Registration number: 05221959

# Pencoed Tyres Limited

Annual Report and Unaudited Abridged Financial Statements
for the Year Ended 30 September 2019

# Pencoed Tyres Limited

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# Pencoed Tyres Limited

## Company Information

| | |
|---|---|
| **Director** | Mr Wayne Williams |
| **Company secretary** | Jayne Williams |
| **Registered office** | Bloomfield Farm<br>Coychurch Road<br>Pencoed<br>Mid Glamorgan<br>CF35 5LP |

# Pencoed Tyres Limited

## (Registration number: 05221959)
## Abridged Balance Sheet as at 30 September 2019

| | Note | 2019 £ | 2018 £ |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | 4 | 21,035 | 32,375 |
| Other financial assets | 5 | 72,192 | 70,215 |
| | | 93,227 | 102,590 |
| **Current assets** | | | |
| Stocks | 6 | 8,000 | 8,000 |
| Debtors | | 137,050 | 125,323 |
| Cash at bank and in hand | | 221,172 | 203,959 |
| | | 366,222 | 337,282 |
| **Creditors**: Amounts falling due within one year | | (133,979) | (137,438) |
| **Net current assets** | | 232,243 | 199,844 |
| **Total assets less current liabilities** | | 325,470 | 302,434 |
| **Provisions for liabilities** | | (6,029) | (7,964) |
| **Accruals and deferred income** | | (2,995) | (2,855) |
| **Net assets** | | 316,446 | 291,615 |
| **Capital and reserves** | | | |
| Called up share capital | 7 | 1 | 1 |
| Other reserves | | 8,661 | 7,731 |
| Profit and loss account | | 307,784 | 283,883 |
| Total equity | | 316,446 | 291,615 |

For the financial year ending 30 September 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

All of the company's members have consented to the preparation of an Abridged Balance Sheet in accordance with Section 444(2A) of the Companies Act 2006.

The notes on pages 4 to 8 form an integral part of these abridged financial statements.

## Pencoed Tyres Limited

## (Registration number: 05221959)
## Abridged Balance Sheet as at 30 September 2019

Approved and authorised by the director on 24 February 2020

.........................................

Mr Wayne Williams
Director

The notes on pages 4 to 8 form an integral part of these abridged financial statements.

## 1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
Bloomfield Farm
Coychurch Road
Pencoed
Mid Glamorgan
CF35 5LP

These financial statements were authorised for issue by the director on 24 February 2020.

## 2 Accounting policies

### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Statement of compliance

These abridged financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

### Basis of preparation

These abridged financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.
The company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

### Tax

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

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.
Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

**Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.
The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

**Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| Asset class | Depreciation method and rate |
|---|---|
| Furniture, fittings, and equipment | 25% straight line basis |
| Motor vehicles | 25% straight line basis |
| Other tangible assets | 25% straight line basis |

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.
Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.
The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.
Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.
Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### Defined benefit pension obligation

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.
The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.
Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

## 3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 3 (2018 - 3).

## 4 Tangible assets

| | Furniture, fittings and equipment £ | Motor vehicles £ | Other tangible assets £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 October 2018 | 4,242 | 104,610 | 28,634 | 137,486 |
| Additions | - | - | 6,379 | 6,379 |
| Disposals | - | - | (2,900) | (2,900) |
| At 30 September 2019 | 4,242 | 104,610 | 32,113 | 140,965 |
| **Depreciation** | | | | |
| At 1 October 2018 | 3,542 | 74,398 | 27,171 | 105,111 |
| Charge for the year | 294 | 14,682 | 2,743 | 17,719 |
| Eliminated on disposal | - | - | (2,900) | (2,900) |
| At 30 September 2019 | 3,836 | 89,080 | 27,014 | 119,930 |
| **Carrying amount** | | | | |
| At 30 September 2019 | 406 | 15,530 | 5,099 | 21,035 |
| At 30 September 2018 | 700 | 30,212 | 1,463 | 32,375 |

## 5 Other financial assets (current and non-current)

| | Financial assets at fair value through profit and loss £ | Total £ |
|---|---|---|
| **Non-current financial assets** | | |
| **Cost or valuation** | | |
| At 1 October 2018 | 70,215 | 70,215 |
| Fair value adjustments | 1,149 | 1,149 |
| Additions | 828 | 828 |
| At 30 September 2019 | 72,192 | 72,192 |
| **Impairment** | | |
| **Carrying amount** | | |
| At 30 September 2019 | 72,192 | 72,192 |

**6 Stocks**

| | 2019<br>£ | 2018<br>£ |
|---|---|---|
| Other inventories | 8,000 | 8,000 |

**7 Share capital**

**Allotted, called up and fully paid shares**

| | 2019 | | 2018 | |
|---|---|---|---|---|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | 1 | 1 | 1 | 1 |

**8 Financial instruments**

**Categorisation of financial instruments**

| | 2019<br>£ | 2018<br>£ |
|---|---|---|
| Financial assets measured at fair value through profit or loss | 72,192 | 70,215 |

**Financial assets measured at fair value**

*Listed shares*
Fair value is calculated with reference to listed share prices on recognised stock exchanges.
The fair value is £72,192 (2018 - £70,215) and the change in value included in profit or loss is £1,149 (2018 - £(1,873)).