

EASY AUTOCENTRES LIMITED

Annual report and financial statements

For the year ended 31 December 2021

Registered number: 06656485

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EASY AUTOCENTRES LIMITED

Annual report and financial statements for the year ended 31 December 2021

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EASY AUTOCENTRES LIMITED

Directors and Advisors for the year ended 31 December 2021

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
England
B37 7YN

EASY AUTOCENTRES LIMITED

Statement of Financial Position as at 31 December 2021

		31 Dec 2021	31 Dec 2020
	Note	£	£
Fixed assets			
Tangible assets	3	865,014	36,716
		865,014	36,716
Current assets			
Inventories	4	454,256	467,683
Debtors	5	487,113	363,239
Cash at bank and in hand	6	131,187	248,862
		1,072,556	1,079,784
Creditors: amounts falling due within one year	7	(2,650,931)	(1,439,454)
Net current liabilities		(1,578,375)	(359,670)
Total assets less current liabilities		(713,361)	(322,954)
Creditors: Amounts falling due after more than one year	8	(33,908)	-
Provisions for liabilities	10	(74,570)	(20,000)
Net liabilities		(821,839)	(342,954)
Capital and reserves			
Called up share capital	12	1,000	1,000
Accumulated losses		(822,839)	(343,954)
Total equity		(821,839)	(342,954)

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 12 are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 May 2022.

On behalf of the board of directors



Sturmius Wehner

Director

13 May 2022

EASY AUTOCENTRES LIMITED

Notes to the financial statements for the year ended 31 December 2021

1. General information

Easy Autocentres Limited is a subsidiary of HiQ Holdings Limited. The company is a private company limited by shares and is incorporated in the United Kingdom and registered and domiciled in England and Wales. The address of its registered office is shown on the company information page. The company's principal activities are the maintenance and repair of motor vehicles and selling and changing tyres.

The financial statements are prepared in Sterling (£) which is the functional and presentational currency of the company. The financial statements are for the year end 31 December 2021 (prior period end was 11 months to 31 December 2020).

2. Summary of principal accounting policies

A summary of the principal accounting policies, which have been applied consistently throughout the year, is set out below. These policies have been consistently applied to all the years 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 compliance 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 Company has taken advantage of the following disclosure exemptions conferred to it by FRS 102 Section 1A:

- The requirement to prepare a statement of changes in equity
- A reconciliation of the number of shares outstanding at the beginning and end of the period. [4.12(a)(iv)]
- The requirement to prepare a statement of cash flows. [Section 7 of FRS 102 and para 3.17(d)]

The following principal accounting policies have been applied:

2.2 Revenue recognition

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. Retail sales are usually by cash, credit or payment card.

Revenue is recognised for services when the service has been rendered and accepted, can be measured reliably, and recovery of the consideration is probable and reasonably assured.

2.3 Operating leases

The Company has lessee rentals paid under operating leases, which are charged to the income statement 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.

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Notes to the financial statements for the year ended 31 December 2021 (continued)

2. Summary of principal accounting policies (continued)

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.

2.7 Current and deferred taxation

The tax expense for the year 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 statement of financial position 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 statement of financial position 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 statement of financial position date.

EASY AUTOCENTRES LIMITED

Notes to the financial statements for the year ended 31 December 2021 (continued)

2. Summary of principal accounting policies (continued)

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.

Assets in the course of construction are capitalised when acquired. Depreciation is not charged until these assets are ready for their intended use.

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 statement of financial position date, inventory is 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 income statement.

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.

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Notes to the financial statements for the year ended 31 December 2021 (continued)

2. Summary of principal accounting policies (continued)

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 recognised when 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 income statement in the year that the Company becomes aware of the obligation and are measured at the best estimate at the statement of financial position 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 statement of financial position.

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 year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement of the difference between the carrying value and the present value.

Financial liabilities, are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires

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.

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 year 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.

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Notes to the financial statements for the year ended 31 December 2021 (continued)

2.16 Critical accounting judgements and key sources of estimation uncertainty (continued)

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 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 financial statements. Thus, the directors continue to adopt the going concern basis in preparing the annual financial statements.

2.18 Related party transactions

The company discloses transaction with related parties which are not wholly owned with the same group. It does not disclose transactions with its parent or with members of the same group that are wholly owned.

3. Tangible assets

	Plant and machinery £	Motor Vehicles £	Fixtures and fittings £	AUC £	Total £
Cost or valuation					
At 1 January 2021	24,478	48,329	20,700	-	93,507
Additions	492,441	90,973	98,066	199,473	880,953
Disposals	-	(21,400)	-	-	(21,400)
At 31 December 2021	516,919	117,902	118,766	199,472	953,060
Accumulated Depreciation					
At 1 January 2021	10,363	43,471	2,957	-	56,791
Depreciation	31,597	6,922	14,136	-	52,655
Disposals	-	(21,400)	-	-	(21,400)
At 31 December 2021	41,960	28,993	17,093	-	88,046
Net book value					
At 31 December 2020	14,115	4,858	17,743	-	36,716
At 31 December 2021	474,959	88,909	101,673	199,473	865,014

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 year ended 31 December 2021 (continued)

4. Inventories

	As at 31 December 2021 £	As at 31 December 2020 £
Finished goods and goods for resale	<u>454,256</u>	<u>467,683</u>

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 (2020: £nil).

5. Debtors

	As at 31 December 2021 £	As at 31 December 2020 £
Trade debtors	110,333	54,369
Amounts owed by Group undertakings	94,085	113,717
Deferred tax	150,776	32,189
Prepayments and accrued income	131,919	162,964
	<u>487,113</u>	<u>363,239</u>

Trade debtors are stated after provisions for impairment of £10,420 (2020 - £12,007).

Included in amounts receivable by group undertakings is £73,554 from Goodyear Dunlop Tyres Operations S.A., which is unsecured, interest bearing at 2% above LIBOR and repayable in line with intercompany payment terms.

All other amounts owed to group undertakings are trade balances which are interest free, unsecured, and repayable in accordance with the agreed trade terms.

6. Cash at bank and in hand

	As at 31 December 2021 £	As at 31 December 2020 £
Cash at bank and in hand	<u>131,187</u>	<u>248,862</u>

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Notes to the financial statements for the year ended 31 December 2021 (continued)

7. Creditors: Amounts falling due within one year

	As at 31 December 2021 £	As at 31 December 2020 £
Trade creditors	809,363	949,835
Amounts owed to group undertakings	1,093,795	7,542
Other creditors	22,641	23,394
Taxation and social security	205,178	278,690
Accruals and deferred income	519,954	179,993
	<u>2,650,931</u>	<u>1,439,454</u>

Included in amounts owed to group undertakings is £1,062,143 owed to Goodyear Dunlop Tyres Operations S.A., which is unsecured, interest bearing at 2% above LIBOR and repayable in line with intercompany payment terms.

All other amounts owed to group undertakings are trade balances which are interest free, unsecured, and repayable in accordance with the agreed trade terms.

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

	As at 31 December 2021 £	As at 31 December 2020 £
Net obligations under finance leases and hire purchase contracts	33,908	-
	<u>33,908</u>	<u>-</u>

9. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	As at 31 December 2021 £	As at 31 December 2020 £
Not later than one year	10,543	-
Later than one year and not later than five years	33,908	-
	<u>44,451</u>	<u>-</u>

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Notes to the financial statements for the year ended 31 December 2021 (continued)

10. Provisions for liabilities

	As at 31 December 2021 £	As at 31 December 2020 £
At the beginning of the year	20,000	-
Charged to the income statement	54,570	20,000
At the end of the year	74,570	20,000

The amount charged in the year relates to property dilapidations.

11. Deferred tax

	As at 31 December 2021 £	As at 31 December 2020 £
At the beginning of the year	32,189	15,534
Credit to the income statement	118,587	16,655
At the end of the year	150,776	32,189

The provision for deferred taxation is made up as follows:

	As at 31 December 2021 £	As at 31 December 2020 £
Accelerated capital allowances	18,443	7,454
Trading losses	132,333	24,735
	150,776	32,189

12. Called up share capital

The ordinary shares carry voting rights and the right to participate in profits of the Company. There are no restrictions on the distribution of dividends and the repayment of capital.

Allotted and fully paid:	As at 31 December 2021 £	As at 31 December 2020 £
2000 (2020: 2000) Ordinary shares of £0.5 each	1,000	1,000
	1,000	1,000

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Notes to the financial statements for the year ended 31 December 2021 (continued)

13. Operating leases

At 31 December 2021, the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	As at 31 December 2021 £	As at 31 December 2020 £
Not later than one year	352,391	316,514
Later than one year and not later than five years	794,844	709,786
Later than five years	15,729	575,496
	<u>1,162,964</u>	<u>1,601,796</u>

The company had no other off-balance sheet arrangements.

14. Related party transactions

	As at 31 December 2021 £	As at 31 December 2020 £
Included within Income statement		
Intercompany sales to Group companies	<u>27,069</u>	<u>-</u>
	As at 31 December 2021 £	As at 31 December 2020 £
Included within Statement of Financial Position		
Included within debtors balance with Group companies	<u>2,844</u>	<u>-</u>

The Company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose transactions with fellow wholly owned subsidiaries within the Goodyear Tire & Rubber Group.

15. 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 £42,071 (2020 - £32,270). Contributions totalling £9,484 (2020 - £7,881) were payable to the fund at the statement of financial position date and are included in creditors.

EASY AUTOCENTRES LIMITED

Notes to the financial statements for the year ended 31 December 2021 (continued)

16. 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.

17. Post Balance sheet events

The conflict between Russia and Ukraine started on 24 February 2022. After considering the impact over the last couple of months we have concluded that there is no direct impact/consequence on the performance within the UK.

18. 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.