

Registered number: 03728924

Forever Enterprises Limited

Annual report and financial statements

For the year ended 30 June 2020

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Forever Enterprises Limited

Company Information

Director	Joseph Jacob
Registered number	03728924
Registered office	Third Floor 24 Chiswell Street London EC1Y 4YX
Independent auditors	Kreston Reeves LLP Third Floor 24 Chiswell Street London EC1Y 4YX

Forever Enterprises Limited

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Forever Enterprises Limited

Strategic report For the year ended 30 June 2020

Introduction

The director presents his strategic report for the year ended 30 June 2020.

Business review

The year ended 30 June 2020 showed a substantial decrease in turnover and profit.

Mitigating this decrease, the company continued to secure profitable and volumous export sales with further new brands.

In 2020 the business landscape continued to worsen as manufacturers further implemented new policies adopted last year. and uncertainty over Brexit persisted. In addition, COVID-19 lockdowns where the dealers were closed for more than 2 months and return in June with skeleton staff had a major impact on sales. In spite of these conditions, post year-end management accounts show the company making strong profits due to short term deals put in place pre year end.

The company settled into its new premises and experienced increasing efficiencies as a result. While the management is very happy with the move in general, it was disappointed the rates on the new site are more than double what they paid at the old and in excess of 100 thousand pounds annually.

The company feels that at the time of writing this report that the business environment is very tough and likely to continue for the short term though, some opportunities have arisen which make the outlook more positive.

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include the effects of foreign exchange risk, credit risk and liquidity risk. The company has in place a risk management program that seeks to limit the adverse effects on the financial performance of the company by monitoring the levels of financial risks.

Supply chain

The company's performance is heavily influenced by the decision making and policies of it key suppliers regarding the supply of spare parts. In practice this has been a strength rather than a weakness because of the strong benefits accruing to all parties to the existing relationships, though due to COVID-19, none of the manufacturers have applied annual sales targets as no funds were made available and so make purchase deals has increased in difficulty.

Foreign Exchange Risk

The company is exposed to foreign exchange risk in the normal course of business, principally in respect of purchases in euros. The company uses forward exchange contracts to assist in the hedge of foreign currency exposure.

Credit Risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The company has a relatively short list of key customers and operates effective credit controls.

Liquidity Risk

The company carries some levels of debt, but there are sufficient available funds to meet repayments and carry on operations for the foreseeable future.

Forever Enterprises Limited

Strategic report (continued) For the year ended 30 June 2020

Financial key performance indicators

The key financial performance indicators used to determine the progress and performance of the company are set out below;

<u>Performance indicator</u>	<u>2020</u> £	<u>2019</u> £
Turnover	8,204,869	10,735,061
Gross Profit	1,906,538	2,188,796
Net profit after tax	691,859	691,939

The board acknowledges that all headline KPIs have seen decreases in the financial year. This is due to a downturn in market conditions, however the company has secured profitable and high volume sales on new branded products, which resulted in a improvement in gross profit margin to 23% (2019: 20%). It is expected that a similar pattern will emerge for 2020 although, the director remains pleased with the underlying performance of the company.

Other key performance indicators

The key non-financial performance indicators used to determine the progress and performance of the company are set out below;

Staff turnover
Brand awareness
Client service

The performance indicators are reviewed by the management team on a regular basis in order to assess the progress of the company. The management team are pleased with the overall performance based on the company results and client retention.

This report was approved by the board and signed on its behalf.



Joseph Jacob
Director

Date: 14 Dec 2020

Forever Enterprises Limited

Director's report For the year ended 30 June 2020

The director presents his report and the financial statements for the year ended 30 June 2020.

Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Company's financial statements 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 Company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Principal activity

The principal activity of the company is the wholesaling of automotive parts.

Results and dividends

The profit for the year, after taxation, amounted to £691,859 (2019 - £691,939).

During the year, interim dividends of £0.881 (2019: £1.643) per share were paid amounting to £440,500 (2019: £546,000).

Director

The director who served during the year was:

Joseph Jacob

Future developments

The director continues to ensure the company's organic growth and progression by ensuring that strong focus on client service.

Forever Enterprises Limited

Director's report (continued) For the year ended 30 June 2020

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

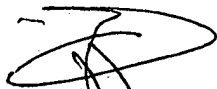
Post balance sheet events

Early 2020 saw the outbreak of the Covid-19 pandemic. By the year end this had already resulted in significant global economic disruption and as the pandemic develops this disruption continues and may worsen over the months to come. Taking into consideration the UK Government's response and the company's planning, the director has a strong expectation that the company will continue in operational existence for the foreseeable future.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Joseph Jacob
Director

Date: 14 Dec 2020

Forever Enterprises Limited

Independent auditors' report to the members of Forever Enterprises Limited

Opinion

We have audited the financial statements of Forever Enterprises Limited (the 'Company') for the year ended 30 June 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of 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 30 June 2020 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Forever Enterprises Limited

Independent auditors' report to the members of Forever Enterprises Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's 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 Director's 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 director's 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 Director's responsibilities statement on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Forever Enterprises Limited

Independent auditors' report to the members of Forever Enterprises Limited (continued)

Auditors' 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 Auditors' 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.


As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Stephen Tanner BSc(Econ) FCA (Senior statutory auditor)
for and on behalf of
Kreston Reeves LLP
Chartered Accountants & Statutory Auditors
Date: 18th December 2020
London

Forever Enterprises Limited

**Statement of comprehensive income
For the year ended 30 June 2020**

	Note	2020 £	2019 £
Turnover	4	8,204,869	10,735,061
Cost of sales		(6,298,331)	(8,546,265)
Gross profit		1,906,538	2,188,796
Distribution costs		(123,624)	(187,615)
Administrative expenses		(877,456)	(1,041,945)
Operating profit	5	905,458	959,236
Interest payable and expenses	9	(37,190)	(43,477)
Profit before tax		868,268	915,759
Tax on profit	10	(176,409)	(223,820)
Profit for the financial year		691,859	691,939

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 13 to 26 form part of these financial statements.

Forever Enterprises Limited
Registered number: 03728924

Balance sheet
As at 30 June 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	<u>2,447,424</u>	<u>2,506,565</u>
		2,447,424	2,506,565
Current assets			
Stocks	13	1,543,736	816,230
Debtors: amounts falling due within one year	14	798,912	1,692,034
Cash at bank and in hand	15	<u>2,232,960</u>	<u>2,192,251</u>
		4,575,608	4,700,515
Creditors: amounts falling due within one year	16	<u>(855,061)</u>	<u>(1,171,827)</u>
Net current assets		3,720,547	3,528,688
Total assets less current liabilities		6,167,971	6,035,253
Creditors: amounts falling due after more than one year	17	<u>(1,234,892)</u>	<u>(1,354,563)</u>
Provisions for liabilities			
Deferred tax	20	<u>(61,938)</u>	<u>(60,908)</u>
		(61,938)	(60,908)
Net assets		4,871,141	4,619,782
Capital and reserves			
Called up share capital	21	500,000	500,000
Other reserves	22	726	726
Profit and loss account	22	<u>4,370,415</u>	<u>4,119,056</u>
		4,871,141	4,619,782

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Joseph Jacob
 Director

Date: 14 Dec 2020

The notes on pages 13 to 26 form part of these financial statements.

Forever Enterprises Limited

**Statement of changes in equity
For the year ended 30 June 2020**

	Called up share capital	Cash flow hedge reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2019	500,000	726	4,119,056	4,619,782
Comprehensive income for the year				
Profit for the year	-	-	691,859	691,859
Total comprehensive income for the year	-	-	691,859	691,859
Dividends: Equity capital	-	-	(440,500)	(440,500)
Total transactions with owners	-	-	(440,500)	(440,500)
At 30 June 2020	500,000	726	4,370,415	4,871,141

The notes on pages 13 to 26 form part of these financial statements.

**Statement of changes in equity
For the year ended 30 June 2019**

	Called up share capital	Cash flow hedge reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2018	500,000	726	3,973,117	4,473,843
Comprehensive income for the year				
Profit for the year	-	-	691,939	691,939
Total comprehensive income for the year	-	-	691,939	691,939
Dividends: Equity capital	-	-	(546,000)	(546,000)
Total transactions with owners	-	-	(546,000)	(546,000)
At 30 June 2019	500,000	726	4,119,056	4,619,782

The notes on pages 13 to 26 form part of these financial statements.

Forever Enterprises Limited

**Statement of cash flows
For the year ended 30 June 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	691,859	691,939
Adjustments for:		
Depreciation of tangible assets	60,075	66,317
Loss on disposal of tangible assets	281	-
Interest paid	37,190	43,477
Taxation charge	176,409	223,820
(Increase)/decrease in stocks	(727,506)	3,027
Decrease in debtors	893,122	686,620
(Decrease) in creditors	(392,145)	(3,838)
Corporation tax (paid)	(100,000)	(124,527)
Net cash generated from operating activities	<u>639,285</u>	<u>1,586,835</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,215)	(3,395)
Net cash from investing activities	<u>(1,215)</u>	<u>(3,395)</u>
Cash flows from financing activities		
Repayment of loans	(27,974)	(26,914)
Repayment of other loans	(91,697)	(84,991)
Dividends paid	(440,500)	(546,000)
Interest paid	(37,190)	(43,477)
Net cash used in financing activities	<u>(597,361)</u>	<u>(701,382)</u>
Net increase in cash and cash equivalents	40,709	882,058
Cash and cash equivalents at beginning of year	2,192,251	1,310,193
Cash and cash equivalents at the end of year	<u>2,232,960</u>	<u>2,192,251</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,232,960	2,192,251
	<u>2,232,960</u>	<u>2,192,251</u>

The notes on pages 13 to 26 form part of these financial statements.

Forever Enterprises Limited

**Analysis of Net Debt
For the year ended 30 June 2020**

	At 1 July 2019 £	Cash flows £	At 30 June 2020 £
Cash at bank and in hand	2,192,251	40,709	2,232,960
Debt due after 1 year	(1,354,563)	119,671	(1,234,892)
Debt due within 1 year	(152,532)	-	(152,532)
	<u>685,156</u>	<u>160,380</u>	<u>845,536</u>

The notes on pages 13 to 26 form part of these financial statements.

Forever Enterprises Limited

Notes to the financial statements For the year ended 30 June 2020

1. General information

Forever Enterprises Limited is a company limited by shares, incorporated in England and Wales. Its registered office is at Third Floor, 24 Chiswell Street, London, EC1Y 4YX and the company registered number is 03728924. The nature of the company's operations and principal activities are set out in the Strategic Report and Director's Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

During the year, on 11 March 2020, The World Health Organisation declared Covid-19 a global pandemic which has had an adverse effect on the group. Whilst the impact of Covid-19 virus has been assessed by the director, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the company's trade and customers. The director considers the impact of Covid-19 on the Company has been negligible to its overall position. Taking into consideration the UK government's response and the director's revised plans and forecasts, the director has concluded the company has the necessary financial resources to meet their liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is pounds sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**Notes to the financial statements
For the year ended 30 June 2020**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Forever Enterprises Limited

Notes to the financial statements For the year ended 30 June 2020

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using both straight line and reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	-	4% Straight line
Plant and machinery	-	25% Reducing balance
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	25% Reducing balance
Computer equipment	-	25% Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Forever Enterprises Limited

Notes to the financial statements For the year ended 30 June 2020

2. Accounting policies (continued)

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

Forever Enterprises Limited

Notes to the financial statements For the year ended 30 June 2020

2. Accounting policies (continued)

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company is a wholesaler of automotive parts, which are subject to changing consumer demands. As a result it is necessary to consider the net realisable value of stock and associated provision for impairments along the provision for obsolete stock. In calculating the stock impairment provision, management considers the nature and condition of the stock as well as the anticipated saleability of goods held and estimation on an aging basis and agreed by management.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Automotive parts	8,204,869	10,735,061
	<u>8,204,869</u>	<u>10,735,061</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	5,845,987	7,678,295
Rest of Europe	1,562,933	2,407,629
Rest of the world	795,949	649,137
	<u>8,204,869</u>	<u>10,735,061</u>

Coronavirus Job Retention Scheme income of £52,239 is included in turnover. This money was claimed through the government furlough scheme. Of this, £35,748 was received during the year, with £16,491 due at year end. There are no unfulfilled conditions or other contingencies relating to the grant. There are no other forms of government assistance from which the entity has directly benefitted.

Forever Enterprises Limited

**Notes to the financial statements
For the year ended 30 June 2020**

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	60,075	66,317
Exchange differences	(226,436)	(275,020)
Other operating lease rentals	3,898	-
Defined contribution pension cost	6,857	10,108
	<u>6,857</u>	<u>10,108</u>

6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,000	10,500

Fees payable to the Company's auditor and its associates in respect of:

Accounts production	1,500	1,500
Taxation compliance services	1,000	1,000
All other services	2,076	4,144
	<u>4,576</u>	<u>6,644</u>

7. Employees

Staff costs, including director's remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	433,345	513,468
Cost of defined contribution scheme	6,857	10,108
	<u>440,202</u>	<u>523,576</u>

The average monthly number of employees, including the director, during the year was as follows:

	2020 No.	2019 No.
Management	1	1
Administration and warehouse	13	14
	<u>14</u>	<u>15</u>

Forever Enterprises Limited

**Notes to the financial statements
For the year ended 30 June 2020**

8. Director's remuneration

	2020 £	2019 £
Director's emoluments	106,365	136,920
	<u>106,365</u>	<u>136,920</u>

9. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	37,190	43,477
	<u>37,190</u>	<u>43,477</u>

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	175,379	184,976
Adjustments in respect of previous periods	-	9,060
	<u>175,379</u>	<u>194,036</u>
Total current tax	<u>175,379</u>	<u>194,036</u>
Deferred tax		
Origination and reversal of timing differences	1,030	29,784
Total deferred tax	<u>1,030</u>	<u>29,784</u>
Taxation on profit on ordinary activities	<u>176,409</u>	<u>223,820</u>

Forever Enterprises Limited

**Notes to the financial statements
For the year ended 30 June 2020**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>868,268</u>	<u>915,759</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	164,971	173,994
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	11,437	12,600
Capital allowances for year in excess of depreciation	(1,029)	(1,618)
Adjustments to tax charge in respect of prior periods	-	9,060
Deferred tax	<u>1,030</u>	<u>29,784</u>
Total tax charge for the year	<u>176,409</u>	<u>223,820</u>

Factors that may affect future tax charges

There are no further factors affecting the future tax charges.

11. Dividends

	2020 £	2019 £
Dividends paid	<u>440,500</u>	<u>546,000</u>
	<u>440,500</u>	<u>546,000</u>

Forever Enterprises Limited

Notes to the financial statements
For the year ended 30 June 2020

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost or valuation					
At 1 July 2019	2,508,278	6,211	40,752	110,883	21,249
Additions	-	-	-	-	1,215
Disposals	-	-	(21,162)	-	-
At 30 June 2020	2,508,278	6,211	19,590	110,883	22,464
Depreciation					
At 1 July 2019	80,266	5,195	34,177	50,440	10,730
Charge for the year on owned assets	40,133	254	1,644	15,110	2,934
Disposals	-	-	(20,881)	-	-
At 30 June 2020	120,399	5,449	14,940	65,550	13,664
Net book value					
At 30 June 2020	2,387,879	762	4,650	45,333	8,800
At 30 June 2019	2,428,012	1,016	6,575	60,443	10,519

Forever Enterprises Limited

**Notes to the financial statements
For the year ended 30 June 2020**

12. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 July 2019	2,687,373
Additions	1,215
Disposals	(21,162)
At 30 June 2020	<u>2,667,426</u>
Depreciation	
At 1 July 2019	180,808
Charge for the year on owned assets	60,075
Disposals	(20,881)
At 30 June 2020	<u>220,002</u>
Net book value	
At 30 June 2020	<u>2,447,424</u>
At 30 June 2019	<u>2,506,565</u>

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Freehold property	<u>2,387,879</u>	2,428,012
	<u>2,387,879</u>	<u>2,428,012</u>

Included in within freehold property is land at a value of £1,434,273, which is not depreciated.

13. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>1,543,736</u>	816,230
	<u>1,543,736</u>	<u>816,230</u>

Stock recognised in cost of sales during the year as an expense was £727,506 (2019: £28,171).

Forever Enterprises Limited

**Notes to the financial statements
For the year ended 30 June 2020**

14. Debtors

	2020 £	2019 £
Trade debtors	681,718	1,289,964
Other debtors	7,449	304,205
Prepayments and accrued income	109,745	97,865
	<u>798,912</u>	<u>1,692,034</u>

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	2,232,960	2,192,251
	<u>2,232,960</u>	<u>2,192,251</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	29,686	29,686
Mortgage	122,846	122,846
Trade creditors	171,109	535,806
Corporation tax	299,442	224,063
Other taxation and social security	48,291	155,212
Other creditors	50,616	-
Accruals and deferred income	133,071	104,214
	<u>855,061</u>	<u>1,171,827</u>

17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	35,809	63,783
Mortgage	1,199,083	1,290,780
	<u>1,234,892</u>	<u>1,354,563</u>

The mortgage of £1,199,083 (2019: £1,290,780) are secured by fixed charges over the company's properties. Company loans are wholly repayable within five years include £65,495 (2019: £93,469) secured by a floating charge over the company's assets. The interest rate for both loans were 2.25%.

Forever Enterprises Limited

**Notes to the financial statements
For the year ended 30 June 2020**

18. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	29,686	29,686
Mortgage	122,846	122,846
	<u>152,532</u>	<u>152,532</u>
Amounts falling due 1-2 years		
Bank loans	29,686	29,686
Mortgage	122,846	122,846
	<u>152,532</u>	<u>152,532</u>
Amounts falling due 2-5 years		
Bank loans	6,123	34,097
Mortgage	491,383	491,383
	<u>497,506</u>	<u>525,480</u>
Amounts falling due after more than 5 years		
Mortgage	584,854	676,551
	<u>584,854</u>	<u>676,551</u>
	<u><u>1,387,424</u></u>	<u><u>1,507,095</u></u>

19. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>689,167</u>	<u>1,594,169</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,691,604)</u>	<u>(2,031,875)</u>

Financial assets that are debt instruments measured at amortised cost comprise debtors.

Financial liabilities measured at amortised cost comprise creditors.

Forever Enterprises Limited

Notes to the financial statements For the year ended 30 June 2020

20. Deferred taxation

	2020 £
At beginning of year	(60,908)
Charged to profit or loss	(1,030)
At end of year	<u>(61,938)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(62,060)	(61,017)
Pension surplus	122	109
	<u>(61,938)</u>	<u>(60,908)</u>

21. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
500,000 (2019 - 500,000) Ordinary shares of £1.00 each	<u>500,000</u>	<u>500,000</u>

22. Reserves

Other reserves

Other reserves represent the fair value movement on forward contracts.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £6,857 (2019 - £10,108). Contributions totalling £479 (2019 - £995) were payable to the fund at the balance sheet date and are included in accruals and deferred income in note 16.

24. Commitments under operating leases

The Company had no commitments under non-cancellable operating leases at the balance sheet date.

Forever Enterprises Limited

**Notes to the financial statements
For the year ended 30 June 2020**

25. Related party transactions

At the year end the company paid £440,500 (2019: £546,000) to shareholders of the company.

Amounts due to the director at the year end was £50,616 (2019: £342 owed).

As at the year end the company was owed £86,023 (2019: £NIL) by Primus Car Limited, a company under common control by the Director.

Key management personnel includes only the director who has authority and responsibility for planning, directing and controlling the activities of the company.

26. Controlling party

In the opinion of the director, there is no ultimate controlling party.