

Company Registration No. SC120607 (Scotland)

STRATHCLYDE TYRE SERVICES LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014



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 2014

The director presents his report and financial statements for the year ended 30 September 2014.

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 £7,961k to £9,157K, an increase of 15%. The gross profit percentage has decreased marginally from 16.56% to 15.67%. The operating profit has increased from £308k to £437k. After taxation £335k has been retained to be added to reserves.

Return on investment has increased from 10.10% to 12.36%. Return on investment 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.

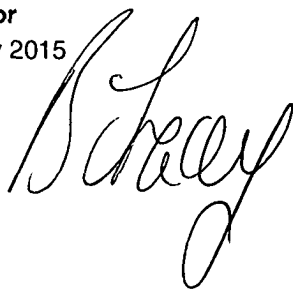
With these risks and uncertainties in mind, I am aware that any plans for the future development of the business may be subject to unforeseen future events outside our control.

On behalf of the board

Brendan Tracey

Director

14 May 2015



STRATHCLYDE TYRE SERVICES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

The director presents his report and financial statements for the year ended 30 September 2014.

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 2013:

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

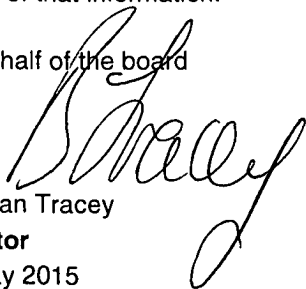
DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

14 May 2015

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 2014 set out on pages 6 to 18. 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 2014 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

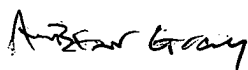
INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 BAcc CA (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset LLP

14 May 2015

Chartered Accountants
Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

STRATHCLYDE TYRE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	9,156,864	7,960,586
Cost of sales		(7,721,872)	(6,642,632)
Gross profit		1,434,992	1,317,954
Administrative expenses		(1,118,933)	(1,098,680)
Other operating income		120,604	88,767
Operating profit	3	436,663	308,041
Other interest receivable and similar income	4	1,382	990
Interest payable and similar charges	5	(14,223)	(12,552)
Profit on ordinary activities before taxation		423,822	296,479
Tax on profit on ordinary activities	6	(89,258)	(62,965)
Profit for the year	17	334,564	233,514

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 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Intangible assets	8	176,250		199,750	
Tangible assets	9	582,415		544,330	
			758,665		744,080
Current assets					
Stocks	10	693,193		608,773	
Debtors	11	1,602,620		1,369,335	
Cash at bank and in hand		373,292		213,636	
		2,669,105		2,191,744	
Creditors: amounts falling due within one year	12	(2,171,567)		(1,926,714)	
Net current assets			497,538		265,030
Total assets less current liabilities			1,256,203		1,009,110
Creditors: amounts falling due after more than one year	13		(87,322)		(78,346)
Provisions for liabilities	14		(87,946)		(74,393)
			1,080,935		856,371
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	826,935		602,371	
Shareholders' funds	18	1,080,935		856,371	

Approved by the Board and authorised for issue on 14 May 2015

Brendan Tracey
Director

Company Registration No. SC120607

STRATHCLYDE TYRE SERVICES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	£	2014 £	£	2013 £
Net cash inflow from operating activities		369,418		452,559
Returns on investments and servicing of finance				
Interest received	1,382		990	
Interest paid	(14,223)		(12,552)	
Net cash outflow for returns on investments and servicing of finance		(12,841)		(11,562)
Taxation		(38,143)		(41,852)
Capital expenditure				
Payments to acquire tangible assets	(95,064)		(133,912)	
Receipts from sales of tangible assets	30,849		30,576	
Net cash outflow for capital expenditure		(64,215)		(103,336)
Equity dividends paid		(110,000)		(100,000)
Net cash inflow before management of liquid resources and financing		144,219		195,809
Financing				
Repayment of long term bank loan	-		(51,577)	
Repayment of other short term loans	(13,238)		-	
Capital element of hire purchase contracts	(86,496)		(93,891)	
Net cash outflow from financing		(99,734)		(145,468)
Increase in cash in the year		44,485		50,341

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

1	Reconciliation of operating profit to net cash inflow from operating activities		2014	2013
			£	£
	Operating profit		436,663	308,041
	Depreciation of tangible assets		125,183	107,835
	Amortisation of intangible assets		23,500	23,500
	Loss on disposal of tangible assets		5,282	3,912
	Increase in stocks		(84,420)	(120,632)
	Increase in debtors		(233,285)	(262,712)
	Increase in creditors within one year		96,495	392,615
	Net cash inflow from operating activities		369,418	452,559

2	Analysis of net debt	1 October 2013	Cash flow	Other non-cash changes	30 September 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	213,636	159,656	-	373,292
	Bank overdrafts	(278,558)	(115,171)	-	(393,729)
		(64,922)	44,485	-	(20,437)
	Bank deposits	-	-	-	-
	Debt:				
	Finance leases	(146,678)	86,496	(104,335)	(164,517)
	Debts falling due within one year	(13,238)	13,238	-	-
	Net debt	(224,838)	144,219	(104,335)	(184,954)

3	Reconciliation of net cash flow to movement in net debt	2014	2013
		£	£
	Increase in cash in the year	44,485	50,341
	Cash outflow from decrease in debt and lease financing	99,734	145,468
	Change in net debt resulting from cash flows	144,219	195,809
	New finance lease	(104,335)	(100,784)
	Movement in net debt in the year	39,884	95,025
	Opening net debt	(224,838)	(319,863)
	Closing net debt	(184,954)	(224,838)

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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.

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 2014

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

	2014	2013
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	23,500	23,500
Depreciation of tangible assets	125,183	107,835
Loss on disposal of tangible assets	5,282	3,912
Operating lease rentals	121,283	120,175
Auditors' remuneration (including expenses)	4,300	4,150
	<u>238,468</u>	<u>263,572</u>

4 Investment income

	2014	2013
	£	£
Bank interest	1,382	990
	<u>1,382</u>	<u>990</u>

5 Interest payable

	2014	2013
	£	£
On bank loans and overdrafts	486	213
On other loans wholly repayable within five years	-	1,551
Hire purchase interest	13,737	10,788
	<u>14,223</u>	<u>12,552</u>

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

6	Taxation	2014	2013
		£	£
	Domestic current year tax		
	U.K. corporation tax	75,705	38,143
	Adjustment for prior years	-	1,463
	Total current tax	75,705	39,606
	Deferred tax		
	Deferred tax charge/credit current year	13,553	23,359
		89,258	62,965
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	423,822	296,479
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2013 - 20.00%)	84,764	59,296
	Effects of:		
	Non deductible expenses	2,751	2,206
	Depreciation add back	26,093	22,350
	Capital allowances	(39,646)	(45,709)
	Adjustments to previous periods	-	1,463
	Other tax adjustments	1,743	-
		(9,059)	(19,690)
	Current tax charge for the year	75,705	39,606
7	Dividends	2014	2013
		£	£
	Ordinary final paid	110,000	100,000

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2014

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 October 2013 & at 30 September 2014	235,000
Amortisation	
At 1 October 2013	35,250
Charge for the year	23,500
At 30 September 2014	58,750
Net book value	
At 30 September 2014	176,250
At 30 September 2013	199,750

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

9 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2013	590,370	92,048	507,579	1,189,997
Additions	46,026	1,850	151,523	199,399
Disposals	-	-	(110,927)	(110,927)
At 30 September 2014	636,396	93,898	548,175	1,278,469
Depreciation				
At 1 October 2013	407,482	37,421	200,764	645,667
On disposals	-	-	(74,796)	(74,796)
Charge for the year	32,606	6,311	86,266	125,183
At 30 September 2014	440,088	43,732	212,234	696,054
Net book value				
At 30 September 2014	196,308	50,166	335,941	582,415
At 30 September 2013	182,888	54,627	306,815	544,330

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

	Motor vehicles £
Net book values	
At 30 September 2014	216,324
At 30 September 2013	200,812
Depreciation charge for the year	
At 30 September 2014	57,625
At 30 September 2013	54,499

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2014

10 Stocks	2014 £	2013 £
Finished goods and goods for resale	<u>693,193</u>	<u>608,773</u>
11 Debtors	2014 £	2013 £
Trade debtors	1,505,547	1,286,367
Other debtors	43,691	18,576
Prepayments and accrued income	53,382	64,392
	<u>1,602,620</u>	<u>1,369,335</u>
12 Creditors: amounts falling due within one year	2014 £	2013 £
Bank loans and overdrafts	393,729	291,796
Net obligations under hire purchase contracts	77,195	68,332
Trade creditors	1,412,619	1,340,227
Corporation tax	75,705	38,143
Other taxes and social security costs	148,811	118,905
Accruals and deferred income	63,508	69,311
	<u>2,171,567</u>	<u>1,926,714</u>

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 2014

13 Creditors: amounts falling due after more than one year	2014 £	2013 £
Net obligations under hire purchase contracts	87,322	78,346
Net obligations under hire purchase contracts		
Repayable within one year	77,195	68,332
Repayable between one and five years	87,322	78,346
	164,517	146,678
Included in liabilities falling due within one year	(77,195)	(68,332)
	87,322	78,346

14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 October 2013	74,393
Profit and loss account	13,553
Balance at 30 September 2014	87,946

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	87,946	74,393

15 Pension and other post-retirement benefit commitments Defined contribution

	2014 £	2013 £
Contributions payable by the company for the year	1,928	3,288

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2014

16 Share capital	2014 £	2013 £
Allotted, called up and fully paid		
132,480 Ordinary shares of £1 each	132,480	132,480

17 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 October 2013	77,360	44,160	602,371
Profit for the year	-	-	334,564
Dividends paid	-	-	(110,000)
Balance at 30 September 2014	77,360	44,160	826,935

Other reserves

Capital redemption reserve

Balance at 1 October 2013 & at 30 September 2014

44,160

18 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	334,564	233,514
Dividends	(110,000)	(100,000)
Net addition to shareholders' funds	224,564	133,514
Opening shareholders' funds	856,371	722,857
Closing shareholders' funds	1,080,935	856,371

19 Financial commitments

At 30 September 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2015:

	Land and buildings	
	2014 £	2013 £
Operating leases which expire:		
In over five years	120,175	120,175

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

20	Director's remuneration	2014 £	2013 £
	Remuneration for qualifying services	40,000	40,000

21 Employees

Number of employees

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

	2014 Number	2013 Number
Administration	15	14
Direct	50	49
Sales	2	2
	67	65

Employment costs	2014 £	2013 £
Wages and salaries	1,392,688	1,301,588
Social security costs	118,002	112,976
Other pension costs	1,928	3,288
	1,512,618	1,417,852

22 Control

The ultimate controlling party is Brendan Tracy as he controls the issued share capital of the company.

23 Related party relationships and transactions

During the period dividends of £110,000 were paid to the company director (2013: £100,000).