

Report of the Directors and
Unaudited Financial Statements
for the Year Ended 29 February 2020
for
North Devon Tyres Ltd

**Contents of the Financial Statements
for the Year Ended 29 February 2020**

	Page
Company Information	1
Report of the Directors	2
Balance Sheet	3
Notes to the Financial Statements	4

North Devon Tyres Ltd
Company Information
for the Year Ended 29 February 2020

DIRECTORS:

T J Veysey
S T J Veysey
D Veysey

SECRETARY:

Mrs M A Veysey

REGISTERED OFFICE:

4 Ormidale Square
Tiverton Business Park
Tiverton
Devon
EX16 6TW

REGISTERED NUMBER:

04359879 (England and Wales)

**Report of the Directors
for the Year Ended 29 February 2020**

The directors present their report with the financial statements of the company for the year ended 29 February 2020.

REVIEW OF BUSINESS

The company has had another successful year. The company continues to maintain its strong market presence in the South West.

The distribution centre near Honiton opened during July 2019. Setting up the infrastructure of this store has taken a great deal of time, and huge, unforeseen costs have been incurred over the past year. Full business rates were due on the units, as they had been unoccupied for so long prior to us taking possession and the premises was therefore not entitled to any empty property relief.

However, a great deal of work had been completed in and around the site to make it fit for purpose. We have improved security and purchased a lot of equipment to enable the store to run smoothly, and the tyre stock had been massively increased. Having this store enables us to buy in bulk, and in turn reduce costs per item.

North Devon Tyres Ltd has also taken on more fleet work this year and has purchased more vans to be able to accommodate this increase in workload.

Our next steps are to future proof the company for further growth, through investment in new systems.

Brexit

Brexit has finally occurred, although the final details regarding trade remain unclear. However, the company does not anticipate any detrimental impact to arise from this. The company's trade is mainly focused on UK customers and therefore no direct impact is expected.

Covid 19

Covid 19 has had an inevitable impact on the business, with the the lockdown and restrictions imposed by government as part of the measures to control the virus. There will undoubtedly be an impact on the 2020 results, but the company has been able to maintain it's position and expects to achieve a profitable year despite the problems.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2019 to the date of this report.

T J Veysey
S T J Veysey

Other changes in directors holding office are as follows:

D Veysey was appointed as a director after 29 February 2020 but prior to the date of this report.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

T J Veysey - Director

13 January 2021

Balance Sheet
29 February 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Intangible assets	4		-		-
Tangible assets	5		<u>459,530</u>		<u>422,080</u>
			459,530		422,080
CURRENT ASSETS					
Stocks	6	1,978,723		1,939,919	
Debtors	7	1,759,140		1,739,330	
Cash at bank and in hand		<u>532,145</u>		<u>193,839</u>	
		4,270,008		3,873,088	
CREDITORS					
Amounts falling due within one year	8	<u>1,752,899</u>		<u>1,645,746</u>	
NET CURRENT ASSETS			<u>2,517,109</u>		<u>2,227,342</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,976,639		2,649,422
CREDITORS					
Amounts falling due after more than one year	9		(492,130)		(301,346)
PROVISIONS FOR LIABILITIES			<u>(66,427)</u>		<u>(56,708)</u>
NET ASSETS			<u>2,418,082</u>		<u>2,291,368</u>
CAPITAL AND RESERVES					
Called up share capital			1,000		100
Retained earnings			<u>2,417,082</u>		<u>2,291,268</u>
SHAREHOLDERS' FUNDS			<u>2,418,082</u>		<u>2,291,368</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 29 February 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 29 February 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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

The financial statements were approved by the Board of Directors and authorised for issue on 13 January 2021 and were signed on its behalf by:

T J Veysey - Director

Notes to the Financial Statements
for the Year Ended 29 February 2020

1. STATUTORY INFORMATION

North Devon Tyres Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2002, is being amortised evenly over its estimated useful life of seventeen years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 15% on straight line basis
Plant and machinery	- 20% on straight line basis and 10% on straight line basis
Office Equipment	- 20% on straight line basis
Motor vehicles	- 14.29% - 50% on cost
Computer equipment	- 25% on straight line basis

No depreciation is charged on land.

All fixed assets are included at cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements - continued
for the Year Ended 29 February 2020

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals payable under operating leases are charged to the profit and loss account as they are incurred.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals payable under operating leases are charged to the profit and loss account as they are incurred.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 70 (2019 - 68).

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 March 2019	
and 29 February 2020	<u>463,001</u>
AMORTISATION	
At 1 March 2019	
and 29 February 2020	<u>463,001</u>
NET BOOK VALUE	
At 29 February 2020	<u>-</u>
At 28 February 2019	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 29 February 2020

5. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 March 2019	103,320	212,003	469,377
Additions	-	-	27,249
Disposals	-	-	(35,000)
At 29 February 2020	<u>103,320</u>	<u>212,003</u>	<u>461,626</u>
DEPRECIATION			
At 1 March 2019	2,066	179,843	353,392
Charge for year	2,067	15,921	37,036
Eliminated on disposal	-	-	(7,000)
At 29 February 2020	<u>4,133</u>	<u>195,764</u>	<u>383,428</u>
NET BOOK VALUE			
At 29 February 2020	<u>99,187</u>	<u>16,239</u>	<u>78,198</u>
At 28 February 2019	<u>101,254</u>	<u>32,160</u>	<u>115,985</u>

	Office Equipment £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 March 2019	4,975	326,012	8,425	1,124,112
Additions	17,733	188,038	5,332	238,352
Disposals	-	(5,570)	-	(40,570)
At 29 February 2020	<u>22,708</u>	<u>508,480</u>	<u>13,757</u>	<u>1,321,894</u>
DEPRECIATION				
At 1 March 2019	2,276	158,224	6,231	702,032
Charge for year	4,389	106,264	2,451	168,128
Eliminated on disposal	-	(796)	-	(7,796)
At 29 February 2020	<u>6,665</u>	<u>263,692</u>	<u>8,682</u>	<u>862,364</u>
NET BOOK VALUE				
At 29 February 2020	<u>16,043</u>	<u>244,788</u>	<u>5,075</u>	<u>459,530</u>
At 28 February 2019	<u>2,699</u>	<u>167,788</u>	<u>2,194</u>	<u>422,080</u>

Included in fixed assets are assets held under hire purchase agreements. The net book value of these assets at the year end was £119,053 (2019: £72,521) and depreciation charged in the year was £61,935 (2019: £15,051).

6. STOCKS

	2020 £	2019 £
Stocks	1,970,378	1,931,574
Sale or return stock	<u>8,345</u>	<u>8,345</u>
	<u>1,978,723</u>	<u>1,939,919</u>

Notes to the Financial Statements - continued
for the Year Ended 29 February 2020

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	1,365,004	1,277,962
Other debtors	5,652	5,642
TJV Trading Ltd	361,167	354,967
Prepayments and accrued income	27,317	100,759
	<u>1,759,140</u>	<u>1,739,330</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Hire purchase contracts	62,861	32,818
Trade creditors	1,340,510	1,340,024
Tax	27,048	32,442
Social security and other taxes	287,600	204,141
Directors' loan accounts	12,515	12,649
Accrued expenses	22,365	23,672
	<u>1,752,899</u>	<u>1,645,746</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Hire purchase contracts	78,600	9,317
Directors loan account	413,530	292,029
	<u>492,130</u>	<u>301,346</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Hire purchase contracts	<u>141,461</u>	<u>42,135</u>

Hire purchase liabilities are secured on the assets to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 29 February 2020

11. RELATED PARTY DISCLOSURES

T Veysey

A Director of the company.

The director has a loan balance due from the company of £413,530 (2019: £292,029). No interest is charged on the loan and there are no repayment terms.

During the year the company charged T J Veysey a management charge of £10,000 (2019: £10,000) in respect of maintaining the accounts of his property rental business.

The company has paid rent for properties owned by T J Veysey in respect of branches at Tiverton, South Molton, Cullompton, Hontion, Exeter and also a tyre store in Loxbeare, Tiverton. The total rents paid were £116,389 (2019: £135,494).

The Trade creditor balance is £154,780 (2019: £132,337).

The company has paid for the hire of a number of vans owned by T J Veysey. The total hire charges paid were £30,650 (2019: £38,200).

S T J Veysey

A Director of the company.

The director has a loan balance due from the company of £12,515 (2019: £12,649). No interest is charged on the loan and there are no repayment terms.

TJV Trading Ltd

A company of which T Veysey is Director.

Included within other debtors is £361,167 (2019: £354,967) due from TJV Trading Ltd.

12. ULTIMATE CONTROLLING PARTY

The controlling party is T J Veysey.

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.