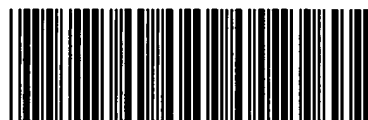


**4X4 ACCESSORIES & TYRES LIMITED**

**ANNUAL REPORT**

**FOR THE PERIOD ENDED 31 DECEMBER 2022**

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## 4X4 ACCESSORIES & TYRES LIMITED

### COMPANY INFORMATION

<b>Directors</b>	T Snowden I C Robinson (resigned 31 October 2022) N F Knagenhielm-Karlsson (appointed 17 December 2021) A Nordby (appointed 17 December 2021)
<b>Registered number</b>	04510524
<b>Registered office</b>	Meridian Park Tutin Road Leeming Bar Northallerton North Yorkshire DL7 9UJ
<b>Independent auditor</b>	Cooper Parry Group Limited Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

## **4X4 ACCESSORIES & TYRES LIMITED**

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## 4X4 ACCESSORIES & TYRES LIMITED

### STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

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

The directors aim to present a balanced and comprehensive review of the business during the period and its position as at the period-end. The review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties which are faced.

#### Overview

The principal activity of the company during the period was the provision of accessories and tyres for the pick up truck and commercial vehicle markets.

On the 17 December 2021, Röko AB, a company incorporated in Sweden, acquired a 78% controlling interest in the company's ultimate holding company, NLG Group Limited. In order to align with Röko's year end, the company has changed its accounting reference date to the 31st December 2022. Consequently all reported current year figures are for a 15-month period.

Röko positions itself as a perpetual owner of small to medium sized European businesses with good profitability and strong market positions in their respective niche fields.

In the period under review, the business has experienced a number of major challenges, from the continuation of the container shipping crisis to the worldwide shortage of semi-conductors used across the whole of the motor vehicle industry. All of this was set against the backdrop of rising inflation, reducing disposable incomes caused by the conflict in Europe and the resultant increases in energy and food costs.

#### Review of business

Despite these challenges, the company has still delivered a robust set of financial results.

Turnover in the 15 months to December 2022, although 17% higher than the previously reported 12 months to September 2021, was not as high as management had forecast at the start of the period. The shortfall was largely driven by the shortage of semi-conductors – new UK pickup registrations in 2022 were 30% lower (29,564) than they were in 2021 (42,485).

	15 months ended 31 December 2022 £	12 months ended 30 September 2021 £	Change in period £	Change in period %
Turnover	25,041,617	21,454,824	3,586,793	17
Gross margin %	33	36	-	(3)
Adjusted EBITDA	4,156,536	5,140,510	(983,974)	(19)
Adjusted EBITDA margin %	17	24	-	(7)
Net working capital	11,256,986	9,748,080	1,508,906	15

Adjusted EBITDA represents earnings before depreciation, amortisation, interest receivable and similar income, interest payable and similar expenses, taxation charge and management fees payable to group companies.

## **4X4 ACCESSORIES & TYRES LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022**

#### **Review of business (continued)**

Gross margin percentage fell in the period from 36% to 33%, whilst Adjusted EBITDA also declined from £5.1m to £4.2m over the same period. The reduction was essentially due to increases in shipping costs (up by £2.3m), which remained high throughout most of 2022, along with a weakened pound (sterling) and rising fuel costs. The fall in sterling's value over the course of the financial period made the cost of imported goods more expensive and rising fuel prices saw outbound carriage costs increase. Towards the end of the financial period the situation had begun to stabilise with container shipping prices reducing back towards pre-2022 levels and fuel prices easing back from their previous highs.

In anticipation of the launch of the new Ford Ranger in Q1 of 2023, the business has been pro-actively developing new products for the vehicle and building up in-house stock levels. Whilst stock levels have increased by £1.25m over the period, the business has also adopted the Röko group stock provisioning rationale which is far more aggressive than the one used previously – this has increased the overall stock provision by £590k compared with the previous methodology.

Röko have introduced monthly reporting schedules which the board use to manage the performance of the group. Key performance indicators include Turnover, Gross margin percentage, Adjusted EBITDA and Net working capital. All of these measures are monitored on a regular basis with the first 3 measures being analysed down to major sales channel level.

Each of these measures are not only monitored against historic trends but also against an annual budget split down into 12 monthly trading periods. The group produces a comprehensive suite of transactional and margin data each month to inform operating decisions and to ensure that profit margins on products are controlled and improved where possible.

#### **Principle risks and uncertainties**

The Board considers the following to be the key risks of the business:

##### **Foreign exchange risk**

In the financial period, the company purchased 52% of its goods for resale in foreign currency thereby exposing it to exchange rate fluctuations. Röko's group policy is not to enter into hedging transactions. Whilst small bank balances are maintained in Thai Bahts, Euros and US dollars, over the last 15 months the pound has fallen against all of these currencies thus increasing the cost of buying stock.

##### **Business performance risk**

The board manages the risk that the company may not perform as expected either due to internal factors or external pressures by monthly monitoring of key performance measures against budget and forecast. It ensures that the appropriate management disciplines are in place, financial controls are operating effectively, prices are being monitored, response times are fast and strong relationships with customers and suppliers are being maintained.

##### **Inflation risk**

Global events over the past 15 months resulted in the price of plastic and petrochemical products, as well as shipping costs, increasing significantly. Whilst some of these inflationary pressures are still present, the easing of the shipping crisis and the cost of fuel etc has seen prices begin to stabilise and in some instances fall.

The company has managed to mitigate most of the supply side increases through process and efficiency improvements, whilst constantly reviewing selling prices and adjusting where necessary.

Inflationary trends and the cost-of-living crisis remains more of a concern going forward for the retail side of the business.

## 4X4 ACCESSORIES & TYRES LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

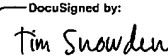
#### Customer risk

Loss of contracts from, or insolvency of, a major customer, would affect the short-term performance of the company. There were no major defaults or write-offs in 2022 and these risks are considered low for the coming year. Whilst there are some large individual accounts within the block of major manufacturer customers which comprise 25% (2021: 28%) of the company's turnover, these balances represent a tiny fraction of business which these multi-national companies do globally and the directors consider them to be low risk. All account customers with the company are credit checked and credit limits established according to their risk profile.

#### Commercial risk

Given the shortage of new vehicle registrations in 2022, the Directors consider the pent-up demand for pickup trucks remains strong. With the new Ford Ranger due in showrooms in Q1 of 2023 and given the pro-active development of products and the immediate availability of stock, the company is very well placed to take advantage of the launch.

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

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**T Snowden**  
Director

Date: 21 June 2023

## **4X4 ACCESSORIES & TYRES LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022**

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

#### **Directors' responsibilities statement**

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 period. Under that law the directors have 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 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 for the company's financial statements and then apply them consistently;
- make judgements 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 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 to 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.

#### **Results and dividends**

The profit for the period, after taxation, amounted to £3,342,247 (2021: £4,073,466).

During the period, total dividends paid amounted to £6,466,318 (2021: £147,163).

#### **Directors**

The directors who served during the period are listed on the company information page.

#### **Matters covered in the Strategic Report**

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's Strategic Report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7 to be contained in the directors' report.

**4X4 ACCESSORIES & TYRES LIMITED**

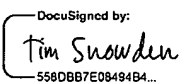
**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director 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 auditor is aware of that information.

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

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**T Snowden**  
Director

Date: 21 June 2023



## **4X4 ACCESSORIES & TYRES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 4X4 ACCESSORIES & TYRES LIMITED**

#### **Opinion**

We have audited the financial statements of 4X4 Accessories & Tyres Limited (the 'company') for the period ended 31 December 2022, which comprise the profit and loss account, the balance sheet, 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 31 December 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 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**

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.

## **4X4 ACCESSORIES & TYRES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 4X4 ACCESSORIES & TYRES 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 directors' report for the financial period 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 directors' 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 set out on page 4, 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.

## **4X4 ACCESSORIES & TYRES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 4X4 ACCESSORIES & TYRES LIMITED (CONTINUED)**

#### **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.

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.

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to, the following:

- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and walkthroughs;
- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework, including a review of legal and professional nominal codes and board minutes in the year and post year end;
- enquiring of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- designing our audit procedures to respond to our risk assessment; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, specifically in relation to the stock provision, bad debt provision and warranty provision.

In response to the risk of irregularities in relation to non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims and reviewing legal and professional expenses; and
- reviewing correspondence with HMRC and associated parties.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## 4X4 ACCESSORIES & TYRES LIMITED

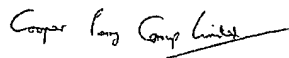
### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 4X4 ACCESSORIES & TYRES LIMITED (CONTINUED)

#### Auditors' responsibilities (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.



Lewis Aldridge (Senior statutory auditor)

for and on behalf of

**Cooper Parry Group Limited**

Statutory Auditor

Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

Date: 21 June 2023

## 4X4 ACCESSORIES &amp; TYRES LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 DECEMBER 2022

		15 months ended 31 December 2022 £	Year ended 30 September 2021 £
	Note		
<b>Turnover</b>	1,3	25,041,617	21,454,824
Cost of sales		(16,685,873)	(13,752,172)
<b>Gross profit</b>		8,355,744	7,702,652
Distribution costs		(1,045,849)	(732,082)
Administrative expenses		(3,390,805)	(2,133,155)
Other operating income	4	20,338	133,454
<b>Operating profit</b>	5	3,939,428	4,970,869
Interest receivable and similar income		26,254	115,781
Interest payable and similar expenses		(12,435)	(24,271)
<b>Profit before taxation</b>		3,953,247	5,062,379
Taxation on profit	8	(611,000)	(988,913)
<b>Profit for the financial period</b>		3,342,247	4,073,466

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

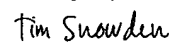
The notes on pages 13 to 28 form part of these financial statements.

**4X4 ACCESSORIES & TYRES LIMITED**  
**REGISTERED NUMBER: 04510524**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

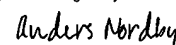
	Note	31 December 2022 £	30 September 2021 £
<b>Fixed assets</b>			
Intangible fixed assets	10	112,116	70,400
Tangible fixed assets	11	234,432	2,388,961
Investments	12	-	477,000
Investment property	13	-	112,000
		<u>346,548</u>	<u>3,048,361</u>
<b>Current assets</b>			
Stocks	14	8,792,274	7,544,164
Debtors	15	5,453,649	8,913,675
Cash at bank and in hand		1,127,804	3,013,968
		<u>15,373,727</u>	<u>19,471,807</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(2,988,937)</u>	<u>(6,709,759)</u>
<b>Net current assets</b>		<u>12,384,790</u>	<u>12,762,048</u>
<b>Total assets less current liabilities</b>		<u>12,731,338</u>	<u>15,810,409</u>
<b>Provisions for liabilities</b>			
Deferred tax	18	<u>(121,339)</u>	<u>(76,339)</u>
<b>Net assets</b>		<u><u>12,609,999</u></u>	<u><u>15,734,070</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	74	100
Revaluation reserve	20	-	7,000
Capital redemption reserve	20	26	-
Profit and loss account	20	12,609,899	15,726,970
<b>Shareholders' funds</b>		<u><u>12,609,999</u></u>	<u><u>15,734,070</u></u>

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

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**T Snowden**  
Director

Date: 21 June 2023

DocuSigned by:  
  
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**A Nordby**  
Director

20 June 2023

The notes on pages 13 to 28 form part of these financial statements.

**4X4 ACCESSORIES & TYRES LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	<b>Called up share capital</b>	<b>Capital redemption reserve</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£	£
At 1 October 2021	100	-	7,000	15,726,970	15,734,070
Profit for the period	-	-	-	3,342,247	3,342,247
Disposal of property	-	-	(7,000)	7,000	-
Dividends paid	-	-	-	(6,466,318)	(6,466,318)
Purchase of own shares	-	26	-	-	26
Shares cancelled during the period	(26)	-	-	-	(26)
<b>At 31 December 2022</b>	<b>74</b>	<b>26</b>	<b>-</b>	<b>12,609,899</b>	<b>12,609,999</b>

The notes on pages 13 to 28 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	<b>Called up share capital</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
At 1 October 2020	100	7,000	11,800,667	11,807,767
Profit for the year	-	-	4,073,466	4,073,466
Dividends paid	-	-	(147,163)	(147,163)
<b>At 30 September 2021</b>	<b>100</b>	<b>7,000</b>	<b>15,726,970</b>	<b>15,734,070</b>

The notes on pages 13 to 28 form part of these financial statements.

## **4X4 ACCESSORIES & TYRES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

4x4 Accessories & Tyres Limited (the company) is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in sterling (£), which is the functional currency of the company. The financial statements are for the 15 month period ended 31 December 2022 (2021: year ended 30 September 2021).

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard (FRS) 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 conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following accounting policies have been applied consistently throughout the period:

##### **1.2 Going concern**

At the balance sheet date the company are in a net current asset position. At the time of signing these accounts, the directors have prepared forecasts based on future trading expectations, and consider that this does indicate that the company will continue to trade for a period of at least 12 months from the date of signing these accounts due to the banking facilities available to it.

On that basis, the directors have prepared these financial statements on a going concern basis.

##### **1.3 Disclosure exemptions**

As permitted by FRS 102 Section 1.12, the company has taken advantage of the exemptions available under that standard in relation to the presentation of a cash flow statement and the aggregate remuneration of key management personnel. Where required equivalent disclosures are given in the group accounts of Roko AB. The group accounts of Roko AB are available to the public and can be obtained as set out in note 24.



## 4X4 ACCESSORIES & TYRES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

#### 1. Accounting policies (continued)

##### 1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

##### Sale of goods

Turnover from the sale of goods is recognised on delivery 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 turnover 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.

##### 1.5 Intangible assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the profit and loss account over its useful economic life.

##### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The estimated useful lives range as follows:

Website design	-	33% reducing balance
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## 4X4 ACCESSORIES & TYRES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

#### 1. Accounting policies (continued)

##### 1.6 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the following methods below.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line per annum
Plant and machinery	-	25% reducing balance per annum
Motor vehicles	-	25% reducing balance per annum
Fixtures and fittings	-	33% reducing balance per annum
Other fixed assets	-	25% reducing balance per annum

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 account.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an 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 the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

##### 1.7 Valuation of investments

Investments are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the profit and loss account and the value of the investment is reduced accordingly.

##### 1.8 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit and loss account.

## 4X4 ACCESSORIES & TYRES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

#### 1. Accounting policies (continued)

##### 1.9 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. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

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 the profit and loss account.

##### 1.10 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.

##### 1.11 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties and loans with related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

##### 1.12 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

Government grants relate to the receipt of Coronavirus Job Retention Scheme income which is included within other operating income in the profit and loss account.

##### 1.13 Provisions

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the period that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

## **4X4 ACCESSORIES & TYRES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022**

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

##### **1.14 Foreign currency translation**

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

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 are not retranslated.

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 the profit and loss account in the period to which they relate.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account in the period to which they relate.

##### **1.15 Finance costs**

Finance costs are charged to the profit and loss account 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.

##### **1.16 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.

##### **1.17 Operating leases**

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

##### **1.18 Pensions**

The company contributes to defined contribution plans 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 payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in other creditors as a liability in the balance sheet. The assets of the plans are held separately from the company in independently administered funds.

##### **1.19 Current and deferred taxation**

The tax charge for the period comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

## 4X4 ACCESSORIES & TYRES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

#### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors make estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements 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 estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### Carrying value of stock

Management review the market value of and demand for the company's stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. Management use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

#### 3. Turnover

An analysis of turnover by country of destination:

	15 months ended 31 December 2022 £	Year ended 30 September 2021 £
United Kingdom	24,118,053	19,812,114
Rest of Europe	923,564	1,642,710
	<u>25,041,617</u>	<u>21,454,824</u>

#### 4. Other operating income

	15 months ended 31 December 2022 £	Year ended 30 September 2021 £
Government grants receivable - Coronavirus Job Retention Scheme	-	54,046
Rental income	20,338	79,408
	<u>20,338</u>	<u>133,454</u>

## 4X4 ACCESSORIES &amp; TYRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

## 5. Operating profit

The operating profit is stated after charging:

	15 months ended 31 December 2022 £	Year ended 30 September 2021 £
Amortisation of intangible fixed assets	4,537	4,679
Depreciation of tangible fixed assets	84,676	66,636
Operating lease rentals	477,623	294,236
Auditor's remuneration	22,000	19,000
Difference on foreign exchange	33,933	117,922
	<u>          </u>	<u>          </u>

## 6. Employees

Staff costs, including directors' remuneration, were as follows:

	15 months ended 31 December 2022 £	Year ended 30 September 2021 £
Wages and salaries	1,957,817	1,309,466
Social security costs	192,205	118,887
Other pension costs	41,967	32,720
	<u>2,191,989</u>	<u>1,461,073</u>

The average monthly number of employees, including the directors, during the period was as follows:

	15 months ended 31 December 2022 No.	Year ended ended 30 September 2021 No.
Production staff	44	44
Management staff	4	4
	<u>48</u>	<u>48</u>

**4X4 ACCESSORIES & TYRES LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022****7. Directors' remuneration**

	<b>15 months ended 31 December 2022 £</b>	<b>Year ended 30 September 2021 £</b>
Directors' emoluments	211,580	90,000
Directors pension costs	1,431	1,317
	<u>213,011</u>	<u>91,317</u>

During the period retirement benefits were accruing to 1 (2021: 1) directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £122,254 (2021: £65,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,431 (2021: £1,317).

## 4X4 ACCESSORIES &amp; TYRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

## 8. Taxation

	15 months ended 31 December 2022 £	Year ended 30 September 2021 £
<b>Corporation tax</b>		
Current tax on profits for the period	570,018	943,272
Adjustments in respect of previous periods	(4,018)	-
<b>Total current tax</b>	<u>566,000</u>	<u>943,272</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	46,149	27,320
Effect of changes in tax rates	(5,783)	18,321
Adjustments in respect of prior periods	4,634	-
<b>Total deferred tax</b>	<u>45,000</u>	<u>45,641</u>
<b>Taxation on profit on ordinary activities</b>	<u>611,000</u>	<u>988,913</u>

**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	15 months ended 31 December 2022 £	Year ended 30 September 2021 £
Profit on ordinary activities before tax	<u>3,953,247</u>	<u>5,062,379</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	751,117	961,852
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(157)	10,578
Group relief claimed	(31,653)	-
Adjustments to tax charge in respect of prior periods	(4,018)	-
Adjustments to tax charge in respect of prior periods - deferred tax	4,634	-
Fixed assets differences	(19,162)	(1,838)
Remeasurement of deferred tax for changes in tax rates	(5,782)	18,321
Difference arising due to tax rates applied	(83,979)	-
<b>Total tax charge for the period/year</b>	<u>611,000</u>	<u>988,913</u>



## 4X4 ACCESSORIES &amp; TYRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

## 8. Taxation (continued)

**Factors that may affect future tax charges**

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. The rate increase was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the balance sheet date. As such, the deferred tax rate applicable at 31 December 2022 is 25% and deferred tax has been calculated using this rate.

## 9. Dividends

	31 December 2022 £	30 September 2021 £
Dividends paid	2,647,908	147,163
Dividend in specie	3,818,410	-
	<u>6,466,318</u>	<u>147,163</u>

## 10. Intangible assets

	Domain names £	Website design £	Goodwill £	Total £
<b>Cost</b>				
At 1 October 2021	33,333	155,668	2,400,002	2,589,003
Additions	81	46,172	-	46,253
Disposals	-	(80,963)	-	(80,963)
At 31 December 2022	<u>33,414</u>	<u>120,877</u>	<u>2,400,002</u>	<u>2,554,293</u>
<b>Amortisation</b>				
At 1 October 2021	-	118,601	2,400,002	2,518,603
Charge for the period	-	4,537	-	4,537
Disposals	-	(80,963)	-	(80,963)
At 31 December 2022	<u>-</u>	<u>42,175</u>	<u>2,400,002</u>	<u>2,442,177</u>
<b>Net book value</b>				
At 31 December 2022	<u>33,414</u>	<u>78,702</u>	<u>-</u>	<u>112,116</u>
At 30 September 2021	<u>33,333</u>	<u>37,067</u>	<u>-</u>	<u>70,400</u>

## 4X4 ACCESSORIES &amp; TYRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

## 11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
<b>Cost</b>						
At 1 October 2021	2,248,625	334,705	41,074	119,225	43,518	2,787,147
Additions	-	12,975	-	46,520	23,733	83,228
Disposals	(2,248,625)	(8,063)	-	(27,833)	-	(2,284,521)
At 31 December 2022	-	339,617	41,074	137,912	67,251	585,854
<b>Depreciation</b>						
At 1 October 2021	91,818	188,249	25,322	92,797	-	398,186
Charge for the period	3,726	46,562	4,922	20,206	9,260	84,676
Disposals	(95,544)	(8,063)	-	(27,833)	-	(131,440)
At 31 December 2022	-	226,748	30,244	85,170	9,260	351,422
<b>Net book value</b>						
At 31 December 2022	-	112,869	10,830	52,742	57,991	234,432
At 30 September 2021	2,156,807	146,456	15,752	26,428	43,518	2,388,961

Included in land and buildings is freehold land at a cost of £Nil (2021: £12,875), which is not depreciated.

On 17 December 2021, 4 x 4 Accessories & Tyres Limited transferred its property to Yorkshire Real Estate Limited. The properties were transferred at net book value via a dividend in specie.

## 12. Fixed asset investments

	Other fixed asset investments £
At 1 October 2021	477,000
Disposals	(477,000)
At 31 December 2022	-

On 17 December 2021, 4 x 4 Accessories & Tyres Limited transferred its fixed asset investments up to Yorkshire Real Estate Limited via a dividend in specie.

# 4X4 ACCESSORIES & TYRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

### 13. Investment property

	Freehold investment property £
At 1 October 2021	112,000
Disposals	(112,000)
<b>At 31 December 2022</b>	<b>-</b>

On 17 December 2021, 4 x 4 Accessories & Tyres Limited transferred its investment property up to Yorkshire Real Estate Limited. The property was transferred via a dividend in specie.

### 14. Stocks

	31 December 2022 £	30 September 2021 £
Finished goods	8,792,274	7,544,164

The amount of impairment loss included in the profit and loss account is £589,974 (2021: £43,960).

**4X4 ACCESSORIES & TYRES LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022****15. Debtors**

	<b>31 December 2022 £</b>	<b>30 September 2021 £</b>
Trade debtors	1,784,399	3,099,609
Amounts owed by group undertakings	2,816,170	4,356,737
Other debtors	790,598	1,352,677
Prepayments and accrued income	62,482	104,652
	<u>5,453,649</u>	<u>8,913,675</u>

**16. Creditors: Amounts falling due within one year**

	<b>31 December 2022 £</b>	<b>30 September 2021 £</b>
Bank loans	-	745,922
Trade creditors	2,108,123	3,737,829
Corporation tax	-	608,059
Other taxation and social security	427,226	758,674
Other creditors	192,355	237,252
Accruals and deferred income	261,233	622,023
	<u>2,988,937</u>	<u>6,709,759</u>

For details on the bank loans, please see note 17.

**17. Loans**

Analysis of the maturity of loans is given below:

	<b>31 December 2022 £</b>	<b>30 September 2021 £</b>
<b>Amounts falling due within one year</b>		
Bank loans	<u>-</u>	<u>745,922</u>

During the year the company repaid its bank loans following the acquisition by Roko AB. As a part of this the security on these loans was extinguished. In the previous year, the bank loans were secured over the company's freehold property.

## 4X4 ACCESSORIES & TYRES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

#### 18. Deferred taxation

	2022 £	2021 £
At the beginning of the period	76,339	30,698
Charged to the profit and loss account	45,000	45,641
<b>At end of period</b>	<b>121,339</b>	<b>76,339</b>

The provision for deferred taxation is made up as follows:

	31 December 2022 £	30 September 2021 £
Accelerated capital allowances	122,579	91,032
Short term timing differences	(1,240)	(14,693)
	<b>121,339</b>	<b>76,339</b>

#### 19. Share capital

	31 December 2022 £	30 September 2021 £
<b>Allotted, called up and fully paid</b>		
0 (2021: 50) Ordinary A shares of £1 each	-	50
23 (2021: 50) Ordinary B shares of £1 each	23	50
51 (2021: 0) Ordinary C shares of £1 each	51	-
	<b>74</b>	<b>100</b>

On 17 December 2021 the company sub-divided its existing shares from 50 Ordinary A shares of £1.00 each and 50 Ordinary B shares of £1.00 each into 26 Ordinary A shares of £1.00 each, 23 Ordinary B shares of £1.00 each and 51 Ordinary C shares of £1.00 each.

Subsequently, on the same date, the company repurchased the 26 Ordinary A shares at their nominal value and then cancelled these shares.

All shares rank pari passu.

**4X4 ACCESSORIES & TYRES LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022****20. Reserves****Revaluation reserve**

The revaluation reserve represents amounts revalued in prior periods in relation to freehold property. On disposal of the property within the year, the reserve has been released to the profit and loss reserve.

**Capital redemption reserve**

The capital redemption reserve relates to the reserve created on the company's acquisition of its own shares in the financial period.

**Profit and loss account**

Retained earnings represents accumulated profit and losses for the period and prior periods less dividends paid.

**21. Pension commitments**

The company contributes to defined contribution pension schemes. 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 funds and amounted to £41,967 (2021: £32,720). Contributions totalling £Nil (2021: £15,486) were payable to the fund at the balance sheet date and included within other creditors.

**22. Commitments under operating leases**

At 31 December 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 December 2022 £	30 September 2021 £
Not later than 1 year	390,050	294,236
Later than 1 year and not later than 5 years	1,155,189	298,718
Later than 5 years	-	-
	<u>1,545,239</u>	<u>592,954</u>

## **4X4 ACCESSORIES & TYRES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022**

#### **23. Related party transactions**

Included in other debtors at the year end was a loan totalling £480 (2021: £1,110,038) made to a company under common control of a director. The loan is repayable on demand and interest of £20,892 (2021: £115,781) was received during the year.

Included in amounts due from group undertakings were amounts totalling £2,705,158 (2021: £4,356,737) due from NLG Group Limited, the company's majority shareholder.

Included in amounts due from group undertakings were amounts totalling £33,072 (2021: £Nil) due from a fellow subsidiary company.

During the year, £192,388 was paid in property rentals to a company under common directorship. No amounts were outstanding at the year end.

During the year, £85,662 was paid in property rentals to a director of the company. No amounts were outstanding at the year end.

During the year, £13,194 was paid in property rentals to a Pension Scheme, of which certain directors are trustees and beneficiaries. No amounts were outstanding at the year end.

During the year, the company paid management charges to the ultimate parent company of £113,500 (2021: £Nil).

#### **24. Controlling party**

The company is a wholly owned subsidiary of NLG Group Limited, its immediate parent company which is incorporated within the United Kingdom. The ultimate parent undertaking is Roko AB, which is incorporated in Sweden and is controlled by its directors. Prior to 17 December 2021, the ultimate parent company was NLG Group Limited.

The parent undertaking for the largest and smallest group for which consolidated accounts are prepared is Roko AB. Consolidated accounts in respect of the group are available from the Swedish Companies Registration Office.