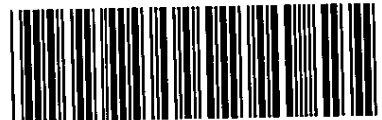


Report of the Directors and
Audited Financial Statements for the Period 1 January 2011 to 31 March 2012
for
Kwik-Fit Properties Limited

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for the Period 1 January 2011 to 31 March 2012

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Kwik-Fit Properties Limited

Company Information
for the Period 1 January 2011 to 31 March 2012

DIRECTORS:

K Murai
K Ogura

SECRETARY:

I V Ellis

REGISTERED OFFICE:

ETEL House
Avenue One
Letchworth Garden City
Hertfordshire
SG6 2HU

REGISTERED NUMBER:

02579167

AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants &
Statutory Auditors
10 Bricket Road
St Albans
Hertfordshire
AL1 3JX

Report of the Directors
for the Period 1 January 2011 to 31 March 2012

The directors present their report with the financial statements of the company for the period 1 January 2011 to 31 March 2012. The comparatives are for the year to 31 December 2010.

PRINCIPAL ACTIVITY

The company's principal activity is the holding and managing of properties on behalf of other group companies. The company charges other group companies a rental charge based on the current market rental value of the property.

REVIEW OF BUSINESS

The turnover for the period to 31 March 2012 was £71,000 (2010 - £67,000). The profit before taxation for the period ended 31 March 2012 was £440,000 (2010 - £481,000).

On 30 June 2011, the shares of Speedy 1 Limited, the ultimate holding company, were acquired by Bidco Tyche Limited (subsequently changed its name to European Tyre Enterprise Limited). The ultimate parent company of European Tyre Enterprise Limited is Itochu Corporation registered in Japan.

KEY PERFORMANCE INDICATORS

The directors consider the Key Performance Indicators for the company are turnover of £71,000 (£2010 - £67,000) and operating profits. For the period ended 31 March 2012, the operating profit was £66,000 (£2010 - £62,000).

DIVIDENDS

No dividends will be distributed for the period ended 31 March 2012 (2010 - £nil).

FUTURE DEVELOPMENTS

The directors do not anticipate any change in the company's activities in the foreseeable future.

DIRECTORS

The directors who have held office during the period from 1 January 2011 to the date of this report are as follows:

I E Fraser - resigned 1 July 2011
M J Healy - resigned 1 July 2011
K Murai - appointed 15 July 2011
K Ogura - appointed 15 July 2011

POLITICAL AND CHARITABLE CONTRIBUTIONS

No charitable and political donations were paid for the period ended 31 March 2012 (2010 - £nil).

QUALIFYING THIRD PARTY INDEMNITY

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. A fellow company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the company and its Directors.

FINANCIAL RISK MANAGEMENT

The company's operations expose it to the financial risk of liquidity risk and interest rates.

Interest risk

The company has interest-bearing assets which are entirely intercompany.

Liquidity risk

The company ensures that sufficient liquidity is available for its ongoing operations and future developments by careful monitoring of its financial obligations.

Report of the Directors

for the Period 1 January 2011 to 31 March 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 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.

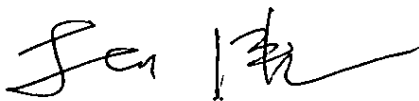
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

During the year Ernst & Young LLP resigned as auditors and PricewaterhouseCoopers LLP were appointed by the directors in their place. The auditors PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next Annual General Meeting.

ON BEHALF OF THE BOARD:



K Murai - Director

Date 12 December 2012

Report of the Independent Auditors to the Shareholders of
Kwik-Fit Properties Limited

We have audited the financial statements of Kwik Fit Properties Limited for the period ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 financial statements to identify material inconsistencies with the audited financial statements. 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 31 March 2012 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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



Adrian Bennett (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants &
Statutory Auditors
10 Bricket Road
St Albans
Hertfordshire
AL1 3JX

Date 12 December 2012

Profit and Loss Account
for the Period 1 January 2011 to 31 March 2012

	Notes	Period 1.1.11 to 31.3.12 £'000	Year Ended 31 12 10 £'000
TURNOVER	2	71	67
Cost of sales		<u>(5)</u>	<u>(5)</u>
GROSS PROFIT		66	62
OPERATING PROFIT	5	66	62
Interest receivable and similar income	6	<u>374</u>	<u>419</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		440	481
Tax on profit on ordinary activities	7	<u>(118)</u>	<u>-</u>
PROFIT FOR THE FINANCIAL PERIOD		<u>322</u>	<u>481</u>

CONTINUING OPERATIONS

All of the company's activities are in respect of continuing operations

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current period or previous year

Kwik-Fit Properties Limited (Registered number 02579167)

Balance Sheet
31 March 2012

	Notes	31.3.12 £'000	31 12 10 £'000
FIXED ASSETS			
Tangible assets	8	61	66
CURRENT ASSETS			
Debtors	9	10,959	10,514
CREDITORS			
Amounts falling due within one year	10	<u>(118)</u>	<u>-</u>
NET CURRENT ASSETS		<u>10,841</u>	<u>10,514</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,902</u>	<u>10,580</u>
CAPITAL AND RESERVES			
Called up share capital	11	2,000	2,000
Profit and loss account	12	<u>8,902</u>	<u>8,580</u>
SHAREHOLDERS' FUNDS	15	<u>10,902</u>	<u>10,580</u>

The financial statements were approved by the Board of Directors on 12 December 2012 and were signed on its behalf by



K Murai - Director

Notes to the Financial Statements

for the Period 1 January 2011 to 31 March 2012

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The principal accounting policies are set out below and have been applied consistently throughout the year

Financial Reporting Standard Number 1

The exemption under FRS 1 from preparing a cash flow statement has been taken on the grounds that the cash flows of the company are included in the cash flow statement of the parent company, Itochu Corporation, whose financial statements are publicly available

Turnover

Turnover comprises rental income, the majority of which is intra group

Tangible fixed assets

Freehold properties are stated at cost to the Company less provision for any impairment

Depreciation is provided at rates calculated to write off the assets over their estimated useful lives, as follows

Freehold property - 2% straight line

Freehold land is not depreciated

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Leases

Rental income under operating leases is recognised on an appropriate basis over the lease term, even if the payments are not made on such a basis

2 TURNOVER

The turnover and profit before taxation are attributed to the one principal activity of the company and are within the United Kingdom

Turnover comprises intra-group rental income £71,000 (2010 - £67,000)

3 STAFF COSTS

During the current period and previous year, the company had no employees

4 DIRECTORS' EMOLUMENTS

During the current period and previous year, the directors were remunerated by a fellow group undertaking

Notes to the Financial Statements - continued
for the Period 1 January 2011 to 31 March 2012

5 OPERATING PROFIT

The operating profit is stated after charging

	Period 1.1.11 to 31.3.12 £'000	Year Ended 31 12 10 £'000
Depreciation - owned assets	<u>5</u>	<u>5</u>

During the current period and previous year, the auditors' remuneration was paid by a fellow group undertaking

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	Period 1.1.11 to 31.3.12 £'000	Year Ended 31 12 10 £'000
Interest receivable due from fellow group undertakings	<u>374</u>	<u>419</u>

7 TAXATION

Analysis of the tax charge

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

	Period 1.1.11 to 31.3.12 £'000	Year Ended 31 12 10 £'000
Current tax		
UK corporation tax	<u>118</u>	<u>-</u>
Tax on profit on ordinary activities	<u>118</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Period 1 January 2011 to 31 March 2012

7 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below

	Period 1.1.11 to 31.3.12 £'000	Year Ended 31 12 10 £'000
Profit on ordinary activities before tax	<u>440</u>	<u>481</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.39% (2010 - 28%)	116	135
Effects of Expenses not deductible for tax purposes	2	-
Group relief claimed	<u>-</u>	<u>(135)</u>
Current tax charge	<u>118</u>	<u>-</u>

The tax payable for the year has been reduced by £118,000 because of group relief received from a fellow subsidiary. The amount payable in respect of this relief has been reflected in the balance sheet under "amounts owed to group companies".

UK corporation tax has been charged at a rate of 26.39% as the standard rate of taxation in the UK reduced from 28% to 26% on 1 April 2011.

Factors that may affect future tax charges

In the Finance Bill published on 21 March 2012, the Chancellor announced that the Corporation Tax rate would reduce to 24% with effect from 1 April 2012, and then reduce through a series of 1% annual reductions to a new rate of 22% from 1 April 2014. This reduction should not have a material impact.

Deferred tax

As at 31 March 2012 there was no unrecognised deferred tax balances (2010 - £nil)

Notes to the Financial Statements - continued
for the Period 1 January 2011 to 31 March 2012

8 TANGIBLE FIXED ASSETS

	Freehold property & land £'000
COST	
At 1 January 2011	
and 31 March 2012	<u>89</u>
DEPRECIATION	
At 1 January 2011	23
Charge for period	<u>5</u>
At 31 March 2012	<u>28</u>
NET BOOK VALUE	
At 31 March 2012	<u>61</u>
At 31 December 2010	<u>66</u>

Included in cost or valuation of land and buildings is freehold land of £nil (2010 - £nil)

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.12 £'000	31 12 10 £'000
Amounts owed by group undertakings	<u>10,959</u>	<u>10,514</u>

The amount owed by group undertaking are unsecured, interest bearing at LIBOR plus margin and repayable on demand

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3.12 £'000	31 12 10 £'000
Amounts owed to group undertakings	<u>118</u>	<u>-</u>

The amount owed to group undertaking are unsecured, interest bearing at LIBOR plus margin and repayable on demand

11 CALLED UP SHARE CAPITAL

	Period 1.1.11 to 31.3.12 Authorised £000	Period 1.1.11 to 31.3.12 Alloted, called up and fully paid £000	Year Ended 31 12 10 Authorised £000	Year Ended 31 12 10 Alloted, called up and fully paid £000
Ordinary A shares of £1 each	9,000	1,000	9,000	1000
Ordinary B shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1000</u>
	10,000	2,000	10,000	2,000

Ordinary A shares and Ordinary B shares have the same rights and privileges in all respects

Notes to the Financial Statements - continued
for the Period 1 January 2011 to 31 March 2012

12 **RESERVES**

**Profit
and loss
account
£'000**

At 1 January 2011
Profit for the period

**8,580
322**

At 31 March 2012

8,902

13 **OTHER FINANCIAL COMMITMENTS**

Until their repayment during the period, the company had granted mortgages and standard securities over certain properties in favour of the lenders under the Senior Facilities Agreement arranged by Speedy 1 Limited and Kwik-Fit Group Limited, fellow subsidiary undertakings of Financière Daunou 2 S A, which was the ultimate holding company at the time of repayment

14 **RELATED PARTY DISCLOSURES**

All related party transactions and balances relate to companies wholly owned within the group Advantage has therefore been taken of the exemption within FRS 8 not to disclose these transactions

15 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.3.12 £'000	31 12 10 £'000
Profit for the financial period	<u>322</u>	<u>481</u>
Net addition to shareholders' funds	322	481
Opening shareholders' funds	<u>10,580</u>	<u>10,099</u>
Closing shareholders' funds	<u>10,902</u>	<u>10,580</u>

16 **ULTIMATE PARENT COMPANY**

The company's immediate parent company is Kwik Fit (GB) Limited, registered in the United Kingdom

The company's ultimate holding and controlling parent company is Itochu Corporation, which is incorporated in Japan and whose registered office address is 5-1, 2 Chome, Kita Aoyama, Minato-ku, Tokyo, Japan

The largest and smallest group into which the activities of the company are consolidated is that headed by Itochu Corporation