

Report of the Directors and
Financial Statements for the Year Ended 30 September 2002
for
STRATHCLYDE TYRE SERVICES LIMITED



STRATHCLYDE TYRE SERVICES LIMITED

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for the Year Ended 30 September 2002

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STRATHCLYDE TYRE SERVICES LIMITED

Company Information
for the Year Ended 30 September 2002

DIRECTORS:	Brendan Tracey William Tracey
SECRETARY:	Brendan Tracey
REGISTERED OFFICE:	6 Rankine Street Johnstone Renfrewshire PA5 8BB
REGISTERED NUMBER:	120607 (Scotland)
AUDITORS:	Grant Thornton Registered Auditors & Chartered Accountants 95 Bothwell Street Glasgow G2 7JZ
BANKERS:	Bank of Scotland
SOLICITORS:	Donaldson Russell Alexander & Haddow Rothesay House 134 Douglas Street Glasgow G2 4HF

STRATHCLYDE TYRE SERVICES LIMITED

Report of the Directors for the Year Ended 30 September 2002

The directors present their report with the financial statements of the company for the year ended 30 September 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of selling and distribution of new and used tyres.

DIRECTORS

The directors during the year under review were:

Brendan Tracey
William Tracey

The beneficial interests of the directors holding office on 30 September 2002 in the issued share capital of the company were as follows:

	30.9.02	1.10.01
Ordinary £1 shares		
Brendan Tracey	132,480	132,480
William Tracey	-	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Grant Thornton, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



Brendan Tracey - SECRETARY

Dated: 24/4/03

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STRATHCLYDE TYRE SERVICES LIMITED

We have audited the financial statements of Strathclyde Tyre Services Limited for the year ended 30 September 2002 which comprise the profit and loss account, the balance sheet and notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
GLASGOW

24/4/03

STRATHCLYDE TYRE SERVICES LIMITED

Profit and Loss Account
for the Year Ended 30 September 2002

		<u>30.9.02</u>	<u>30.9.01</u>
	Notes	£	£
TURNOVER		2,691,798	2,361,195
Cost of sales		<u>(2,129,575)</u>	<u>(1,947,518)</u>
GROSS PROFIT		562,223	413,677
Administrative expenses		<u>(460,691)</u>	<u>(348,070)</u>
		101,532	65,607
Other operating income		<u>1,897</u>	<u>3,675</u>
OPERATING PROFIT	2	103,429	69,282
Interest receivable and similar income		<u>7,146</u>	<u>9,406</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		110,575	78,688
Tax on profit on ordinary activities	3	<u>(23,145)</u>	<u>(13,595)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		87,430	65,093
Dividends	4	<u>(23,517)</u>	<u>(12,006)</u>
		63,913	53,087
Retained profit brought forward		<u>260,585</u>	<u>232,498</u>
		324,498	285,585
Purchase of own shares		<u>-</u>	<u>(25,000)</u>
RETAINED PROFIT CARRIED FORWARD		<u>£324,498</u>	<u>£260,585</u>

The notes form part of these financial statements

STRATHCLYDE TYRE SERVICES LIMITED

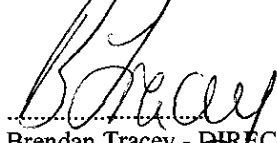
Balance Sheet

30 September 2002

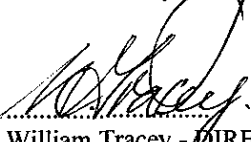
		<u>30.9.02</u>	<u>30.9.01</u>
	Notes	£	£
FIXED ASSETS:			
Tangible assets	5	592,119	356,482
CURRENT ASSETS:			
Stocks		245,857	203,891
Debtors	6	630,218	515,385
Cash at bank and in hand		<u>2,707</u>	<u>167,689</u>
		878,782	886,965
CREDITORS: Amounts falling due within one year	7	<u>(886,004)</u>	<u>(717,088)</u>
NET CURRENT (LIABILITIES)/ASSETS:		<u>(7,222)</u>	<u>169,877</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		584,897	526,359
PROVISIONS FOR LIABILITIES AND CHARGES:	10	<u>(6,399)</u>	<u>(11,774)</u>
		<u>£578,498</u>	<u>£514,585</u>
CAPITAL AND RESERVES:			
Called up share capital	11	132,480	132,480
Share premium	12	77,360	77,360
Capital redemption reserve	13	44,160	44,160
Profit and loss account		<u>324,498</u>	<u>260,585</u>
SHAREHOLDERS' FUNDS:		<u>£578,498</u>	<u>£514,585</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



Brendan Tracey - DIRECTOR



William Tracey - DIRECTOR

Approved by the Board on 24/4/03

The notes form part of these financial statements

STRATHCLYDE TYRE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 30 September 2002

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

The principal accounting policies of the company have remained unchanged except for the change to the accounting policy for deferred taxation which has been altered in accordance with the revised Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- 4% on cost
Plant and machinery etc	- 25% on reducing balance, 15% on reducing balance and 4% on cost

Stocks

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

Hire purchase and leasing commitments

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

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

STRATHCLYDE TYRE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 30 September 2002

2. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	30.9.02	30.9.01
	£	£
Depreciation - owned assets	58,626	45,015
Loss/(Profit) on disposal of fixed assets	1,543	(83,700)
Pension costs	<u>25,000</u>	<u>43,979</u>
Directors' emoluments and other benefits etc	<u>38,211</u>	<u>81,312</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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3. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	30.9.02	30.9.01
	£	£
Current tax:		
UK corporation tax	29,406	9,942
Under/(over) provision	<u>(886)</u>	<u>(74)</u>
Total current tax	<u>28,520</u>	<u>9,868</u>
Deferred tax:		
Deferred taxation	(5,375)	3,727
Tax on profit on ordinary activities	<u>23,145</u>	<u>13,595</u>

UK corporation tax has been charged at 19% (2001 - 20%).

4. **DIVIDENDS**

	30.9.02	30.9.01
	£	£
Interim dividend of 17.8p per share (2001: 9p)	<u>23,517</u>	<u>12,006</u>

STRATHCLYDE TYRE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 30 September 2002

5. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
COST:			
At 1 October 2001	114,460	414,204	528,664
Additions	235,223	83,451	318,674
Disposals	-	(46,282)	(46,282)
At 30 September 2002	<u>349,683</u>	<u>451,373</u>	<u>801,056</u>
DEPRECIATION:			
At 1 October 2001	41,232	130,953	172,185
Charge for year	5,345	53,281	58,626
Eliminated on disposals	-	(21,874)	(21,874)
At 30 September 2002	<u>46,577</u>	<u>162,360</u>	<u>208,937</u>
NET BOOK VALUE:			
At 30 September 2002	<u>303,106</u>	<u>289,013</u>	<u>592,119</u>
At 30 September 2001	<u>73,228</u>	<u>283,254</u>	<u>356,482</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.02 £	30.9.01 £
Trade debtors	601,540	485,087
Other debtors	-	20,000
Prepayments	<u>28,678</u>	<u>10,298</u>
	<u>630,218</u>	<u>515,385</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.02 £	30.9.01 £
Bank loans and overdrafts	166,596	203,956
Trade creditors	468,093	344,090
Other creditors	32,969	165
Social security & other taxes	8,464	17,079
Value added tax	76,464	32,225
Taxation	29,406	9,873
Accrued expenses	<u>104,012</u>	<u>109,700</u>
	<u>886,004</u>	<u>717,088</u>

STRATHCLYDE TYRE SERVICES LIMITED

Notes to the Financial Statements **for the Year Ended 30 September 2002**

8. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	30.9.02	30.9.01
	£	£
Expiring:		
In more than five years	<u>20,000</u>	<u>20,000</u>

9. SECURED DEBTS

The bank overdraft is secured by a bond and floating charge over all of the company's assets.

10. PROVISIONS FOR LIABILITIES AND CHARGES

	30.9.02	30.9.01
	£	£
Deferred taxation	<u>6,399</u>	<u>11,774</u>
	Deferred	
	tax	
	£	
Balance at 1 October 2001	11,774	
Charge/(credit) for year	<u>(5,375)</u>	
Balance at 30 September 2002	<u>6,399</u>	

11. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	30.9.02	30.9.01
		value:	£	£
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	30.9.02	30.9.01
		value:	£	£
132,480	Ordinary	£1	<u>132,480</u>	<u>132,480</u>

During the previous year the company acquired 44,160 Ordinary Shares of £1 (representing 25% of the called up share capital) for a total consideration of £25,000. These shares were subsequently cancelled. This transaction resulted in the creation of a Capital Redemption Reserve of £44,160.

12. SHARE PREMIUM

	30.9.02	30.9.01
	£	£
Brought forward	<u>77,360</u>	<u>77,360</u>

STRATHCLYDE TYRE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 30 September 2002

13. CAPITAL REDEMPTION RESERVE

	30.9.02	30.9.01
	£	£
Brought forward	44,160	-
Purchase of own shares	-	44,160
	<u>44,160</u>	<u>44,160</u>

14. CONTINGENT LIABILITIES

There were no contingent liabilities at either year end.

15. CAPITAL COMMITMENTS

	30.9.02	30.9.01
	£	£
Contracted but not provided for in the financial statements	<u>81,326</u>	<u>-</u>

16. RELATED PARTY DISCLOSURES

William Tracey Limited

Mr William Tracey is a director of this company. During the year the company made sales to this company of £137,840 (2001 - £104,942) and purchases of £21,012 (2001 - £14,884) and management charges of £6,900 (2001 - £6,000) were invoiced by this company. At 30 September 2002 the amount due by William Tracey Limited was £26,102 (2001 - £23,093) and the amount due to William Tracey Limited was £3,785 (2001 - £2,792).

Strathclyde Tyre Services Limited Pension Fund

Mr Brendan Tracey is a beneficiary of this plan. The Pension Fund owns property at Johnstone which is let to the company at rental of £20,000 per annum. During the year the company paid rental to the Pension Fund of £20,000 and made contributions to the Pension Fund amounting to £25,000.

17. CONTROLLING RELATED PARTY

Mr Brendan Tracey is the company's controlling related party by virtue of his shareholding in the company.