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Company Registration No. SC120607 (Scotland)

STRATHCLYDE TYRE SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 16 SEPTEMBER 2016

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STRATHCLYDE TYRE SERVICES LIMITED

COMPANY INFORMATION

Directors	Derek McConechy Donald Carmichael	(Appointed 16 September 2016) (Appointed 16 September 2016)
Secretary	Donald Carmichael	
Company number	SC120607	
Registered office	13 Miller Road Ayr KA7 2AX	
Auditor	Wylie & Bisset LLP 168 Bath Street Glasgow G2 4TP	
Bankers	The Royal Bank of Scotland plc 1 Moncreiff Street Paisley PA3 2AW	

STRATHCLYDE TYRE SERVICES LIMITED

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STRATHCLYDE TYRE SERVICES LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

The directors present the strategic report for the period ended 16 September 2016.

Fair review of the business

The entire share capital of the company was acquired on 16th September 2016 by McConechy's Tyre Service Limited.

In relation to the period to 16 September 2016, we presented a balanced and comprehensive review of the development and performance of the business during the period and its position at the period end. Our review was consistent with the size and non-complex nature of our business and was written in the context of the risks and uncertainties we faced.

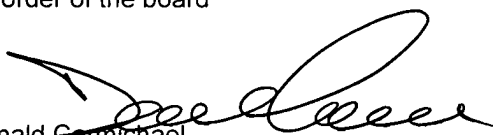
We considered our key financial performance indicators to be those that communicated the financial performance and strength as a whole, these being turnover, gross margin and return on capital employed.

Overall sales decreased by 4.7% from £8,779k to £8,369k. The gross profit percentage increased from 17.50% to 18.07%. The operating profit decreased from £542k to £497k. After taxation £400k was retained to be added to reserves.

Return on capital employed decreased from 28.34% to 22.27%.

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

By order of the board



Donald Carmichael

Secretary

31 May 2017

STRATHCLYDE TYRE SERVICES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

The directors present their annual report and financial statements for the period ended 16 September 2016.

Principal activities

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

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Brendan Tracey	(Resigned 16 September 2016)
Jaine Chisholm	(Appointed 1 September 2016 and resigned 16 September 2016)
Derek McConechy	(Appointed 16 September 2016)
Donald Carmichael	(Appointed 16 September 2016)

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Wylie & Bisset LLP resigned as auditors in accordance with Section 519 of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board


Donald Carmichael

Secretary

31 May 2017

STRATHCLYDE TYRE SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 them to ensure that the financial statements comply with the Companies Act 2006. 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.

STRATHCLYDE TYRE SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STRATHCLYDE TYRE SERVICES LIMITED

We have audited the financial statements of Strathclyde Tyre Services Limited for the period ended 16 September 2016 set out on 6 to 24. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Directors' 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 16 September 2016 and of its profit for the period 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 matters prescribed by the Companies Act 2006

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

STRATHCLYDE TYRE SERVICES LIMITED

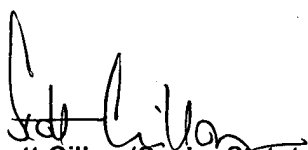
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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.



Scott Gillon (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset LLP

31 May 2017

Chartered Accountants
Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

STRATHCLYDE TYRE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

		Period ended 16 September 2016	Year ended 30 September 2015 as restated
	Notes	£	£
Turnover	3	8,369,416	8,778,651
Cost of sales		(6,856,787)	(7,241,792)
Gross profit		1,512,629	1,536,859
Administrative expenses		(1,172,792)	(1,137,638)
Other operating income		156,845	142,828
Operating profit	4	496,682	542,049
Interest receivable and similar income	7	3,284	1,404
Interest payable and similar charges	8	(10,599)	(11,195)
Profit before taxation		489,367	532,258
Taxation	9	(89,248)	(136,369)
Profit for the financial period		400,119	395,889

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

STRATHCLYDE TYRE SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 16 SEPTEMBER 2016

	Period ended 16 September 2016 £	30 September 2015 £
Profit for the period	400,119	395,889
Other comprehensive income	-	-
Total comprehensive income for the period	<u>400,119</u>	<u>395,889</u>

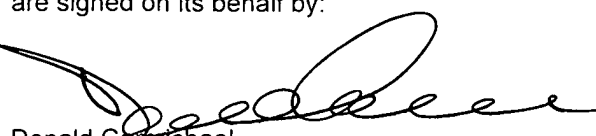
STRATHCLYDE TYRE SERVICES LIMITED

BALANCE SHEET

AS AT 16 SEPTEMBER 2016

	Notes	2016		2015 as restated	
		£	£	£	£
Fixed assets					
Goodwill	11		130,229		152,750
Tangible assets	12		465,834		515,052
			<u>596,063</u>		<u>667,802</u>
Current assets					
Stocks	14	687,838		707,985	
Debtors	15	1,555,004		1,575,843	
Cash at bank and in hand		1,154,181		623,325	
		<u>3,397,023</u>		<u>2,907,153</u>	
Creditors: amounts falling due within one year	16	(2,084,501)		(2,047,231)	
Net current assets			<u>1,312,522</u>		<u>859,922</u>
Total assets less current liabilities			<u>1,908,585</u>		<u>1,527,724</u>
Creditors: amounts falling due after more than one year	17		(43,249)		(45,793)
Provisions for liabilities	20		(68,393)		(85,107)
Net assets			<u><u>1,796,943</u></u>		<u><u>1,396,824</u></u>
Capital and reserves					
Called up share capital	23		132,480		132,480
Share premium account			77,360		77,360
Capital redemption reserve			44,160		44,160
Profit and loss reserves			1,542,943		1,142,824
Total equity			<u><u>1,796,943</u></u>		<u><u>1,396,824</u></u>

The financial statements were approved by the board of directors and authorised for issue on 31 May 2017 and are signed on its behalf by:


Donald Carmichael
Director

Company Registration No. SC120607

STRATHCLYDE TYRE SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
As restated for the period ended 30 September 2015:						
Balance at 1 October 2014		132,480	77,360	44,160	826,935	1,080,935
Year ended 30 September 2015:						
Profit and total comprehensive income for the year		-	-	-	343,550	343,550
Prior year adjustment		-	-	-	52,339	52,339
Dividends	10	-	-	-	(80,000)	(80,000)
Balance at 30 September 2015		132,480	77,360	44,160	1,142,824	1,396,824
Period ended 16 September 2016:						
Profit and total comprehensive income for the period		-	-	-	400,119	400,119
Balance at 16 September 2016		132,480	77,360	44,160	1,542,943	1,796,943

STRATHCLYDE TYRE SERVICES LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	28	1,033,592		627,969	
Interest paid		(10,599)		(11,195)	
Income taxes paid		(171,916)		(120,761)	
Net cash inflow from operating activities		851,077		496,013	
Investing activities					
Purchase of tangible fixed assets		(96,551)		(58,350)	
Proceeds on disposal of tangible fixed assets		15,595		36,566	
Interest received		3,284		1,404	
Net cash used in investing activities		(77,672)		(20,380)	
Financing activities					
Payment of finance leases obligations		(18,678)		(106,981)	
Dividends paid		-		(80,000)	
Net cash used in financing activities		(18,678)		(186,981)	
Net increase in cash and cash equivalents		754,727		288,652	
Cash and cash equivalents at beginning of period		268,215		(20,437)	
Cash and cash equivalents at end of period		1,022,942		268,215	
Relating to:					
Cash at bank and in hand		1,154,181		623,325	
Bank overdrafts included in creditors payable within one year		(131,239)		(355,110)	

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

1 Accounting policies

Company information

Strathclyde Tyre Services Limited is a private company limited by shares incorporated in Scotland. The registered office is 13 Miller Road, Ayr, KA7 2AX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the period ended 16 September 2016 are the first financial statements of Strathclyde Tyre Services Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 27.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 16 SEPTEMBER 2016

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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 period they are payable.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

Other significant revenue

Interest income	3,284	1,404
	<u> </u>	<u> </u>

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

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

4 Operating profit

	2016 £	2015 £
Operating profit for the period is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	4,300
Depreciation of owned tangible fixed assets	72,763	86,476
Depreciation of tangible fixed assets held under finance leases	39,943	42,231
Loss on disposal of tangible fixed assets	17,468	23,859
Amortisation of intangible assets	22,521	23,500
Cost of stocks recognised as an expense	5,453,631	5,875,914
Operating lease charges	118,510	128,381
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2016 Number	2015 Number
Administration	14	14
Direct	54	57
Sales	2	2
	<u> </u>	<u> </u>
	70	73
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	1,567,464	1,512,812
Social security costs	132,066	123,476
Pension costs	12,979	5,344
	<u> </u>	<u> </u>
	1,712,509	1,641,632
	<u> </u>	<u> </u>

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	38,333	40,000
Company pension contributions to defined contribution schemes	86	114
	<u> </u>	<u> </u>
	38,419	40,114
	<u> </u>	<u> </u>

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 16 SEPTEMBER 2016

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	3,284	1,404

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	3,284	1,404
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8 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	16
Interest on finance leases and hire purchase contracts	10,599	11,179
	10,599	11,195

9 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	105,962	139,208
Deferred tax		
Origination and reversal of timing differences	(16,714)	(2,839)
Total tax charge	89,248	136,369

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

9 Taxation

(Continued)

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	489,367	532,258
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	97,873	106,452
Tax effect of expenses that are not deductible in determining taxable profit	3,443	28,886
Permanent capital allowances in excess of depreciation	4,646	2,838
Other permanent differences	-	1,032
Deferred tax adjustments in respect of prior years	(16,714)	(2,839)
Tax expense for the period	89,248	136,369

10 Dividends

	2016 £	2015 £
Final paid	-	80,000

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 October 2015 and 16 September 2016	235,000
Amortisation and impairment	
At 1 October 2015	82,250
Amortisation charged for the period	22,521
At 16 September 2016	104,771
Carrying amount	
At 16 September 2016	130,229
At 30 September 2015	152,750

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

12 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2015	567,116	101,736	89,747	509,292	1,267,891
Additions	20,715	-	2,370	73,466	96,551
Disposals	-	-	-	(104,093)	(104,093)
At 16 September 2016	587,831	101,736	92,117	478,665	1,260,349
Depreciation and impairment					
At 1 October 2015	423,947	49,487	50,696	228,709	752,839
Depreciation charged in the period	27,855	3,991	5,908	74,952	112,706
Eliminated in respect of disposals	-	-	-	(71,030)	(71,030)
At 16 September 2016	451,802	53,478	56,604	232,631	794,515
Carrying amount					
At 16 September 2016	136,029	48,258	35,513	246,034	465,834
At 30 September 2015	143,169	52,249	39,051	280,583	515,052

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Motor vehicles	147,959	155,222
Depreciation charge for the period in respect of leased assets	39,943	42,231

13 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,456,761	1,549,552
Carrying amount of financial liabilities		
Measured at amortised cost	1,871,966	1,770,309

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 16 SEPTEMBER 2016

14 Stocks

	2016 £	2015 £
Finished goods and goods for resale	687,838	707,985

15 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,194,260	1,426,141
Corporation tax recoverable	32,708	-
Other debtors	262,501	123,411
Prepayments and accrued income	65,535	26,291
	1,555,004	1,575,843

16 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	18	131,239	355,110
Obligations under finance leases	19	59,028	75,162
Trade creditors		1,531,307	1,243,765
Corporation tax		105,962	139,208
Other taxation and social security		149,822	183,507
Accruals and deferred income		107,143	50,479
		2,084,501	2,047,231

17 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Obligations under finance leases	19	43,249	45,793

18 Loans and overdrafts

	2016 £	2015 £
Bank overdrafts	131,239	355,110
Payable within one year	131,239	355,110

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

18 Loans and overdrafts

(Continued)

The overdraft is 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.

19 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	59,028	75,162
In two to five years	43,249	45,793
	<u>102,277</u>	<u>120,955</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	68,393	85,107
	<u>68,393</u>	<u>85,107</u>

21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	<u>68,393</u>	<u>85,107</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 16 SEPTEMBER 2016

22 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	12,979	5,344

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
132,480 Ordinary shares of £1 each	132,480	132,480

24 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
In over five years	120,175	120,175

25 Related party transactions

No guarantees have been given or received.

B Tracey, a former director, had transactions with Strathclyde Tyre Services Limited during the year. B Tracey resigned as a director on 16 September 2016. As at this date B Tracey owed Strathclyde Tyre Services Limited £239,502.

During the year Strathclyde Tyres Limited paid £80,635 in lease rentals to Strathclyde Tyre Services Directors Fund. B Tracey, a former director, is a member of the scheme.

26 Controlling party

The ultimate controlling party is McConechy Holdings Limited who control the issued share capital of the company.

27 Directors' transactions

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

27 Directors' transactions

(Continued)

Interest free loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Directors Loan	-	115,482	312,603	(188,582)	239,503
		<u>115,482</u>	<u>312,603</u>	<u>(188,582)</u>	<u>239,503</u>

28 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	400,119	395,889
Adjustments for:		
Taxation charged	89,248	181,425
Finance costs	10,599	11,195
Investment income	(3,284)	(1,404)
Loss on disposal of tangible fixed assets	17,468	23,859
Amortisation and impairment of intangible assets	22,521	23,500
Depreciation and impairment of tangible fixed assets	112,706	128,707
Movements in working capital:		
Decrease/(increase) in stocks	20,147	(14,792)
Decrease in debtors	53,547	25,586
Increase/(decrease) in creditors	310,521	(145,996)
Cash generated from operations	<u>1,033,592</u>	<u>627,969</u>

29 Transfer of Activity, Assets and Liabilities

The assets, liabilities and funds of the company were transferred to McConechy's Tyre Service Limited as at 16 December 2016. The company ceased to trade on the 16 December 2016 and it is the directors' intention to strike off as soon as possible.

30 Prior period adjustment

Changes to the balance sheet

	At 30 September 2015		
	As previously reported £	Adjustment £	As restated £
Current assets			
Debtors due within one year	1,461,793	114,050	1,575,843

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 16 SEPTEMBER 2016

30 Prior period adjustment

(Continued)

	At 30 September 2015		
	As previously reported	Adjustment	As restated
	£	£	£
Creditors due within one year			
Taxation	(277,659)	(45,056)	(322,715)
Other creditors	(1,277,589)	(16,655)	(1,294,244)
	<u> </u>	<u> </u>	<u> </u>
Net assets	1,344,485	52,339	1,396,824
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss	1,090,485	52,339	1,142,824
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	Period ended 30 September 2015		
	As previously reported	Adjustment	As restated
	£	£	£
Cost of sales	(7,251,395)	9,603	(7,241,792)
Administrative expenses	(1,225,430)	87,792	(1,137,638)
Taxation	(91,313)	(45,056)	(136,369)
	<u> </u>	<u> </u>	<u> </u>
Profit for the financial period	343,550	52,339	395,889
	<u> </u>	<u> </u>	<u> </u>

The prior year adjustments reflected above can be classified as follows:

- (a) Reduction in reported profits and increase in liabilities of £16,655 in relation to FRS102 required adjustment relating to employee benefits;
- (b) Increase in debtors of £114,050 relating to former Director's loan account transactions, originally expensed; and
- (c) Increase in corporate tax and tax on Director's loan account of £45,056 as a result of expenses adjustments to Director's loan account.