

Registration number: 08368694

**TEVVA MOTORS LIMITED**  
Financial Statements  
for the Year Ended 31 December 2018



**BREBNERS**  
Chartered Accountants & Statutory Auditor  
1 Suffolk Way  
Sevenoaks  
Kent  
TN13 1YL



# TEVVA MOTORS LIMITED

## Statement of Financial Position as at 31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	5	1,140,513	1,127,666
Tangible assets	6	<u>498,326</u>	<u>80,679</u>
		<u>1,638,839</u>	<u>1,208,345</u>
<b>Current assets</b>			
Stocks	7	1,524,102	5,729
Debtors	8	831,742	352,109
Cash at bank and in hand		<u>500,722</u>	<u>78,592</u>
		2,856,566	436,430
<b>Creditors: Amounts falling due within one year</b>	9	<u>(1,195,680)</u>	<u>(5,070,346)</u>
<b>Net current assets/(liabilities)</b>		<u>1,660,886</u>	<u>(4,633,916)</u>
<b>Total assets less current liabilities</b>		<b>3,299,725</b>	<b>(3,425,571)</b>
<b>Creditors: Amounts falling due after more than one year</b>	9	<u>(4,420,641)</u>	<u>-</u>
<b>Net liabilities</b>		<u><b>(1,120,916)</b></u>	<u><b>(3,425,571)</b></u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Capital contribution		6,741,690	-
Profit and loss account		<u>(7,862,607)</u>	<u>(3,425,572)</u>
<b>Total equity</b>		<u><b>(1,120,916)</b></u>	<u><b>(3,425,571)</b></u>

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 and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Statement of Income and Retained Earnings has been taken.

Approved and authorised by the director on 27/9/19



Mr A D Bennett

Director

Company registration number: 08368694

The notes on pages 2 to 8 form an integral part of these financial statements.



# TEVVA MOTORS LIMITED

## Notes to the Financial Statements for the Year Ended 31 December 2018

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### 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:

37 Hanbury Road  
Chelmsford  
Essex  
CM1 3AE

The principal activity of the company is that of the development of electric range extended trucks.

### 2 AUDIT REPORT

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 27 September 2019 was Martin Widdowson, who signed for and on behalf of Brebners.

### 3 ACCOUNTING POLICIES

#### Statement of compliance

These 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 financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

#### Going concern

The company made a loss after taxation for the year ended 31 December 2018 of £4,437,035 and the statement of financial position at the date showed net liabilities of £1,120,916.

At 31 December 2018 a fair value amount of £4,420,641 was due to the parent undertaking which is not repayable until 2027 and 2028 and is shown as payable in greater than 12 months. The parent company has also agreed to advance further funds in the forthcoming year to enable the company to meet its financial commitments and to provide sufficient working capital to enable the company to complete the development and manufacture of trucks on a commercial basis. The parent undertaking is in the process of fund-raising and these funds has committed to advance amounts received to the company.

After making enquires, the director has a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the annual accounts.



# TEVVA MOTORS LIMITED

## Notes to the Financial Statements for the Year Ended 31 December 2018

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### 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.

### Government grants

An entity shall recognise grants either based on the performance model or the accrual model. This policy choice shall be applied on a class-by-class basis.

Grant income has been recognised based on the performance model, where the grant is only recognised in income when the specified performance-related conditions are met.

### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

### 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.



# TEVVA MOTORS LIMITED

## Notes to the Financial Statements for the Year Ended 31 December 2018

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### 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
Plant and Machinery	20% reducing balance
Equipment	20% reducing balance

### Development costs

Development expenditure incurred to create a technological platform sufficient to commence production is capitalised and amortised over the expected useful life.

Development expenditure includes directly attributable salary costs, consulting fees and other relevant costs incurred to develop the technology as well as the production costs to develop a prototype truck.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate resources to complete the development to use the software are available;
- the expenditure attributable to the software during its development can be reliably measured.

Amortisation of development expenditure commences once commercial production commences.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Research expenditure is recognised as an expense as incurred.

### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Development costs	Over expected useful life once commercial production has begun

### 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.

### 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.



# TEVVA MOTORS LIMITED

## Notes to the Financial Statements for the Year Ended 31 December 2018

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### 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.

### Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### Derivatives

All financial assets and liabilities are recognised only when the entity becomes a party to the contractual provisions of the instrument and is initially measured at its fair value. If payment for an asset or a liability is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate, the asset or liability shall then be measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

## 4 STAFF NUMBERS

The average number of persons employed by the company during the year, was 32 (2017 - 18).



# TEVVA MOTORS LIMITED

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 5 INTANGIBLE ASSETS

	Development costs £	Total £
<b>Cost or valuation</b>		
At 1 January 2018	1,127,666	1,127,666
Additions	289,206	289,206
At 31 December 2018	1,416,872	1,416,872
<b>Amortisation</b>		
Impairment	276,359	276,359
At 31 December 2018	276,359	276,359
<b>Carrying amount</b>		
At 31 December 2018	1,140,513	1,140,513
At 31 December 2017	1,127,666	1,127,666

### 6 TANGIBLE ASSETS

	Land and buildings £	Office Equipment £	Plant and Machinery £	Total £
<b>Cost or valuation</b>				
At 1 January 2018	-	15,135	97,116	112,251
Additions	101,229	80,717	318,366	500,312
Disposals	-	-	(9,500)	(9,500)
At 31 December 2018	101,229	95,852	405,982	603,063
<b>Depreciation</b>				
At 1 January 2018	-	6,634	24,938	31,572
Charge for the year	10,689	7,347	56,237	74,273
Eliminated on disposal	-	-	(1,108)	(1,108)
At 31 December 2018	10,689	13,981	80,067	104,737
<b>Carrying amount</b>				
At 31 December 2018	90,540	81,871	325,915	498,326
At 31 December 2017	-	8,501	72,178	80,679



# TEVVA MOTORS LIMITED

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 7 STOCKS

	2018 £	2017 £
Stock	<u>1,524,102</u>	<u>5,729</u>

### 8 DEBTORS

	2018 £	2017 £
Trade debtors	5,610	300
Other debtors	<u>826,132</u>	<u>351,809</u>
	<u>831,742</u>	<u>352,109</u>

Other Debtors above includes an amount of £47,633 (2017: £24,800) recoverable after more than 12 months.

### 9 CREDITORS

#### Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	137,821	348,668
Amounts owed to group undertakings	-	3,765,929
Taxation and social security	72,282	25,228
Accruals and deferred income	932,110	873,173
Other creditors	<u>53,467</u>	<u>57,348</u>
	<u>1,195,680</u>	<u>5,070,346</u>

#### Creditors: amounts falling due after more than one year

	2018 £	2017 £
Amounts owed to group undertakings	<u>4,420,641</u>	<u>-</u>

### 10 FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENCIES

#### Amounts not provided for in the statement of financial position

The total amount of financial commitments not included in the statement of financial position is £485,889 (2017 - £518,875).



# **TEVVA MOTORS LIMITED**

## **Notes to the Financial Statements for the Year Ended 31 December 2018**

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### **11 RELATED PARTY TRANSACTIONS**

In accordance with FRS 102 paragraph 1A C.35 exemption has been taken not to disclose transactions in the year between group undertakings that are wholly owned within the group.