tangible assets	**12**		5,411,927		10,359,631
			5,416,187		10,381,523
Current assets					
Stocks	**13**	33,736,875		32,897,214	
Debtors	**14**	3,815,140		2,410,838	
Cash at bank and in hand		2,721,911		504,509	
		40,273,926		35,812,561	
Creditors: amounts falling due within one year	**15**	(43,552,766)		(35,750,384)	
Net current (liabilities)/assets			(3,278,840)		62,177
Total assets less current liabilities			2,137,347		10,443,700
Creditors: amounts falling due after more than one year	**16**		-		(1,667,921)
Net assets			2,137,347		8,775,779
Capital and reserves					
Called up share capital	**20**		25,000		25,000
Profit and loss reserves	**21**		2,112,347		8,750,779
Total equity			2,137,347		8,775,779

The financial statements were approved by the board of directors and authorised for issue on 19 September 2023 and are signed on its behalf by:

G F Vindis
Director

Company Registration No. 02970761

F. VINDIS & SONS (BEDFORD) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2021		25,000	5,694,650	5,719,650
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	3,056,129	3,056,129
Balance at 31 December 2021		25,000	8,750,779	8,775,779
Year ended 31 December 2022:				
Profit and total comprehensive income for the year		-	5,361,568	5,361,568
Dividends	**10**	-	(12,000,000)	(12,000,000)
Balance at 31 December 2022		25,000	2,112,347	2,137,347

1 Accounting policies

Company information

F. Vindis & Sons (Bedford) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Vindis House, Washingley Road, Huntingdon, Cambridgeshire, PE29 6WP.

1.1 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.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 ‘Statement of Cash Flows’: Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 ‘Related Party Disclosures’: Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Vindis Group Limited and these financial statements may be obtained from Companies House.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Sales of motor vehicles, parts and accessories are recognised on the earlier of full payment by, or delivery date to, the customer. Any other manufacturer income in relation to achieving targets is recognised on an accrual basis. Servicing revenue is recognised on the completion of the agreed work.

Revenue from commission's receivable is recognised when the amount can be reliably measured and it is probable that the company will receive the consideration.

1.4 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 20 years.

1 Accounting policies **(Continued)**

1.5 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:

Freehold property	Land not depreciated, property is depreciated at 2% and 10% straight line
Short leasehold	Over the lease term except retail concept upgrades over 10 years
Plant and machinery	25% straight line
Fixtures and fittings	25% straight line
Motor vehicles	2% per month straight line

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.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

Consignment stock

Consignment vehicles which bear considerably more of the risks and responsibilities of ownership are regarded effectively as being under the control of the company and, in accordance with FRS 102 are included in stocks on the balance sheet, although legal title has not passed to the company. The corresponding liability is included within trade creditors and is secured directly on these vehicles.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet 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 debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company’s contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company’s accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Consignment stock

Vehicles held on consignment have been included in stocks on the basis that the company has determined that it holds the significant risks and rewards attached to those vehicles.

2 Judgements and key sources of estimation uncertainty **(Continued)**

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock valuation

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including CAP valuation guides. The directors maintain oversight of ageing stock profiles and a monthly review of any provision required is performed. The carrying amounts are
shown in note 14.

Useful lives of intangibles, property, plant and equipment

The annual depreciation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates. See the accounting policies note for the useful economic lives for each class of assets.

3 Turnover and other revenue

	2022	**2021**
	£	**£**
Turnover analysed by class of business		
Sale of goods	207,964,179	199,496,494
Rendering of services	12,866,959	13,373,609
Commissions receivable	4,207,921	4,060,468
	225,039,059	216,930,571

	2022	**2021**
	£	**£**
Other revenue		
Interest income	33,993	-
Grants received	-	537,979

All turnover arose within the United Kingdom.

4 Exceptional item

	2022	**2021**
	£	**£**
Income		
Exceptional item - profit on sale of properties	5,245,299	-

In the year, three properties were disposed of under sale and leaseback terms. The exceptional item above relates to the gain on the sale of these properties.

5 Operating profit

	2022	2021
Operating profit for the year is stated after charging/(crediting):	£	£
Government grants	-	(537,979)
Fees payable to the company's auditor for the audit of the company's financial statements	56,314	50,767
Depreciation of owned tangible fixed assets	841,918	983,260
Profit on disposal of tangible fixed assets	(14,849)	(5,496)
Amortisation of intangible assets	17,632	17,822
Operating lease charges	2,081,680	1,826,801

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Sales	113	108
Aftersales	185	177
Directors	2	2
Total	300	287

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	13,053,876	12,267,006
Social security costs	1,114,984	997,092
Pension costs	251,658	229,708
	14,420,518	13,493,806

7 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest receivable from group companies	33,993	-

8 Interest payable and similar expenses

	2022	2021
	£	£
Loan interest	52,295	80,740
Interest payable to group undertakings	-	43,465
Other interest	35,466	20,901
Stocking loan interest	946,009	989,257
	1,033,770	1,134,363

9 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	910,734	696,998
Deferred tax		
Origination and reversal of timing differences	-	(56,199)
Total tax charge	910,734	640,799

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	6,272,302	3,696,928
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	1,191,737	702,416
Tax effect of expenses that are not deductible in determining taxable profit	-	3,932
Tax effect of income not taxable in determining taxable profit	(1,047,411)	-
Tax effect of utilisation of tax losses not previously recognised	-	(123,356)
Adjustments in respect of prior years	-	(46)
Group relief	(103,623)	-
Permanent capital allowances in excess of depreciation	(124,242)	-
Depreciation on assets not qualifying for tax allowances	163,315	99,923
Amortisation on assets not qualifying for tax allowances	3,350	-
Chargeable gains/(losses)	827,608	-
Remeasurement of deferred tax for changes in tax rates	-	(42,070)
Taxation charge for the year	910,734	640,799

10 Dividends

	2022	2021
	£	£
Interim paid	12,000,000	-

11 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2022 and 31 December 2022	356,430
Amortisation and impairment	
At 1 January 2022	334,538
Amortisation charged for the year	17,632
At 31 December 2022	352,170
Carrying amount	
At 31 December 2022	4,260
At 31 December 2021	21,892

12 Tangible fixed assets

	Freehold property £	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 1 January 2022	4,822,128	8,899,195	4,160,637	2,310,300	342,740	20,535,000
Additions	-	-	206,102	106,083	10,322	322,507
Disposals	(4,822,128)	(55,954)	(74,223)	(7,746)	(219,969)	(5,180,020)
Transfers	-	902	4,891	10,236	(7,333)	8,696
At 31 December 2022	-	8,844,143	4,297,407	2,418,873	125,760	15,686,183
Depreciation and impairment						
At 1 January 2022	496,111	3,439,124	3,860,015	2,155,412	224,707	10,175,369
Depreciation charged in the year	23,208	512,272	174,121	91,990	40,327	841,918
Eliminated in respect of disposals	(519,319)	(17,464)	(63,075)	(4,423)	(159,255)	(763,536)
Transfers	-	13,127	11,606	1,745	(5,973)	20,505
At 31 December 2022	-	3,947,059	3,982,667	2,244,724	99,806	10,274,256
Carrying amount						
At 31 December 2022	-	4,897,084	314,740	174,149	25,954	5,411,927
At 31 December 2021	4,326,017	5,460,071	300,622	154,888	118,033	10,359,631

Included in land and buildings is freehold land at cost of £nil (2021: £2,042,260) which is not depreciated.

13 Stocks

	2022 £	2021 £
Parts stock	726,616	689,888
Vehicle stock	33,010,259	32,207,326
	33,736,875	32,897,214

During the period an impairment loss of £1,437,341 (2021: £258,443) was recognised against stock.

All vehicle stock is pledged as security for the company's vehicle funding and bank facilities.

14 Debtors

	2022	2021
Amounts falling due within one year:	**£**	**£**
Trade debtors	1,438,098	905,326
Other debtors	1,216,320	758,745
Prepayments and accrued income	985,430	571,475
	3,639,848	2,235,546
Deferred tax asset (note 18)	175,292	175,292
	3,815,140	2,410,838

15 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	17	-	493,668
Trade creditors		34,511,786	31,286,487
Amounts owed to group undertakings		6,178,485	1,111,584
Corporation tax		857,663	591,395
Other taxation and social security		726,628	1,002,134
Accruals and deferred income		1,278,204	1,265,116
		43,552,766	35,750,384

The vehicle funding creditor amounting to £31,081,567 (2021: £28,764,639) included within trade creditors is secured directly over the vehicles to which it relates.

16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	17	-	1,667,921

Amounts included above which fall due after five years are as follows:

	2022	2021
Payable by instalments	-	90,133

17 Loans and overdrafts

	2022	2021
	£	£
Bank loans	-	2,161,589
Payable within one year	-	493,668
Payable after one year	-	1,667,921

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2022	Assets 2021
Balances:	£	£
Accelerated capital allowances	175,292	117,865
Short term timing differences	-	57,427
	175,292	175,292

There were no deferred tax movements in the year.

19 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	251,658	229,708

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2022	2021	2022	2021
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of £1 each	25,000	25,000	25,000	25,000

21 Reserves

Profit and loss reserves
This reserve includes all current and prior period retained profits and losses, less dividends.

22 Financial commitments, guarantees and contingent liabilities

HSBC Bank Plc hold an unlimited multi lateral guarantee over the assets of Vindis Group Limited, F. Vindis & Sons (Bedford) Limited, F. Vindis & Sons (Sawston) Limited, F. Vindis & Sons (St Ives) Limited, F. Vindis & Sons (Peterborough) Limited, Vindis Developments Limited, Vindis Trade Parts Limited and Epic Parts Limited. At the reporting date, the total contingent liability in respect of this guarantee was £3,326,847 (2021: £2,165,770).

23 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:

	2022	**2021**
	£	**£**
Within one year	2,295,912	1,157,162
Between two and five years	9,055,567	4,476,985
In over five years	21,898,697	3,818,165
	33,250,176	9,452,312

24 Capital commitments

	2022	**2021**
	£	**£**
Amounts contracted for but not provided in the financial statements	3,288,172	2,345,659

The company has a commitment at the reporting date to repurchase vehicles from CBS, at agreed values and expects the market value of the vehicles to be in excess of the repurchase commitment.

At the reporting date legal title had passed to CBS and the company does not have the risks and responsibilities of ownership.

25 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Vindis Group Limited and its subsidiary undertakings are related parties by virtue of their common control. Vindis pension scheme is a related party by having directors of the company as beneficiaries in the fund.

During the year the company has made sales of £7,077,260 (2021: £4,267,498) and purchases of £5,130,036 (2021: £3,699,241) with F. Vindis & Sons (Sawston) Limited, 75% owned subsidiary of Vindis Group Limited.

During the year the company has made sales of £1,818,412 (2021: £1,461,156) and purchases of £2,723,896 (2021: £2,480,304) with F. Vindis & Sons (St. Ives) Limited, 75% owned subsidiary of Vindis Group Limited.

All the above transactions were made on normal commercial terms.

Creditors due within one year include the amounts owed to other group companies.

26 Ultimate controlling party

The ultimate parent company is considered to be Vindis Group Limited, which owns 100% of the issued share capital within F. Vindis & Sons (Bedford) Limited.