

UK Tyres and Lubricants Limited
Annual report and financial statements
For the year ended 31 December 2021

Registered number: 12501993



UK Tyres and Lubricants Limited

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

Directors and Advisors for the year ended 31 December 2021	1
Statement of Financial Position as at 31 December 2021	2
Notes to the financial statements for the year ended 31 December 2021	3

UK Tyres and Lubricants Limited

Directors and Advisors for the year ended 31 December 2021

Directors

Craig Darren Sprigmore
Eduard Robert Geerdink
Sturmius Wehner

Bankers

Deutsche Bank AG
1 Great Winchester St
London
EC2N 2DB

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

UK Tyres and Lubricants Limited

Statement of Financial Position as at 31 December 2021

	Note	31 December 2021 £	31 December 2020 £
Fixed assets			
Intangible assets	3	153,333	172,500
Tangible assets	4	150,337	122,261
		303,670	294,761
Current assets			
Inventories	5	22,313	14,307
Debtors	6	26,278	26,881
Cash at bank and in hand	7	21,902	113,671
		70,493	154,859
Creditors: amounts falling due within one year	8	(455,598)	(400,669)
Net current liabilities		(385,105)	(245,810)
Total assets less current liabilities		(81,435)	48,951
Creditors: amounts falling due after more than one year	9	(299,770)	(249,440)
Provisions for liabilities	10	(15,100)	(7,000)
Net liabilities		(396,305)	(207,489)
Capital and reserves			
Called up share capital	12	1	1
Accumulated losses	13	(396,306)	(207,490)
Total equity		(396,305)	(207,489)

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 4 to 13 are an integral part of these financial statements.

The financial statements on pages 3 to 13 were approved by the Board on 13 May 2022 and signed on its behalf by:



Sturmius Wehner
Director
13 May 2022

UK Tyres and Lubricants Limited

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

1. General information

UK Tyres and Lubricants Limited is a private company limited by shares incorporated in the United Kingdom. The address of its registered office is 2920 Trident Court, Solihull Parkway, Birmingham Business Park, Birmingham, England, B37 7YN. The company's principal activity is the sale of tyres and other autocare services.

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 years/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 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 financial statements are prepared in Sterling (£) which is the functional and presentational currency of the company. The current accounting year is the year ended 31 December 2021. The prior period is defined as the 10 months ended 31 December 2020, as the Company was incorporated on 6 March 2020.

The following principal accounting policies have been applied:

2.2 Revenue recognition

The Company operates a retail outlet 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

Rentals arising under operating leases 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.

UK Tyres and Lubricants Limited

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 Borrowing costs

All borrowing costs are recognised in the income statement in the year in which they are incurred.

2.7 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.

2.8 Current and deferred taxation

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.

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.

UK Tyres and Lubricants Limited

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

2. Summary of principal accounting policies (continued)

2.9 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%

Fixtures and fittings 20%

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.

2.10 Intangible assets

Intangible assets are stated at cost less amortisation and consists of goodwill. Amortisation is provided on a straight-line basis at rates which are estimated to write off the intangible asset over 10 years. An annual review is undertaken by management to assess the recoverability of these assets in relation to the carrying value. The impairment is recognised immediately in the income statement.

2.11 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 inventory 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 income statement.

2.12 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.

UK Tyres and Lubricants Limited

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

2. Summary of principal accounting policies (continued)

2.13 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

2.14 Creditors

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

2.15 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 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.

2.16 Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade debtors, trade creditors and loans to related parties.

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.

2.17 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.

2.18 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.

UK Tyres and Lubricants Limited

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

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

Key estimates

Charges are recognised against intangible assets where there is an indication of impairment following the annual review undertaken by management to assess the recoverability of assets, using their knowledge and expertise of the market.

The recoverable amount was determined using a value in use calculation which required the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using a pre-tax discount rate of 7.5%, long term growth rate of 2% and revenue growth of 4% per annum.

No reasonable change in any of the key assumptions would result in an impairment.

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.

2.19 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.

2.20 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. Intangible assets

	2021	2020
	£	£
At 1 January 2021/ 6 March 2020	172,500	-
Acquisitions	-	277,500
Amortisation	(19,167)	(27,750)
Impairment	-	(77,250)
Net book value at 31 December	153,333	172,500

During the period ended 31 December 2020, an Asset Purchase Agreement ("APA") was undertaken which resulted in the acquisition of a fast-fit garage business located in Henley-on-Thames for consideration totalling £307,500, which gave rise to goodwill of £277,500.

Please refer to the accounting policies on pages 4 to 8 for further information.

UK Tyres and Lubricants Limited

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

4. Tangible assets

	Plant and Machinery £	Fixtures and Fittings £	Total £
Cost			
At 1 January 2021	20,000	106,567	126,567
Additions	46,425	-	46,425
As at 31 December 2021	66,425	106,567	172,992
Accumulated Depreciation			
At 1 January 2021	2,333	1,973	4,306
Charge for the year	6,508	11,841	18,349
At 31 December 2021	8,841	13,814	22,655
Net book amount			
As at 31 December 2020	17,667	104,594	122,261
As at 31 December 2021	57,584	92,753	150,337

5. Inventories

	2021 £	2020 £
Finished goods and goods for resale	22,313	14,307

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

6. Debtors

	Note	2021 £	2020 £
Trade debtors		2,235	743
Prepayments and accrued income		3,433	2,097
Deferred tax asset	16	20,610	24,041
		26,278	26,881

Trade debtors are stated after provisions for impairment of £1,077 (2020: £nil).

UK Tyres and Lubricants Limited

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

7. Cash at bank and in hand

	2021	2020
	£	£
Cash at bank and in hand	21,902	113,671

8. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	21,075	53,174
Amounts owed to related undertakings	392,175	317,620
Taxation and social security	6,766	3,370
Accruals and deferred income	35,582	26,505
	455,598	400,669

Included in amounts owed to group undertakings is £71,212 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 related undertakings are unsecured, interest free and repayable in line with intercompany payment terms.

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

	2021	2020
	£	£
Amounts owed to joint development agreement partner	299,770	249,440

Amounts owed the joint development agreement partner are repayable in line with the terms set out in the joint development agreement.

10. Provisions for liabilities

	£	£
At 1 January 2021/ 6 March 2020	7,000	-
Charged to the Income Statement	8,100	7,000
At 31 December 2021/ 31 December 2020	15,100	7,000

The amount charged in the year relates to property dilapidations.

UK Tyres and Lubricants Limited

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

11. Deferred tax

	£	£
At 1 January 2021/ 6 March 2020	24,041	-
(Charged)/ credited to the Income Statement	(3,431)	24,041
At 31 December 2021/ 31 December 2020	20,610	24,041

The provision for deferred taxation is made up as follows:

	2021	2020
	£	£
Trading losses carried forward	36,967	23,166
Accelerated capital allowances	(16,357)	818
Other timing differences	-	57
	20,610	24,041

Deferred tax is considered to be recoverable over a period of 5 years.

12. Called up share capital

	2021	2020
	£	£
Allotted and fully paid		
100 (2020: 100) ordinary shares of £0.01 each	1	1

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

13. Accumulated losses

	£	£
At 1 January 2021/ 6 March 2020	207,490	-
Loss for the financial year	188,816	207,490
At 31 December 2021/ 31 December 2020	396,306	207,490

UK Tyres and Lubricants Limited

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

14. 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:

	2021	2020
	£	£
Payments due		
Not later than one year	30,000	30,000
Later than one year and not later than five years	120,000	120,000
Later than five years	87,000	117,000
	237,000	267,000

The company had no other off-balance sheet arrangements.

15. Related party transactions

	2021	2020
	£	£
Included within the Income Statement		
Purchases from other Group companies	51,649	3,284
Sales to other Group companies	159	-
Interest paid to Goodyear Operations S.A.	664	120

	2021	2020
	£	£
Included within the Statement of Financial Position		
Included within amounts owed to group undertakings	392,175	317,620
Funding received from Joint Development Agreement Partner	299,770	249,440

UK Tyres and Lubricants Limited

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

16. Ultimate parent undertaking and controlling party

The immediate parent undertaking is HiQ Holdings Limited (HiQH), a company registered in England and Wales, by virtue of holding 100% of the issued ordinary share capital. Although HiQH owns 100% of the equity shareholding, the Joint Development Agreement (JDA) includes clauses which indicates that the JDA Partners, noted in the Report of the Directors, have equal control of the Company.

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.