

EASY AUTOCENTRES LIMITED

Annual report and financial statements

For the 11 month period ended

31 December 2020

Registered number: 06656485



EASY AUTOCENTRES LIMITED

**Annual report and financial statements
for the period ended 31 December 2020**

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EASY AUTOCENTRES LIMITED

**Directors and Advisors
for the period ended 31 December 2020**

Directors

Craig Darren Sprigmore
Eduard Robert Geerdink
Sturmius Wehner

Bankers

Yorkshire Bank
11 Smithy Row
Nottingham
NG1 2AU

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Chamberlain Square
Birmingham
B3 3AX

Registered Office

2920 Trident Court
Solihull Parkway
Birmingham Business Park
Birmingham
B37 7YN

EASY AUTOCENTRES LIMITED

Statement of Financial Position as at 31 December 2020

	Note	31 Dec 2020 £	11 Feb 2020 unaudited £
Fixed assets			
Tangible assets	3	36,716	112,228
		36,716	112,228
Current assets			
Inventories	4	467,683	370,317
Debtors: amounts falling due within one year	5	363,239	709,048
Cash at bank and in hand	6	248,862	159,787
		1,079,784	1,239,152
Creditors: amounts falling due within one year	7	(1,439,454)	(1,633,058)
Net current liabilities		(359,670)	(393,906)
Total assets less current liabilities		(322,954)	(281,678)
Provisions for liabilities	8	(20,000)	-
Net liabilities		(342,954)	(281,678)
Capital and reserves			
Called up share capital	10	1,000	1,000
Accumulated losses		(343,954)	(282,678)
Total equity		(342,954)	(281,678)

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

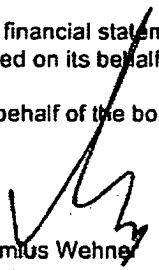
The financial statements have been prepared in accordance with the provisions applicable to company's subject to the small company's regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

In accordance with Section 444 of the Companies Act 2006, the income statement has not been delivered.

The notes on pages 3 to 11 are integral part of these financial statements.

The financial statements on pages 2 to 11 were approved and authorised for issue by the board and were signed on its behalf on 14 September 2021.

On behalf of the board of directors


Sturmius Wehner
Director
14 September 2021

EASY AUTOCENTRES LIMITED

Notes to the financial statements for the period ended 31 December 2020

1. General information

Easy Autocentres Limited is a subsidiary of HiQ Holdings Limited incorporated and domiciled in England. 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 period from 12 February 2020 to 31 December 2020, which has been defined as an 11 month period (prior period end was 11 February 2020).

2. Summary of principal accounting policies

A summary of the principal accounting policies, which have been applied consistently throughout the period, is set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The following principal accounting policies have been applied:

2.2 Revenue

The Company operates retail shops for the sale of branded and own branded tyres, as well as autocare services. Revenue is recognised on sale to the customer, which is considered the point of delivery of goods and rendering of services. Retail sales are usually by cash, credit or payment card.

2.3 Operating leases

The Company has lessee Rentals paid under operating leases, which are charged to the Profit and loss account on a straight-line basis over the lease term.

2.4 Interest income

Interest income is recognised in the income statement using the effective interest method.

2.5 Finance costs

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

2.6 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

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Notes to the financial statements for the period ended 31 December 2020

2. Summary of principal accounting policies (continued)

2.7 Current and deferred taxation

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

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

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

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

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

2.8 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.

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.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	10-20%
Motor vehicles	25-33%
Fixtures and fittings	20%
Office equipment	33% (Included within fixtures & fittings)

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 the income statement.

EASY AUTOCENTRES LIMITED

Notes to the financial statements for the period ended 31 December 2020

2. Summary of principal accounting policies (continued)

2.9 Inventories

Inventories 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 first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If inventories 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.

2.10 Debtors

Short term debtors are initially measured at transaction price and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash at bank and in hand

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.

2.12 Creditors

Short term creditors are initially measured at the transaction price and are measured subsequently at amortised cost using the effective interest method.

2.13 Provisions for liabilities

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.

2.14 Financial Instruments

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

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

2.15 Dividends

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

**Notes to the financial statements
for the period ended 31 December 2020**

2. Summary of principal accounting policies (continued)

2.16 Critical accounting judgements and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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 period are addressed below.

Key estimates

Provisions are made for dilapidations. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements.

Key judgements

In the course of preparing the financial statements, no significant judgements have been made in the process of applying the Company's accounting policies.

2.17 Going concern

The directors have received a letter of support from a fellow group member, Goodyear Europe BV. This letter of support guarantees the company access to funding for the foreseeable future, being at least 12 months from the date of signing of these accounts. Thus, the directors continue to adopt the going concern basis in preparing the annual financial statements.

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Notes to the financial statements for the period ended 31 December 2020

3. Tangible assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 12 February 2020 (unaudited)	295,430	57,892	-	353,322
Additions	-	-	20,700	20,700
Disposals	(270,952)	(9,563)	-	(280,515)
At 31 December 2020	24,478	48,329	20,700	93,507
Accumulated Depreciation				
At 12 February 2020 (unaudited)	192,576	48,518	-	241,094
Depreciation	2,381	3,333	2,957	8,671
Disposals	(184,594)	(8,380)	-	(192,974)
At 31 December 2020	10,363	43,471	2,957	56,791
Net book value				
At 31 December 2020	14,115	4,858	17,743	36,716
At 11 February 2020 (unaudited)	102,854	9,374	-	112,228

The directors consider the remaining assets are fully recoverable through future trading activity and are held at their recoverable amounts.

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Notes to the financial statements for the period ended 31 December 2020

4. Inventories

	As at 31 December 2020 £	As at 11 February 2020 Unaudited £
Raw materials and consumables	467,683	370,317

There is no significant difference between the replacement cost of the inventory and its carrying value. Inventories are stated after provisions for impairment of £nil (2019: £nil).

5. Debtors: Amounts falling due within one year

	As at 31 December 2020 £	As at 11 February 2020 Unaudited £
Trade debtors	54,369	252,631
Amounts owed by Group undertakings	113,717	244,366
Deferred tax	32,189	15,428
Prepayments and accrued income	162,964	196,623
	<u>363,239</u>	<u>709,048</u>

Trade debtors have been provided for at £12,007 in 2020 (2019 - nil).

Amounts owed by Group undertakings are unsecured. Interest is receivable at rates ranging from 0% to 5% and is redeemable on demand.

6. Cash at bank and in hand

	As at 31 December 2020 £	As at 11 February 2020 Unaudited £
Cash at bank and in hand	<u>248,862</u>	<u>159,787</u>

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Notes to the financial statements for the period ended 31 December 2020

7. Creditors: Amounts falling due within one year

	As at 31 December 2020	As at 11 February 2020 Unaudited
	£	£
Trade creditors	949,835	1,143,450
Amounts owed to group undertakings	7,542	-
Other creditors	23,394	8,307
Taxation and social security	278,690	282,352
Accruals and deferred income	179,993	198,949
	<u>1,439,454</u>	<u>1,633,058</u>

Amounts owed by group undertakings are trade balances which are interest free, unsecured, and repayable in accordance with the agreed trade terms.

8. Provisions for liabilities

	As at 31 December 2020	As at 11 February 2020 Unaudited
	£	£
At the beginning of the period	-	-
Charged to the income statement	20,000	-
At the end of the period	<u>20,000</u>	<u>-</u>

The amount charged in the period relates to property dilapidations.

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Notes to the financial statements for the period ended 31 December 2020

9. Deferred tax

	As at 31 December 2020 £	As at 11 February 2020 Unaudited £
At the beginning of the period	15,534	(10,973)
Charged to the income statement	16,655	26,507
At the end of the period	<u>32,189</u>	<u>15,534</u>

The provision for deferred taxation is made up as follows:

	As at 31 December 2020 £	As at 11 February 2020 Unaudited £
Accelerated capital allowances	7,454	(6,597)
Trading losses	<u>24,735</u>	<u>22,131</u>
	<u>32,189</u>	<u>15,534</u>

10. Called up share capital

The ordinary shares carry voting rights and the right to participate in profits of the Company.

	As at 31 December 2020 £	As at 11 February 2020 Unaudited £
2000 (11 February 2020 – 2000) Ordinary shares of £0.5 each (equity)	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

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Notes to the financial statements for the period ended 31 December 2020

11. Operating leases

At 31 December 2020, the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	As at 31 December 2020 £	As at 11 February 2020 Unaudited £
Not later than one year	316,514	315,352
Later than one year and not later than five years	709,786	693,299
Later than five years	<u>575,496</u>	<u>908,497</u>
	<u>1,601,796</u>	<u>1,917,148</u>

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £32,270 (2019 - £55,029). Contributions totalling £7,881 (2019 - £8,307) were payable to the fund at the balance sheet date and are included in creditors.

13. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is HIQ Holdings Limited, which is registered in England and Wales. The ultimate parent undertaking and controlling party is The Goodyear Tire & Rubber Company, which is registered in U.S.A. The smallest and largest Group in which the results of the Company are consolidated is that headed by The Goodyear Tire & Rubber Company. Copies of the Group financial statements of The Goodyear Tire & Rubber Company are available from www.goodyear.com/investor.

14. Auditors' information

As the Director's Report has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The audit report was unqualified.

The auditor was PricewaterhouseCoopers LLP.

Richard Kay signed the audit report as senior statutory auditor.