

**BV F1rst Limited**

**Annual report and financial statements**

**Registered number 3835267**

**Year ended 31 December 2022**



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## Company information

<b>Directors</b>	Mr T Gorgun Mr M Owen
<b>Secretary</b>	Mr M Owen
<b>Independent Auditor</b>	PricewaterhouseCoopers LLP, 1 Chamberlain Square, Birmingham BA 3AX
<b>Bankers</b>	Royal Bank of Scotland Plc Bolton Customer Service Centre PO Box 2027 Parklands De Havilland Way Bolton BL6 4YU
<b>Solicitors</b>	Michelmores Woodwater House Pynes Hill Exeter EX2 5WR
<b>Registered office</b>	Gillard Way Lee Mill Industrial Estate Ivybridge Devon PL21 9PE
<b>Registered number</b>	3835267

## Strategic Report

The Directors present their Strategic Report for the year ended 31 December 2022, the Directors Report and the audited financial statements for the year ended 31 December 2022 follow.

### Business Review

On the 1<sup>st</sup> May 2021 the business of BV First Limited was transferred to Continental Tyre Group Ltd (a fellow subsidiary of Continental Group Holdings UK Ltd) and this company ceased to trade.

Turnover for the twelve months ended December 2022 was £nil (2021: £4.2M).

Company profit for the financial year, after taxation, amounted to a loss of £(4.5)k (2021: profit of £138.9k).

### Environmental matters

The company is part of the wider Continental AG Group, which practices its responsibility for protecting the environment in its corporate ESH (Environment, security, safety & health) policy. The principles of environmental protection are used as a guideline and yardstick for all activities of the group which are of relevance to the environment.


### Financial Risk Management Objectives and Policies

The company's currency exposure is minimal and any such risk is minimised by balancing any exposure by having both costs and revenues in the same currency across the UK immediate Group.

### Principal risks and uncertainties

The business of BV First Limited transferred to Continental Tyre Group Ltd (a fellow subsidiary of Continental Group Holdings UK Ltd) and will become dormant in the first half of 2023.

By order of the board

  
**Mr M Owen**  
*Company Secretary*

16th November 2023

Gillard Way  
Lee Mill Industrial Estate  
Ivybridge  
Devon  
PL21 9LN

## Directors Report

The Directors present their directors' report and the audited financial statements for the year ended 31<sup>st</sup> December 2022.

### Principal Activities

The principal activity of the company was wholesale and retail of commercial truck tyres until the 1<sup>st</sup> of May 2021 when it ceased to trade.

### Going Concern

The financial statements have been prepared on a going concern basis. On the 1<sup>st</sup> May 2021 the business of BV First Limited was transferred to Continental Tyre Group Ltd (a fellow subsidiary of Continental Group Holdings UK Ltd).

### Dividends

The Directors do not recommend the payment of a dividend (2021 - £Nil).

During 2023 the Directors recommended payment of a cash dividend of £1,349,644 to the sole shareholder of the company Continental U.K. Group Holdings Limited.

### Directors and Directors' Interests

The following directors who held office during the year and up to the date of approval of these financial statements were as follows:-

Mr D Smith (Resigned 31<sup>st</sup> March 2022)  
Mr L Fricke (Resigned 31<sup>st</sup> May 2023)  
Mr M Owen  
Mr T Gorgan (Appointed 31<sup>st</sup> March 2022)

### Other information

A qualifying third party indemnity is in place providing Directors and Officers insurance cover.

### Political and Charitable Donations

During the year the company made no political or charitable donations (2021 - £Nil).

### Disclosure of information to the independent auditor

The Directors who held office at the date of approval of the Directors report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Independent auditors

PricewaterhouseCoopers LLP have continued to be the auditors for the year ended 2022.

By order of the board

Mr M Owen  
Director

16<sup>th</sup> November 2023

Gillard Way  
Lee Mill Industrial Estate  
Ivybridge  
Devon  
PL21 9PE

## **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

### **Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# Independent auditors' report to the members of BV First Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, BV First Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2022; the Profit and loss account and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and the Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the 'Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

### **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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of unusual journal entries or manipulating accounting estimates that could be subject to management bias. Audit procedures performed by the engagement team included:

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and testing accounting estimates (because of the risk of management bias);
- Enquiry of management and those charged with governance around actual and potential litigation and claims; and
- Designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial



statements. 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Liesal Ackerman (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
16 November 2023

**Profit and loss account**  
*for the year ended 31 December 2022*

	<i>Note</i>	<b>Year ended 31 December 2022 £</b>	<b>Year ended 31 December 2021 £</b>
<b>Turnover</b>		-	4,252,734
Cost of sales		-	(4,061,931)
		<hr/>	<hr/>
<b>Gross profit</b>		-	190,803
Administrative expenses		-	(16,383)
		<hr/>	<hr/>
<b>Operating profit</b>	2	-	174,420
Interest receivable and similar expenses		23,946	-
Interest payable and similar expenses		-	(9)
		<hr/>	<hr/>
<b>Profit before taxation</b>		23,946	174,411
Income tax expense	3	(28,534)	(35,509)
		<hr/>	<hr/>
<b>Loss/Profit for the financial year</b>		<b>(4,588)</b>	<b>138,902</b>
		<hr/> <hr/>	<hr/> <hr/>

The company had no items of Other Comprehensive Income in either the current or preceding year.

The notes on pages 13 to 17 form part of these financial statements.

**Balance Sheet**  
*At 31 December 2022*

	<i>Note</i>	<b>2022</b> £	2021 £
<b>Current assets:</b>			
Debtors	4	1,318,600	1,323,188
		<u>1,318,600</u>	<u>1,323,188</u>
<b>Net assets</b>		<u>1,318,600</u>	<u>1,323,188</u>
<b>Capital and reserves</b>			
Called up equity share capital	6	1,000	1,000
Profit and loss account		1,317,600	1,322,188
<b>Total shareholders' funds</b>		<u>1,318,600</u>	<u>1,323,188</u>

These financial statements were approved by the Board of Directors and authorised for issue on 16<sup>th</sup> November 2023 and are signed on their behalf by:

**Mr M Owen**  
*Director*

Company registered number: 3835267

The notes on pages 13 to 17 form part of these financial statements.

**Statement of changes in equity**  
*for the year ended 31 December 2022*

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2021	1,000	1,183,286	1,184,286
<b><i>Total comprehensive income for the year:</i></b>			
Profit for the year	-	138,902	138,902
<b>Balance at 31 December 2021</b>	<b>1,000</b>	<b>1,322,188</b>	<b>1,323,188</b>
Balance at 1 January 2022	1,000	1,322,188	1,323,188
<b><i>Total comprehensive expense for the year:</i></b>			
Loss for the year	-	(4,588)	(4,588)
<b>Balance at 31 December 2022</b>	<b>1,000</b>	<b>1,317,600</b>	<b>1,318,600</b>

Notes on page 13 to 17 form part of the financial statements.

## Notes

### 1 Accounting policies

BV Flrst Limited (the 'Company') is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2016 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Related party transactions entered into between two or more wholly owned members of the group.

The Company's ultimate parent undertaking, Continental AG includes the Company in its consolidated financial statements. The consolidated financial statements of Continental AG are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Continental AG, Vahrenwalder Strasse 9, 30001 Hannover, Germany.

The consolidated financial statements of Continental AG include the disclosures required by IAS 36 *Impairment of assets* and IFRS 7 *Financial Instruments: Disclosures* and IFRS 13 *Fair Value Measurements*, both relating to financial instruments. As a consequent the Company has also taken the exemptions under FRS 101 not to include the equivalent disclosures in respect of the financial instruments apart from those which are relevant for financial instruments held at fair value and are not either held as part of a trading portfolio or derivatives.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors have not made any judgments in the application of these accounting policies that have significant effect on the financial statements or in relation to estimates with a significant risk of material adjustment in the next year.

### **Going concern**

The directors have prepared the financial statements on a going concern basis. The Company has net current assets and no external debt.

The Company is a member of the UK cash pooling facility managed by Continental UK Group Holdings Limited whereby the cash balance of the Company is swept into an intercompany bank account on a daily basis. To the extent that working capital requirements arise these are met through access to the cash pooling facility. As at 31<sup>st</sup> December 2022, the Company is in a net receivable position from that facility.

The Company has received a Letter of Support from Continental AG confirming it will provide financial support to the Company to enable to operate as a going concern and to settle its liabilities as they fall due. This undertaking will remain in place for the foreseeable future and will not be withdrawn prior to June 2025.

## **Notes** *(continued)*

### **1**      **Accounting policies** *(continued)*

Consequently the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### ***Measurement Convention***

The financial statements are prepared on the historical cost basis.

#### ***Non-derivative financial instruments***

Non-derivative financial instruments consist of trade and other debtors.

##### ***Trade and other debtors***

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

#### ***Taxation***

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### ***Amendments to accounting standards***

There are no amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2022 that have material impact on the company's financial statements.

## Notes (continued)

### 2 Operating profit

Operating profit is stated after charging:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Audit Fees	6,850	6,850
Management Charges	-	10,000
	<u>6,850</u>	<u>10,000</u>

The directors of BV F1rst Limited do not receive any remuneration in respect of their services to the company as the time spent on such activities is insignificant (2021: nil). Auditors' remuneration in respect of this entity is charged to another group entity. The amount estimated to relate to this company is £6,850 (2021: £6,850).

The Company employs no staff (2021: £nil).

### 3 Income tax expense

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
<i>Recognised in the profit and loss account</i>		
<i>UK corporation tax</i>		
Current tax on income for the year	4,550	35,377
Adjustment in respect of Prior periods	23,984	(-)
Total current tax	<u>28,534</u>	<u>35,377</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	188
Effect of changes in tax rates	-	(56)
Total deferred tax	<u>-</u>	<u>132</u>
Tax on profit	<u>28,534</u>	<u>35,509</u>

## Notes (continued)

### 3 Income tax expense (continued)

#### Reconciliation of effective tax rate

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Profit before tax	<u>23,946</u>	<u>174,411</u>
Tax using the domestic weighted corporation tax rate of 19.00% (2021: 19.00%)	4,550	33,138
Adjustments in respect of prior periods	23,984	(-)
Tax rate changes	-	(-)
Post Cessation income/(expenses)	-	2,372
Expenses not deductible	-	(1)
Total tax expense	<u><u>28,534</u></u>	<u><u>35,509</u></u>

The corporation tax rate applicable to the company for 2022 was 19.00% (2021: 19.00%).

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. The UK deferred tax liability as at 31 December 2020 was calculated at 19% (2019: 17%).

### 4 Debtors

	2022 £	2021 £
Amounts owed by group undertakings	<u>1,318,600</u>	<u>1,323,188</u>
	<u><u>1,318,600</u></u>	<u><u>1,323,188</u></u>

Amounts owed by group undertakings are non-interest bearing and payable on demand. Included within the intercompany receivable balance is an amount of £28,534 (2021: £22,088) payable to Continental Group Holdings in respect of corporation tax payable under the Group Payment Arrangement (GPA).

### 5 Related party transactions

The Company was a wholly owned subsidiary of Continental AG for the financial year ended 31 December 2022 and has taken advantage of the exemption in FRS 101 from disclosing transactions with members of the group. During the year, the Company traded with certain related parties in the ordinary course of business.



## Notes (continued)

### 6 Called up Share capital

	2022		2021	
	£		£	
<i>Authorised share capital</i>				
1,000 (2021:1000) Ordinary shares of £1 each	<u>1,000</u>		<u>1,000</u>	
	No	£	No	£
<i>Allotted, called up and fully paid</i>				
1,000 (2021:1000) Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 7 Ultimate parent company

The Company is a wholly owned subsidiary undertaking of Continental UK Group Holdings Limited the ultimate parent company is Continental AG, a company incorporated in Germany.

The consolidated accounts of Continental AG are available to the public and may be obtained from:

Continental AG  
Vahrenwalder Strasse  
30001 Hannover  
Germany

### 8 Subsequent events

During 2023 the directors recommended payment of a cash dividend of £1,349,644 to the sole shareholder of the company Continental U.K. Group Holdings Limited.