

**GROUP STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2019  
FOR  
S AND M TYRES HOLDINGS LIMITED**



GBJ LLP  
Statutory Auditor  
Sterling House  
27 Hatchlands Road  
Redhill  
Surrey  
RH1 6RW

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FOR THE YEAR ENDED 31 JANUARY 2019**

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**S AND M TYRES HOLDINGS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 JANUARY 2019**

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**DIRECTORS:**

Mrs S D Whittemore  
R J Whittemore

**SECRETARY:**

R J Whittemore

**REGISTERED OFFICE:**

EG Wholesale  
Elite House  
Star Road, Partridge Green  
Horsham  
West Sussex  
RH13 8RA

**REGISTERED NUMBER:**

06978507 (England and Wales)

**AUDITORS:**

GBJ LLP  
Statutory Auditor  
Sterling House  
27 Hatchlands Road  
Redhill  
Surrey  
RH1 6RW

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JANUARY 2019**

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The directors present their strategic report of the company and the group for the year ended 31 January 2019.

**PRINCIPAL ACTIVITY**

The company's principle activity is selling tyres; we sell to the public and local businesses through thirteen fast-fit centres that trade as Elite Garages. We wholesale tyres to the motor trade across southern England as EG Wholesale. In addition we operate nine petrol stations in West Sussex, Surrey, Hampshire and Cornwall.

**REVIEW OF BUSINESS**

We consider the key financial performance indicators are those that communicate the financial performance and strength of the company as a whole being turnover and gross margin.

The products that we deal in are closely related to the price of oil and the exchange rate of the dollar, these factors along with interest rates and the effect of our competitors are the major risks and uncertainties we face.

In April 18 we added a ninth petrol station this being the main reason why our fuel volume rose by 11.9% compared to the previous year. Excluding the new branch our existing sites showed an overall reduction in volume of 4.4%. Shop sales showed an increase of 2.2% which rose to 13.3% once the new branch was included. Gross margin increased by 8% before the inclusion of the new branch, overall our forecourt gross margin rose by 21.8%. We continue to look for opportunities to expand in this area.

The tyre based side of our business showed great improvements over the previous year. Retail saw a value increase in turnover of 4.3% and wholesale 21.1% making 16.6% overall. The gross profit for the year increased by 10.2%.

Our total turnover for the year increased to £53.1m (2018 - £45.2m) an increase of 17.2% and our gross profit increased to £4.9m (2018 - £4.1m) an increase of 19.8%

**PRINCIPAL RISKS AND UNCERTAINTIES**

The risks and uncertainties in our business are affected by international exchange rates, commodity prices and general business confidence. Changes in the level of competition from other tyre sellers and petrol retailers will also have a bearing.

**OBJECTIVES AND POLICIES**

The company does not actively use financial instruments as part of its financial risk management. The company's policy is to finance working capital through the use of loan advances. The company is exposed to the usual credit and cash flow risk associated with selling on credit. The Directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of the company's financial position or results for the year.

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JANUARY 2019**

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**PRICE RISK, CREDIT RISK, LIQUIDITY RISK AND CASH FLOW RISK**

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors and loans to the business. The main purpose of the instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility by management of credit facilities.

Trade debtors are managed in respect of credit and cash flow risk by the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

It is the company's policy to ensure settlement of supplier invoices in accordance with the stated terms. The business manages the liquidity risk by ensuring that there are sufficient funds available for operations.

**ON BEHALF OF THE BOARD:**



R J Whittemore - Director

25 September 2019

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 JANUARY 2019**

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The directors present their report with the financial statements of the company and the group for the year ended 31 January 2019.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 January 2019 will be £300,000.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 February 2018 to the date of this report.

Mrs S D Whittemore

R J Whittemore

Other changes in directors holding office are as follows:

M P Whittemore ceased to be a director after 31 January 2019 but prior to the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

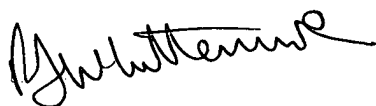
**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 JANUARY 2019**

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**AUDITORS**

The auditors, GBJ LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'R J Whittemore', is written over the 'ON BEHALF OF THE BOARD:' text.

R J Whittemore - Director

25 September 2019

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF S AND M TYRES HOLDINGS LIMITED

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### Opinion

We have audited the financial statements of S And M Tyres Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 January 2019 and of the group's 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF S AND M TYRES HOLDINGS LIMITED

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

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 a Report of the Auditors 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.



Nigel Green (Senior Statutory Auditor)  
for and on behalf of GBJ LLP  
Statutory Auditor  
Sterling House  
27 Hatchlands Road  
Redhill  
Surrey  
RH1 6RW

25 September 2019

**S AND M TYRES HOLDINGS LIMITED (REGISTERED NUMBER: 06978507)**

**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 JANUARY 2019**

	Notes	£	2019 £	£	2018 £
<b>TURNOVER</b>			<b>53,110,389</b>		<b>45,288,212</b>
Cost of sales			<b>48,143,812</b>		<b>41,176,617</b>
<b>GROSS PROFIT</b>			<b>4,966,577</b>		<b>4,111,595</b>
Administrative expenses			<b>4,222,293</b>		<b>3,554,606</b>
			<b>744,284</b>		<b>556,989</b>
Other operating income			<b>328,864</b>		<b>261,038</b>
<b>OPERATING PROFIT</b>	<b>4</b>		<b>1,073,148</b>		<b>818,027</b>
Income from shares in group undertakings		<b>200,000</b>		-	
Income from other participating interests		<b>274,749</b>		<b>246,395</b>	
Interest receivable and similar income		<b>716</b>		<b>86</b>	
			<b>475,465</b>		<b>246,481</b>
			<b>1,548,613</b>		<b>1,064,508</b>
Interest payable and similar expenses	<b>5</b>		<b>80,142</b>		<b>61,106</b>
<b>PROFIT BEFORE TAXATION</b>			<b>1,468,471</b>		<b>1,003,402</b>
Tax on profit	<b>6</b>		<b>250,115</b>		<b>184,138</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<b>1,218,356</b>		<b>819,264</b>
Profit attributable to: Owners of the parent			<b>1,218,356</b>		<b>819,264</b>

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JANUARY 2019**

	Notes	2019 £	2018 £
<b>PROFIT FOR THE YEAR</b>		<b>1,218,356</b>	<b>819,264</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>1,218,356</u></b>	<b><u>819,264</u></b>
Total comprehensive income attributable to: Owners of the parent		<b><u>1,218,356</u></b>	<b><u>819,264</u></b>

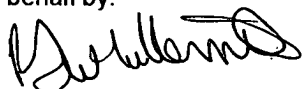
The notes form part of these financial statements

**S AND M TYRES HOLDINGS LIMITED (REGISTERED NUMBER: 06978507)**

**CONSOLIDATED BALANCE SHEET  
31 JANUARY 2019**

	Notes	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Intangible assets	9		-		-
Tangible assets	10		11,488,657		10,060,391
Investments	11				
Interest in joint venture					
Share of gross assets			4,124,169		4,012,897
Share of gross liabilities			(3,061,938)		(3,225,415)
			<u>1,062,231</u>		<u>787,482</u>
Other investments			8,239		8,239
Investment property	12		583,232		583,232
			<u>13,142,359</u>		<u>11,439,344</u>
<b>CURRENT ASSETS</b>					
Stocks	13	3,116,814		2,688,971	
Debtors	14	3,769,060		3,488,313	
Cash in hand		4,500		4,300	
			<u>6,890,374</u>		<u>6,181,584</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	9,835,304		8,921,066	
			<u>(2,944,930)</u>		<u>(2,739,482)</u>
<b>NET CURRENT LIABILITIES</b>					
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			10,197,429		8,699,862
<b>CREDITORS</b>					
Amounts falling due after more than one year	16		(2,990,626)		(2,406,168)
<b>PROVISIONS FOR LIABILITIES</b>					
	18		(118,571)		(123,818)
<b>NET ASSETS</b>					
			<u>7,088,232</u>		<u>6,169,876</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		100		100
Retained earnings	20		7,088,132		6,169,776
<b>SHAREHOLDERS' FUNDS</b>					
			<u>7,088,232</u>		<u>6,169,876</u>

The financial statements were approved by the Board of Directors on 25 September 2019 and were signed on its behalf by:



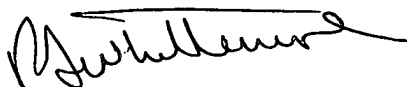
R J Whittemore - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET  
31 JANUARY 2019

	Notes	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Intangible assets	9		-		-
Tangible assets	10		9,636,895		8,681,734
Investments	11		316,767		316,767
Investment property	12		583,232		583,232
			<u>10,536,894</u>		<u>9,581,733</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	5,920,203		5,882,951	
<b>NET CURRENT LIABILITIES</b>			<u>(5,920,203)</u>		<u>(5,882,951)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,616,691</u>		<u>3,698,782</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		100		100
Retained earnings	20		4,616,591		3,698,682
<b>SHAREHOLDERS' FUNDS</b>			<u>4,616,691</u>		<u>3,698,782</u>
Company's profit for the financial year			<u>1,217,909</u>		<u>585,267</u>

The financial statements were approved by the Board of Directors on 25 September 2019 and were signed on its behalf by:



R J Whittemore - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2019**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 February 2017</b>	100	5,757,497	5,757,597
<b>Changes in equity</b>			
Dividends	-	(406,985)	(406,985)
Total comprehensive income	-	819,264	819,264
<b>Balance at 31 January 2018</b>	100	6,169,776	6,169,876
<b>Changes in equity</b>			
Dividends	-	(300,000)	(300,000)
Total comprehensive income	-	1,218,356	1,218,356
<b>Balance at 31 January 2019</b>	100	7,088,132	7,088,232

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2019

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 February 2017</b>	100	3,520,400	3,520,500
<b>Changes in equity</b>			
Dividends	-	(406,985)	(406,985)
Total comprehensive income	-	585,267	585,267
<b>Balance at 31 January 2018</b>	100	3,698,682	3,698,782
<b>Changes in equity</b>			
Dividends	-	(300,000)	(300,000)
Total comprehensive income	-	1,217,909	1,217,909
<b>Balance at 31 January 2019</b>	100	4,616,591	4,616,691

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JANUARY 2019**

		2019 £	2018 £
	Notes		
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,673,416	2,157,156
Interest paid		(80,142)	(61,106)
Tax paid		(226,270)	(190,050)
Net cash from operating activities		<u>1,367,004</u>	<u>1,906,000</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(90,000)	-
Purchase of tangible fixed assets		(1,949,192)	(1,153,561)
Sale of tangible fixed assets		36,707	17,074
Interest received		716	86
Dividends received		200,000	-
Net cash from investing activities		<u>(1,801,769)</u>	<u>(1,136,401)</u>
<b>Cash flows from financing activities</b>			
New loans in year		1,105,500	-
Loan repayments in year		(206,988)	(191,802)
Amount withdrawn by directors		(96,411)	(35,772)
Equity dividends paid		(300,000)	(406,985)
Net cash from financing activities		<u>502,101</u>	<u>(634,559)</u>
<b>Increase in cash and cash equivalents</b>		<u>67,336</u>	<u>135,040</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>(1,115,945)</u>	<u>(1,250,985)</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>(1,048,609)</u></u>	<u><u>(1,115,945)</u></u>

The notes form part of these financial statements



**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JANUARY 2019**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2019 £	2018 £
Profit before taxation	1,468,471	1,003,402
Depreciation charges	520,988	391,898
Loss on disposal of fixed assets	53,230	20,457
Finance costs	80,142	61,106
Finance income	(475,465)	(246,481)
	<u>1,647,366</u>	<u>1,230,382</u>
Increase in stocks	(427,843)	(85,150)
(Increase)/decrease in trade and other debtors	(280,747)	876,925
Increase in trade and other creditors	734,640	134,999
	<u>1,673,416</u>	<u>2,157,156</u>
<b>Cash generated from operations</b>	<u><b>1,673,416</b></u>	<u><b>2,157,156</b></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 January 2019**

	31.1.19 £	1.2.18 £
Cash and cash equivalents	4,500	4,300
Bank overdrafts	(1,053,109)	(1,120,245)
	<u>(1,048,609)</u>	<u>(1,115,945)</u>

**Year ended 31 January 2018**

	31.1.18 £	1.2.17 £
Cash and cash equivalents	4,300	4,350
Bank overdrafts	(1,120,245)	(1,255,335)
	<u>(1,115,945)</u>	<u>(1,250,985)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2019**

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**1. STATUTORY INFORMATION**

S And M Tyres Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 January 2019.

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £697,909, (2018 - £585,267).

**Turnover and revenue recognition**

Turnover represents amounts receivable for the sale of motor vehicle parts, accessories, forecourt goods and the repair of motor vehicles, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised by the group as and when the entity satisfies a performance obligation and the significant risks and rewards of ownership have been transferred to the customer.

**Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

**Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

**Amortisation method and rate - 100% in year of acquisition**

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2019

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2. ACCOUNTING POLICIES - continued

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- in accordance with the property
Plant and machinery	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method for fuel stock. Tyre stock is valued using the average cost method.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its recoverable amount being the higher of value in use and fair value less costs to sell, the impairment loss is recognised immediately in profit or loss.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2019

## 2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

**Going concern**

The financial statements have been prepared on a going concern basis.

## 3. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	5,360,374	4,942,649
Social security costs	427,498	382,935
Other pension costs	126,837	71,294
	<u>5,914,709</u>	<u>5,396,878</u>

The average number of employees during the year was as follows:

	2019	2018
Retail and workshops	227	227
Administration and support	11	12
Other departments	3	3
	<u>241</u>	<u>242</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 241 (2018 - 242).

	2019 £	2018 £
Directors' remuneration	<u>23,674</u>	<u>22,900</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2019

## 4. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Other operating leases	101,457	147,858
Depreciation - owned assets	430,989	391,898
Loss on disposal of fixed assets	53,230	20,457
Goodwill amortisation	90,000	-
Auditors' remuneration	16,210	15,750
Auditors' remuneration for non audit work	1,300	1,300

## 5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank interest	2,604	2,894
Bank loan interest	77,247	48,379
Other interest payable	291	9,833
	<u>80,142</u>	<u>61,106</u>

## 6. TAXATION

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	255,362	186,125
Deferred tax	(5,247)	(1,987)
Tax on profit	<u>250,115</u>	<u>184,138</u>

## 7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

## 8. DIVIDENDS

	2019 £	2018 £
Ordinary 'A' shares of £1 each		
Interim	<u>300,000</u>	<u>406,985</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2019

## 9. INTANGIBLE FIXED ASSETS

## Group

Goodwill  
£

## COST

At 1 February 2018

27,500

Additions

90,000

At 31 January 2019

117,500

## AMORTISATION

At 1 February 2018

27,500

Amortisation for year

90,000

At 31 January 2019

117,500

## NET BOOK VALUE

At 31 January 2019

-

At 31 January 2018

-

## 10. TANGIBLE FIXED ASSETS

## Group

Freehold  
property  
£Short  
leasehold  
£Plant and  
machinery  
£Motor  
vehicles  
£Totals  
£

## COST

At 1 February 2018

9,303,021

612,871

2,311,715

947,428

13,175,035

Additions

1,034,729

376,650

186,938

350,875

1,949,192

Disposals

-

-

(548,893)

(265,461)

(814,354)

At 31 January 2019

10,337,750

989,521

1,949,760

1,032,842

14,309,873

## DEPRECIATION

At 1 February 2018

763,704

321,688

1,478,261

550,991

3,114,644

Charge for year

79,568

29,600

180,570

141,251

430,989

Eliminated on disposal

-

-

(535,526)

(188,891)

(724,417)

At 31 January 2019

843,272

351,288

1,123,305

503,351

2,821,216

## NET BOOK VALUE

At 31 January 2019

9,494,478

638,233

826,455

529,491

11,488,657

At 31 January 2018

8,539,317

291,183

833,454

396,437

10,060,391

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2019

## 10. TANGIBLE FIXED ASSETS - continued

## Company

	Freehold property £
<b>COST</b>	
At 1 February 2018	9,062,201
Additions	1,034,729
At 31 January 2019	10,096,930
<b>DEPRECIATION</b>	
At 1 February 2018	380,467
Charge for year	79,568
At 31 January 2019	460,035
<b>NET BOOK VALUE</b>	
At 31 January 2019	9,636,895
At 31 January 2018	8,681,734

## 11. FIXED ASSET INVESTMENTS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Shares in group undertakings	-	-	100	100
Participating interests	1,062,231	787,482	316,667	316,667
Other investments not loans	8,239	8,239	-	-
	<u>1,070,470</u>	<u>795,721</u>	<u>316,767</u>	<u>316,767</u>

Additional information is as follows:

## Group

	Interest in joint venture £
<b>COST</b>	
At 1 February 2018	787,482
Share of profit/(loss)	274,749
At 31 January 2019	1,062,231
<b>NET BOOK VALUE</b>	
At 31 January 2019	1,062,231
At 31 January 2018	787,482

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2019

## 11. FIXED ASSET INVESTMENTS - continued

**Group**

Investments (neither listed nor unlisted) were as follows:

	2019 £	2018 £
Group Tyre (UK) Limited	<u>8,239</u>	<u>8,239</u>

**Company**

	Shares in group undertakings £	Interest in joint venture £	Totals £
<b>COST</b>			
At 1 February 2018 and 31 January 2019	<u>100</u>	<u>316,667</u>	<u>316,767</u>
<b>NET BOOK VALUE</b>			
At 31 January 2019	<u>100</u>	<u>316,667</u>	<u>316,767</u>
At 31 January 2018	<u>100</u>	<u>316,667</u>	<u>316,767</u>

## 12. INVESTMENT PROPERTY

**Group**

	Total £
<b>FAIR VALUE</b>	
At 1 February 2018 and 31 January 2019	<u>583,232</u>
<b>NET BOOK VALUE</b>	
At 31 January 2019	<u>583,232</u>
At 31 January 2018	<u>583,232</u>

**Group**

At 1 February  
There has been no valuation of investment property by an independent valuer.

**Company**

At 1 February  
There has been no valuation of investment property by an independent valuer.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2019

## 12. INVESTMENT PROPERTY - continued

## Company

Total  
£

## FAIR VALUE

At 1 February 2018  
and 31 January 2019

583,232

## NET BOOK VALUE

At 31 January 2019

583,232

At 31 January 2018

583,232

## 13. STOCKS

## Group

2019

2018

£

£

## Stocks

3,116,814

2,688,971

## 14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

## Group

2019

2018

£

£

## Trade debtors

2,925,681

2,652,034

## Other debtors

186,734

309,291

## Prepayments

656,645

526,988

3,769,060

3,488,313

## 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

## Group

2019

2018

£

£

Bank loans and overdrafts (see note 17)

1,353,693

1,331,775

Trade creditors

6,183,127

5,738,480

Amounts owed to group undertakings

-

-

Tax

135,364

106,272

Social security and other taxes

211,300

181,785

VAT

505,867

329,908

Other creditors

396,550

353,820

Defined contributions pension

38,235

10,104

Directors' loan accounts

324,049

195,460

Accrued expenses

687,119

673,462

9,835,304

8,921,066

## Company

2019

2018

£

£

-

-

-

-

5,618,103

5,881,351

-

-

-

-

-

-

-

-

-

-

300,000

-

2,100

1,600

5,920,203

5,882,951

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2019

## 16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2019	2018
	£	£
Bank loans (see note 17)	2,990,626	2,181,168
Directors' loan accounts	-	225,000
	<u>2,990,626</u>	<u>2,406,168</u>

## 17. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	1,053,109	1,120,245
Bank loans	300,584	211,530
	<u>1,353,693</u>	<u>1,331,775</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	300,584	211,530
	<u>300,584</u>	<u>211,530</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	901,752	634,591
	<u>901,752</u>	<u>634,591</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	1,788,290	1,335,047
	<u>1,788,290</u>	<u>1,335,047</u>

**Group****Bank borrowings**

Barclays loan is denominated in sterling with a nominal interest rate of 1.65%, and the final instalment is due to be paid on 10 July 2030. The carrying amount at year end is £1,406,291 (2018: £1,508,772).

Barclays loan is denominated in sterling with a nominal interest rate of 1.65%, and the final instalment is due to be paid on 9 June 2022. The carrying amount at year end is £825,861 (2018: £883,927).

Barclays loan is denominated in sterling with a nominal interest rate of 1.65%. The carrying amount at year end is £1,059,058 (2018: £nil).

Bank loans are secured by fixed and floating charges via inter-company cross guarantees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2019

## 18. PROVISIONS FOR LIABILITIES

	Group	
	2019	2018
	£	£
Deferred tax	<u>118,571</u>	<u>123,818</u>
Group		
		Deferred tax
		£
Balance at 1 February 2018		123,818
Provided during year		(5,247)
Balance at 31 January 2019		<u>118,571</u>

## 19. CALLED UP SHARE CAPITAL

## Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018
			£	£
51	Ordinary 'A'	£1	51	51
28	Ordinary 'B'	£1	28	28
17	Ordinary 'C'	£1	17	17
4	Ordinary 'D'	£1	4	4
			<u>100</u>	<u>100</u>

**Rights, preferences and restrictions**

Ordinary A shares have the following rights, preferences and restrictions:

Ordinary A shares have full rights to voting and are entitled to a dividend if declared on this class of share.

Ordinary B shares have the following rights, preferences and restrictions:

Ordinary B shares have full rights to voting and are entitled to a dividend if declared on this class of share.

Ordinary C shares have the following rights, preferences and restrictions:

Ordinary C shares have full rights to voting and are entitled to a dividend if declared on this class of share.

Ordinary D shares have the following rights, preferences and restrictions:

Ordinary D shares have full rights to voting and are entitled to a dividend if declared on this class of share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2019

20. RESERVES

**Group**

	Retained earnings £
At 1 February 2018	6,169,776
Profit for the year	1,218,356
Dividends	(300,000)
	<u>7,088,132</u>
At 31 January 2019	<u>7,088,132</u>

**Company**

	Retained earnings £
At 1 February 2018	3,698,682
Profit for the year	1,217,909
Dividends	(300,000)
	<u>4,616,591</u>
At 31 January 2019	<u>4,616,591</u>

21. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £126,837 (2018 - £71,294).

Contributions totalling £38,235 (2018 - £10,104) were payable to the scheme at the end of the year and are included in creditors.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2019**

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**22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

**R J Whittemore**

During the year the company incurred rents payable to R J Whittemore of £nil (2018: £2,212). An amount of £nil (2018: £nil) was outstanding at the year end and included within accruals. At the balance sheet date the amount due to R J Whittemore was £300,000 (2018: £152,634).

**M P Whittemore**

The parent company, S and M Tyres Holdings Limited has acquired an interest in a freehold property owned by M P Whittemore. At the year end S and M Tyres Holdings Limited had a 70.4% (2018: 70.4%) interest in the property. At the balance sheet date the amount due from M P Whittemore was £5,531 (2018: £5,531).

**S D Whittemore**

During the year the company made payments totalling £12,304 (2018: £12,039) to M Whittemore Family Settlement Trust, of which S D Whittemore is a trustee. The payments were made on a commercial arms length basis.

At the balance sheet date the amount due to S D Whittemore was £29,581 (2018: £273,357).

**23. RELATED PARTY DISCLOSURES**

**Entities with control, joint control or significant influence over the entity**

**Group Tyre (UK) Limited  
(Associate)**

S and M Tyres Limited has a 10% interest in Group Tyre (UK) Limited. During the year purchases of £111,306 (2018: £118,357) were made from Group Tyre (UK) Limited. At the balance sheet date the amount due to Group Tyre (UK) Limited was £4,921 (2018: £2,344). At the balance sheet date, the amount due from Group Tyre (UK) Limited was £4,544 (2018: £nil).

**Group Tyre Wholesale Limited  
(Joint venture)**

S and M Tyres Holdings Limited had a 33.3% interest during the year (increased to 50% in May 2019) in Group Tyre Wholesale Limited. During the year sales totalling £765,962 (2018: £530,483) and purchases totalling £667,804 (2018: £523,278) were made between the two companies. At the balance sheet date the amount due from Group Tyre Wholesale Limited was £104,297 (2018: £93,754). At the balance sheet date the amount due to Group Tyre Wholesale Limited was £78,690 (2018: £97,975).

**24. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is R J Whittemore.

These financial statements are available upon request from EG Wholesale, Elite House Star Road, Partridge Green, Horsham, West Sussex RH13 8RA.