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Company Registration No. SC120607 (Scotland)

STRATHCLYDE TYRE SERVICES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 16 SEPTEMBER 2017
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STRATHCLYDE TYRE SERVICES LIMITED

BALANCE SHEET

AS AT 16 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	5	-	-	130,229	
Tangible assets	6	-	-	465,834	
					596,063
Current assets					
Stocks	8	-	687,838		
Debtors	9	1,796,943	1,555,004		
Cash at bank and in hand		-	1,154,181		
		1,796,943	3,397,023		
Creditors: amounts falling due within one year	10	-	(2,084,501)		
Net current assets		1,796,943		1,312,522	
Total assets less current liabilities		1,796,943		1,908,585	
Creditors: amounts falling due after more than one year	11	-		(43,249)	
Provisions for liabilities	13	-		(68,393)	
Net assets		1,796,943		1,796,943	
Capital and reserves					
Called up share capital	14	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		1,542,943	
Total equity		1,796,943		1,796,943	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 16 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

STRATHCLYDE TYRE SERVICES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 16 SEPTEMBER 2017

The financial statements were approved by the board of directors and authorised for issue on 28 May 2018 and are signed on its behalf by:



Donald Carmichael
Director

Company Registration No. SC120607

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 16 SEPTEMBER 2017

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.

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 it is probable will be recovered.

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.

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

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 16 SEPTEMBER 2017

1 Accounting policies

(Continued)

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.

1.8 Cash and cash equivalents

Cash at bank and in hand 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.

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 16 SEPTEMBER 2017

1 Accounting policies

(Continued)

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.

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.

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.

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 16 SEPTEMBER 2017

1 Accounting policies

(Continued)

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.

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 year 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.

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 16 SEPTEMBER 2017

3 Employees

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

	2017 Number	2016 Number
Administration	2	14
Direct	-	54
Sales	-	2
	<u>2</u>	<u>70</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	-	1,567,464
Social security costs	-	132,066
Pension costs	-	12,979
	<u>-</u>	<u>1,712,509</u>

4 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	-	38,333
Company pension contributions to defined contribution schemes	-	86
	<u>-</u>	<u>38,419</u>

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 16 SEPTEMBER 2017

5 Intangible fixed assets

	Goodwill £
Cost	
At 17 September 2016	235,000
Transfers	(235,000)
At 16 September 2017	-
Amortisation and impairment	
At 17 September 2016	104,771
Disposals	(104,771)
At 16 September 2017	-
Carrying amount	
At 16 September 2017	-
At 16 September 2016	130,229

6 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 17 September 2016	587,831	101,736	92,117	478,665	1,260,349
Disposals	(587,831)	(101,736)	(92,117)	(478,665)	(1,260,349)
At 16 September 2017	-	-	-	-	-
Depreciation and impairment					
At 17 September 2016	451,802	53,478	56,604	232,631	794,515
Eliminated in respect of disposals	(451,802)	(53,478)	(56,604)	(232,631)	(794,515)
At 16 September 2017	-	-	-	-	-
Carrying amount					
At 16 September 2017	-	-	-	-	-
At 16 September 2016	136,029	48,258	35,513	246,034	465,834

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 16 SEPTEMBER 2017

6 Tangible fixed assets (Continued)

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

	2017 £	2016 £
Motor vehicles	-	147,959
Depreciation charge for the year in respect of leased assets	-	39,943

7 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,796,943	1,456,761
Carrying amount of financial liabilities		
Measured at amortised cost	-	1,871,966

8 Stocks

	2017 £	2016 £
Finished goods and goods for resale	-	687,838

9 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	-	1,194,260
Corporation tax recoverable	-	32,708
Amount due from parent undertaking	1,796,943	-
Other debtors	-	262,501
Prepayments and accrued income	-	65,535
	1,796,943	1,555,004

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 16 SEPTEMBER 2017

10 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	12	-	131,239
Obligations under finance leases		-	59,028
Trade creditors		-	1,531,307
Corporation tax		-	105,962
Other taxation and social security		-	149,822
Accruals and deferred income		-	107,143
		<u>-</u>	<u>2,084,501</u>

11 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under finance leases		-	43,249
		<u>-</u>	<u>43,249</u>

12 Loans and overdrafts

	2017 £	2016 £
Bank overdrafts	-	131,239
	<u>-</u>	<u>131,239</u>
Payable within one year	-	131,239
	<u>-</u>	<u>131,239</u>

13 Provisions for liabilities

	2017 £	2016 £
Deferred tax liabilities	-	68,393
	<u>-</u>	<u>68,393</u>

14 Share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 132,480 Ordinary shares of £1 each	<u>132,480</u>	<u>132,480</u>

STRATHCLYDE TYRE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 16 SEPTEMBER 2017

15 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:

	2017 £	2016 £
In over five years	-	120,175

16 Related party transactions

No guarantees have been given or received.

17 Controlling party

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

18 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 September 2016. The company ceased to trade on the 16 September 2016 and it is the directors' intention to strike off as soon as possible.