

SC120657

Report of the Directors and
Financial Statements for the Year Ended 30 September 2003
for
STRATHCLYDE TYRE SERVICES LIMITED



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STRATHCLYDE TYRE SERVICES LIMITED

Contents of the Financial Statements
for the Year Ended 30 September 2003

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7
Trading and Profit and Loss Account	12

STRATHCLYDE TYRE SERVICES LIMITED

Company Information
for the Year Ended 30 September 2003

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 The Cross Paisley PA1 1BD
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 2003

The directors present their report with the financial statements of the company for the year ended 30 September 2003.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

During the year the company acquired another depot at Kilmarnock. The results for the year reflect the considerable investment, both financial and otherwise, in acquiring and integrating this depot.

The directors are satisfied with progress to date and are of the opinion that the new depot will make a significant contribution to the company in the forthcoming year.

With this in mind the directors are satisfied with the results as shown in the financial statements.

DIRECTORS

The directors during the year under review were:

Brendan Tracey
William Tracey

The beneficial interests of the directors holding office on 30 September 2003 in the issued share capital of the company were as follows:

	30.9.03	1.10.02
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

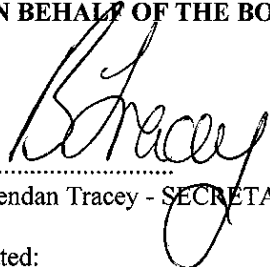
The auditors, Grant Thornton, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

STRATHCLYDE TYRE SERVICES LIMITED

Report of the Directors
for the Year Ended 30 September 2003

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:

A handwritten signature in black ink, appearing to read 'B Tracey', is written over a dotted line. The signature is fluid and cursive.

Brendan Tracey - SECRETARY

Dated:

**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 2003 which comprise the profit and loss account, the balance sheet and notes 1 to 19. 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
GLASGOW

Dated: 5/3/04

STRATHCLYDE TYRE SERVICES LIMITED

Profit and Loss Account
for the Year Ended 30 September 2003

		<u>30.9.03</u>	<u>30.9.02</u>
	Notes	£	£
TURNOVER		3,619,857	2,691,798
Cost of sales		<u>(2,982,724)</u>	<u>(2,129,575)</u>
GROSS PROFIT		637,133	562,223
Administrative expenses		<u>(615,347)</u>	<u>(460,691)</u>
		21,786	101,532
Other operating income		<u>20,519</u>	<u>1,897</u>
OPERATING PROFIT	2	42,305	103,429
Interest receivable and similar income		<u>3,947</u>	<u>7,146</u>
		46,252	110,575
Interest payable and similar charges		<u>(6,887)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		39,365	110,575
Tax on profit on ordinary activities	3	<u>(9,983)</u>	<u>(23,145)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		29,382	87,430
Dividends	4	<u>(90,973)</u>	<u>(23,517)</u>
		(61,591)	63,913
Retained profit brought forward		<u>324,498</u>	<u>260,585</u>
RETAINED PROFIT CARRIED FORWARD		<u>£262,907</u>	<u>£324,498</u>

The notes form part of these financial statements

STRATHCLYDE TYRE SERVICES LIMITED

Balance Sheet

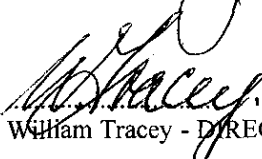
30 September 2003

		<u>30.9.03</u>	<u>30.9.02</u>
	Notes	£	£
FIXED ASSETS:			
Tangible assets	5	601,189	592,119
CURRENT ASSETS:			
Stocks		332,387	245,857
Debtors	6	844,354	630,218
Investments	7	12,000	-
Cash at bank and in hand		151,438	2,707
		<u>1,340,179</u>	<u>878,782</u>
CREDITORS: Amounts falling due within one year	8	<u>(1,263,891)</u>	<u>(886,004)</u>
NET CURRENT ASSETS/(LIABILITIES):		<u>76,288</u>	<u>(7,222)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>677,477</u>	<u>584,897</u>
CREDITORS: Amounts falling due after more than one year	9	<u>(145,636)</u>	<u>-</u>
PROVISIONS FOR LIABILITIES AND CHARGES:	12	<u>(14,934)</u>	<u>(6,399)</u>
		<u>£516,907</u>	<u>£578,498</u>
CAPITAL AND RESERVES:			
Called up share capital	13	132,480	132,480
Share premium	14	77,360	77,360
Capital redemption reserve	15	44,160	44,160
Profit and loss account		262,907	324,498
SHAREHOLDERS' FUNDS:		<u>£516,907</u>	<u>£578,498</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 5th March 2004.

The notes form part of these financial statements

STRATHCLYDE TYRE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 30 September 2003

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

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.

2. OPERATING PROFIT

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

	30.9.03	30.9.02
	£	£
Depreciation - owned assets	78,898	58,626
Loss on disposal of fixed assets	32,948	1,543
Auditors' remuneration	4,950	4,250
Pension costs	<u>17,215</u>	<u>25,000</u>
Directors' emoluments and other benefits etc	<u>69,494</u>	<u>38,211</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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STRATHCLYDE TYRE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 30 September 2003

3. TAXATION

Analysis of the tax charge

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

	30.9.03 £	30.9.02 £
Current tax:		
UK corporation tax	2,853	29,406
Under/(over) provision	<u>(1,405)</u>	<u>(886)</u>
Total current tax	<u>1,448</u>	<u>28,520</u>
Deferred tax:		
Deferred taxation	8,535	(5,375)
Tax on profit on ordinary activities	<u>9,983</u>	<u>23,145</u>

UK corporation tax has been charged at 19% (2002 - 19%).

4. DIVIDENDS

	30.9.03 £	30.9.02 £
Interim - share type 1	68,230	23,517
Final - share type 1	<u>22,743</u>	<u>-</u>
	<u>90,973</u>	<u>23,517</u>

5. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
COST:			
At 1 October 2002	349,683	451,374	801,057
Additions	-	169,916	169,916
Disposals	<u>(40,000)</u>	<u>(75,060)</u>	<u>(115,060)</u>
At 30 September 2003	<u>309,683</u>	<u>546,230</u>	<u>855,913</u>
DEPRECIATION:			
At 1 October 2002	46,577	162,361	208,938
Charge for year	12,387	66,511	78,898
Eliminated on disposals	<u>-</u>	<u>(33,112)</u>	<u>(33,112)</u>
At 30 September 2003	<u>58,964</u>	<u>195,760</u>	<u>254,724</u>
NET BOOK VALUE:			
At 30 September 2003	<u>250,719</u>	<u>350,470</u>	<u>601,189</u>
At 30 September 2002	<u>303,106</u>	<u>289,013</u>	<u>592,119</u>

STRATHCLYDE TYRE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 30 September 2003

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.03 £	30.9.02 £
Trade debtors	838,710	601,540
Other debtors	100	-
Prepayments	<u>5,544</u>	<u>28,678</u>
	<u>844,354</u>	<u>630,218</u>

7. CURRENT ASSET INVESTMENTS

	30.9.03 £	30.9.02 £
Investments	<u>12,000</u>	<u>-</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.03 £	30.9.02 £
Bank loans and overdrafts	355,455	166,596
Trade creditors	698,510	468,093
Other creditors	-	32,969
Dividend proposed	22,743	-
Social security & other taxes	16,742	8,464
Value added tax	54,078	76,464
Taxation	2,853	29,406
Accrued expenses	<u>113,510</u>	<u>104,012</u>
	<u>1,263,891</u>	<u>886,004</u>

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

	30.9.03 £	30.9.02 £
Bank loans	<u>145,636</u>	<u>-</u>

10. OPERATING LEASE COMMITMENTS

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

	30.9.03 £	30.9.02 £
Expiring:		
In more than five years	<u>28,000</u>	<u>20,000</u>

STRATHCLYDE TYRE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 30 September 2003

11. SECURED DEBTS

The following secured debts are included within creditors:

	30.9.03	30.9.02
	£	£
Bank overdrafts	300,743	166,596
Bank loans	<u>200,348</u>	<u>-</u>
	<u>501,091</u>	<u>166,596</u>

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

12. PROVISIONS FOR LIABILITIES AND CHARGES

	30.9.03	30.9.02
	£	£
Deferred tax	<u>14,934</u>	<u>6,399</u>

	Deferred tax £
Balance at 1 October 2002	6,399
Charge for year	<u>8,535</u>
Balance at 30 September 2003	<u>14,934</u>

	30.9.03	30.9.02
	£	£
Deferred tax provision		
Accelerated capital allowances	15,556	7,021
Other timing differences	<u>(622)</u>	<u>(622)</u>
	<u>14,934</u>	<u>6,399</u>

13. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	30.9.03	30.9.02
		£1	£	£
1,000,000	Ordinary		<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.9.03	30.9.02
		£1	£	£
132,480	Ordinary		<u>132,480</u>	<u>132,480</u>

14. SHARE PREMIUM

	30.9.03	30.9.02
	£	£
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 2003

15. CAPITAL REDEMPTION RESERVE

	30.9.03	30.9.02
	£	£
Brought forward	<u>44,160</u>	<u>44,160</u>

16. CONTINGENT LIABILITIES

There were no contingent liabilities at either year end.

17. CAPITAL COMMITMENTS

	30.9.03	30.9.02
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>81,326</u>

18. 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 £199,162 (2002 - £137,840) and purchases of £28,876 (2002 - £21,012) and management charges of £6,000 (2002 - £6,900) were invoiced by this company. At 30 September 2003 the amount due by William Tracey Limited was £50,394 (2002 - £26,102) and the amount due to William Tracey Limited was £5,502 (2002 - £3,785).

Strathclyde Tyre Services Limited Pension Fund

Mr Brendan Tracey is a beneficiary of this plan. The Pension Fund owns property at Johnstone and Kilmarnock which is let to the company at rental of £28,000 per annum. During the year the company paid rental to the Pension Fund of £28,000 (2002 - £20,000) and made contributions to the Pension Fund amounting to £15,000 (2002 - £25,000). During the year the company also sold property at Kilmarnock to the Pension Fund in an arm's length transaction amounting to £40,000.

19. CONTROLLING RELATED PARTY

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