

Registrar

Company Registration No. SC120607 (Scotland)

STRATHCLYDE TYRE SERVICES LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

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STRATHCLYDE TYRE SERVICES LIMITED

COMPANY INFORMATION

Director	Brendan Tracey
Secretary	Jaine Chisholm
Company number	SC120607
Registered office	6 Rankine Street Johnstone Renfrewshire PA5 8BB
Auditors	Wylie & Bisset LLP 168 Bath Street Glasgow G2 4TP
Bankers	The Royal Bank of Scotland plc 1 Moncrieff Street Paisley PA3 2AW

STRATHCLYDE TYRE SERVICES LIMITED

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STRATHCLYDE TYRE SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

The director presents his report and financial statements for the year ended 30 September 2013.

Review of the business

I aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. My review is consistent with the size and non-complex nature of my business and is written in the context of the risks and uncertainties I face.

I consider that our key financial performance indicators are those that communicate the financial performance and strength as a whole, these being turnover, gross margin and return on capital employed.

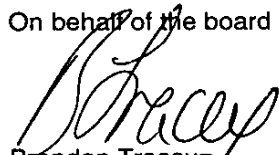
Overall sales have increased from £6,987k to £7,961K, an increase of 14%. The gross profit percentage has increased marginally from 16.23% to 16.56%. The operating profit has increased from £223k to £308k. After taxation £234k has been retained to be added to reserves.

Return on investment has increased from 7.89% to 10.10%. Return on capital employed is calculated as profit before interest and tax divided by capital employed, which constitutes total assets, less cash, plus overdrafts and other short term borrowings.

As for many businesses of our size, the business environment in which we operate continues to be challenging and competitive. We are of course also subject to consumer spending patterns and consumers overall level of disposable income within our economy.

With these risks and uncertainties in mind, I am aware that any plans for the future development of the business may be subject to unforeseen future events outside our control.

On behalf of the board



Brendan Tracey

Director

20 February 2014

STRATHCLYDE TYRE SERVICES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

The director presents his report and financial statements for the year ended 30 September 2013.

Principal activities and review of the business

The principal activity of the company continued to be that of retailing of tyres and associated automotive services.

Results and dividends

The results for the year are set out on page 6.

Director

The following director has held office since 1 October 2012:

Brendan Tracey

Auditors

Wylie & Bisset LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they 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 these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STRATHCLYDE TYRE SERVICES LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Brendan Tracey

Director

20 February 2014

STRATHCLYDE TYRE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

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 2013 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 2 - 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

STRATHCLYDE TYRE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF STRATHCLYDE TYRE SERVICES LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Allister Gray

**Allister Gray (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset LLP**

20 February 2014

**Chartered Accountants
Statutory Auditor**

168 Bath Street
Glasgow
G2 4TP

STRATHCLYDE TYRE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	2013 £	2012 £
Turnover	2	7,960,586	6,987,135
Cost of sales		(6,642,632)	(5,852,869)
Gross profit		1,317,954	1,134,266
Administrative expenses		(1,098,680)	(974,885)
Other operating income		88,767	63,864
Operating profit	3	308,041	223,245
Other interest receivable and similar income	4	990	796
Interest payable and similar charges	5	(12,552)	(14,383)
Profit on ordinary activities before taxation		296,479	209,658
Tax on profit on ordinary activities	6	(62,965)	(45,805)
Profit for the year	17	233,514	163,853

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

STRATHCLYDE TYRE SERVICES LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Intangible assets	8	199,750		223,250	
Tangible assets	9	544,330		451,956	
			744,080		675,206
Current assets					
Stocks	10	608,773		488,141	
Debtors	11	1,369,335		1,106,623	
Cash at bank and in hand		213,636		386,650	
			2,191,744		1,981,414
Creditors: amounts falling due within one year	12	(1,926,714)		(1,805,336)	
Net current assets			265,030		176,078
Total assets less current liabilities			1,009,110		851,284
Creditors: amounts falling due after more than one year	13		(78,346)		(77,393)
Provisions for liabilities	14		(74,393)		(51,034)
			856,371		722,857
Capital and reserves					
Called up share capital	16	132,480		132,480	
Share premium account	17	77,360		77,360	
Other reserves	17	44,160		44,160	
Profit and loss account	17	602,371		468,857	
Shareholders' funds	18	856,371		722,857	

Approved by the Board and authorised for issue on 20 February 2014


Brendan Tracey
Director

Company Registration No. SC120607

STRATHCLYDE TYRE SERVICES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	£	2013 £	£	2012 £
Net cash inflow from operating activities		452,559		415,723
Returns on Investments and servicing of finance				
Interest received	990		796	
Interest paid	(12,552)		(14,383)	
Net cash outflow for returns on investments and servicing of finance		(11,562)		(13,587)
Taxation		(41,852)		(51,241)
Capital expenditure				
Payments to acquire tangible assets	(133,912)		(103,275)	
Receipts from sales of tangible assets	30,576		7,100	
Net cash outflow for capital expenditure		(103,336)		(96,175)
Equity dividends paid		(100,000)		(106,000)
Net cash inflow before management of liquid resources and financing		195,809		148,720
Financing				
Repayment of long term bank loan	(51,577)		(49,447)	
Capital element of hire purchase contracts	(93,891)		(58,731)	
Net cash outflow from financing		(145,468)		(108,178)
Increase in cash in the year		50,341		40,542

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

1	Reconciliation of operating profit to net cash inflow from operating activities	2013	2012
		£	£
	Operating profit	308,041	223,245
	Depreciation of tangible assets	107,835	93,089
	Amortisation of intangible assets	23,500	11,750
	Loss on disposal of tangible assets	3,912	3,743
	(Increase)/decrease in stocks	(120,632)	79,779
	Increase in debtors	(262,712)	(6,342)
	Increase in creditors within one year	392,615	10,459
	Net cash inflow from operating activities	452,559	415,723

2	Analysis of net debt	1 October 2012	Cash flow	Other non-cash changes	30 September 2013
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	386,650	(173,014)	-	213,636
	Bank overdrafts	(501,913)	223,355	-	(278,558)
		<u>(115,263)</u>	<u>50,341</u>	<u>-</u>	<u>(64,922)</u>
	Bank deposits	-	-	-	-
	Debt:				
	Finance leases	(139,785)	93,891	(100,784)	(146,678)
	Debts falling due within one year	(51,577)	38,339	-	(13,238)
	Debts falling due after one year	(13,238)	13,238	-	-
		<u>(204,600)</u>	<u>145,468</u>	<u>(100,784)</u>	<u>(159,916)</u>
	Net debt	(319,863)	195,809	(100,784)	(224,838)

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

3	Reconciliation of net cash flow to movement in net debt	2013	2012
		£	£
	Increase in cash in the year	50,341	40,542
	Cash outflow from decrease in debt and lease financing	145,468	108,177
	Change in net debt resulting from cash flows	195,809	148,719
	New finance lease	(100,784)	(87,219)
	Movement in net debt in the year	95,025	61,500
	Opening net debt	(319,863)	(381,363)
	Closing net debt	(224,838)	(319,863)

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years (2012 - 20 years).

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	15% on reducing balance
Computer equipment	15% on reducing balance
Fixtures, fittings & equipment	15% on reducing balance
Motor vehicles	25% on reducing balance

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2013 £	2012 £
Operating profit is stated after charging:		
Amortisation of intangible assets	23,500	11,750
Depreciation of tangible assets	107,835	93,089
Loss on disposal of tangible assets	3,912	3,743
Operating lease rentals	120,175	105,905
Auditors' remuneration (including expenses)	4,150	6,400

4 Investment income	2013 £	2012 £
Bank interest	990	796
	<u>990</u>	<u>796</u>

5 Interest payable	2013 £	2012 £
On bank loans and overdrafts	213	381
On other loans wholly repayable within five years	1,551	3,637
Hire purchase interest	10,788	10,365
	<u>12,552</u>	<u>14,383</u>

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

6	Taxation	2013 £	2012 £
	Domestic current year tax		
	U.K. corporation tax	38,143	41,853
	Adjustment for prior years	1,463	-
	Total current tax	<u>39,606</u>	<u>41,853</u>
	Deferred tax		
	Deferred tax charge/credit current year	23,359	3,952
		<u>62,965</u>	<u>45,805</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>296,479</u>	<u>209,658</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 20.00%)	<u>59,296</u>	<u>41,932</u>
	Effects of:		
	Non deductible expenses	2,206	2,322
	Depreciation add back	22,350	19,366
	Capital allowances	(45,709)	(21,767)
	Adjustments to previous periods	1,463	-
		<u>(19,690)</u>	<u>(79)</u>
	Current tax charge for the year	<u>39,606</u>	<u>41,853</u>
7	Dividends	2013 £	2012 £
	Ordinary final paid	<u>100,000</u>	<u>106,000</u>

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 October 2012 & at 30 September 2013	235,000
Amortisation	
At 1 October 2012	11,750
Charge for the year	23,500
At 30 September 2013	35,250
Net book value	
At 30 September 2013	199,750
At 30 September 2012	223,250

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

9 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2012	541,445	56,798	435,771	1,034,014
Additions	48,925	35,250	150,521	234,696
Disposals	-	-	(78,713)	(78,713)
At 30 September 2013	590,370	92,048	507,579	1,189,997
Depreciation				
At 1 October 2012	376,970	31,749	173,338	582,057
On disposals	-	-	(44,225)	(44,225)
Charge for the year	30,512	5,672	71,651	107,835
At 30 September 2013	407,482	37,421	200,764	645,667
Net book value				
At 30 September 2013	182,888	54,627	306,815	544,330
At 30 September 2012	164,475	25,048	262,433	451,956

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 30 September 2013	200,812
At 30 September 2012	223,724
Depreciation charge for the year	
At 30 September 2013	54,499
At 30 September 2012	47,169

FOR THE YEAR ENDED 30 SEPTEMBER 2013

The bank loan and overdraft are secured by a bond and floating charge over all of the company's assets. The amounts due under hire purchase contracts are secured on the underlying assets.

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

13 Creditors: amounts falling due after more than one year	2013 £	2012 £
Bank loans	-	13,238
Net obligations under hire purchase contracts	78,346	64,155
	<u>78,346</u>	<u>77,393</u>
Analysis of loans		
Wholly repayable within five years	13,238	64,815
	<u>13,238</u>	<u>64,815</u>
Included in current liabilities	(13,238)	(51,577)
	<u>-</u>	<u>13,238</u>
Loan maturity analysis		
In more than one year but not more than two years	-	13,238
	<u>-</u>	<u>13,238</u>
Net obligations under hire purchase contracts		
Repayable within one year	68,332	75,630
Repayable between one and five years	78,346	64,155
	<u>146,678</u>	<u>139,785</u>
Included in liabilities falling due within one year	(68,332)	(75,630)
	<u>78,346</u>	<u>64,155</u>

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 October 2012	51,034
Profit and loss account	23,359
Balance at 30 September 2013	74,393

The deferred tax liability is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	74,393	51,034

15 Pension and other post-retirement benefit commitments Defined contribution

	2013 £	2012 £
Contributions payable by the company for the year	3,288	6,707

16 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
132,480 Ordinary shares of £1 each	132,480	132,480

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

17 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 October 2012	77,360	44,160	468,857
Profit for the year	-	-	233,514
Dividends paid	-	-	(100,000)
Balance at 30 September 2013	<u>77,360</u>	<u>44,160</u>	<u>602,371</u>

Other reserves

Capital redemption reserve

Balance at 1 October 2012 & at 30 September 2013

44,160

18 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	233,514	163,853
Dividends	(100,000)	(106,000)
Net addition to shareholders' funds	<u>133,514</u>	<u>57,853</u>
Opening shareholders' funds	<u>722,857</u>	<u>665,004</u>
Closing shareholders' funds	<u>856,371</u>	<u>722,857</u>

19 Financial commitments

At 30 September 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2014:

	Land and buildings	
	2013 £	2012 £
Operating leases which expire:		
In over five years	<u>120,175</u>	<u>105,875</u>

20 Director's remuneration

	2013 £	2012 £
Remuneration for qualifying services	<u>40,000</u>	<u>40,000</u>

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

21 Transactions with director

The director had an interest free loan during the year. The movement on the loan is as follows:

	Amount outstanding		Maximum
	2013	2012	in year
	£	£	£
Director's current account (debit balance)	18,576	-	18,576

At the year end, a loan of £18,576 was due from the director.

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2013 Number	2012 Number
Administration	14	13
Direct	49	46
Sales	2	1
	65	60

Employment costs

	2013 £	2012 £
Wages and salaries	1,301,588	1,245,171
Social security costs	112,976	106,910
Other pension costs	3,288	6,707
	1,417,852	1,358,788

23 Related party relationships and transactions

During the period dividends of £100,000 were paid to the company director (2012: £106,000).