

# Western Tyres Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 30 April 2017

# Western Tyres Limited

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# **Western Tyres Limited**

## **Company Information**

<b>Directors</b>	M W Stephens P T Stephens
<b>Registered office</b>	Alloys House St Andrews Road Avonmouth Bristol BS11 9HS
<b>Accountants</b>	Milsted Langdon LLP Chartered Accountants Freshford House Redcliffe Way Bristol BS1 6NL

# Western Tyres Limited

(Registration number: 02232899)

## Balance Sheet as at 30 April 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	21,820	10,125
<b>Current assets</b>			
Stocks	<u>5</u>	85,305	90,236
Debtors	<u>6</u>	314,632	296,366
Cash at bank and in hand		142,463	183,752
		542,400	570,354
<b>Creditors: Amounts falling due within one year</b>	<u>7</u>	(369,995)	(374,453)
<b>Net current assets</b>		172,405	195,901
<b>Total assets less current liabilities</b>		194,225	206,026
<b>Provisions for liabilities</b>		(4,364)	(2,025)
<b>Net assets</b>		189,861	204,001
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		189,761	203,901
<b>Total equity</b>		189,861	204,001

The notes on pages 4 to 10 form an integral part of these financial statements.

# **Western Tyres Limited**

**(Registration number: 02232899)**

## **Balance Sheet as at 30 April 2017 (continued)**

For the financial year ending 30 April 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' 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 directors acknowledge their 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.

Approved and authorised by the Board on 3 November 2017 and signed on its behalf by:

P T Stephens

Director

The notes on pages 4 to 10 form an integral part of these financial statements.

# **Western Tyres Limited**

## **Notes to the Financial Statements for the Year Ended 30 April 2017**

### **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:

Alloys House  
St Andrews Road  
Avonmouth  
Bristol  
BS11 9HS

These financial statements were authorised for issue by the Board on 3 November 2017.

### **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 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 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;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- all of the significant risks and rewards of ownership have been transferred to the customer;
- specific criteria have been met for each of the company's activities; and
- the entity retains no effective control over the goods.

#### **Finance income and costs policy**

Finance income and expenses are recognised using the effective interest method.

# Western Tyres Limited

## Notes to the Financial Statements for the Year Ended 30 April 2017 (continued)

### 2 Accounting policies (continued)

#### Foreign currency transactions and balances

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction.

Balances at the year end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date.

#### 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 income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### 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
Plant and machinery	25 % Straight line

#### 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.

# **Western Tyres Limited**

## **Notes to the Financial Statements for the Year Ended 30 April 2017 (continued)**

### **2 Accounting policies (continued)**

#### **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.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **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.



# **Western Tyres Limited**

## **Notes to the Financial Statements for the Year Ended 30 April 2017 (continued)**

### **2 Accounting policies (continued)**

#### **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.

### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year was 18 (2016 - 18).

# Western Tyres Limited

## Notes to the Financial Statements for the Year Ended 30 April 2017 (continued)

### 4 Tangible assets

	Plant and machinery £	Total £
<b>Cost or valuation</b>		
At 1 May 2016	18,000	18,000
Additions	16,195	16,195
At 30 April 2017	34,195	34,195
<b>Depreciation</b>		
At 1 May 2016	7,875	7,875
Charge for the year	4,500	4,500
At 30 April 2017	12,375	12,375
<b>Carrying amount</b>		
At 30 April 2017	21,820	21,820
At 30 April 2016	10,125	10,125

### 5 Stocks

	2017 £	2016 £
Finished goods and goods for resale	85,305	90,236

### 6 Debtors

	2017 £	2016 £
Trade debtors	305,958	280,423
Prepayments and accrued income	8,674	15,943
Total current trade and other debtors	314,632	296,366

# Western Tyres Limited

## Notes to the Financial Statements for the Year Ended 30 April 2017 (continued)

### 7 Creditors

	Note	2017 £	2016 £
<b>Due within one year</b>			
Loans and borrowings	<u>8</u>	-	2,000
Trade creditors		57,215	96,390
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>10</u>	250,607	223,920
Taxation and social security		33,116	41,994
Other creditors		5,943	5,942
Accruals and deferred income		23,114	4,207
		<u>369,995</u>	<u>374,453</u>

### 8 Loans and borrowings

	2017 £	2016 £
<b>Current loans and borrowings</b>		
Finance lease liabilities	<u>-</u>	<u>2,000</u>

### 9 Dividends

#### Interim dividends paid

	2017 £	2016 £
Interim dividend of £597 (2016 - £1,341) per each ordinary share	59,657	134,057

### 10 Related party transactions

#### Summary of transactions with parent

##### Western Tyres Holdings Limited

During the year, Western Tyres Limited paid management charges of £100,195 (2016 - £66,000) to Western Tyres Holdings Limited and dividends of £59,657 (2016 - £134,057). At the balance sheet date, the amount due to Western Tyres Holdings Limited was £250,607 (2016 - £223,920).

## **Western Tyres Limited**

### **Notes to the Financial Statements for the Year Ended 30 April 2017 (continued)**

#### **11 Parent and ultimate parent undertaking**

The ultimate controlling party is Western Tyres (Holdings) Limited.

#### **12 Transition to FRS 102**

This is the first year that the company has presented financial statement under FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 May 2015. There were no adjustments as a result of this transition.

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This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.