

**GROUP STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022  
FOR  
S AND M TYRES HOLDINGS LIMITED**

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

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Consolidated Income Statement</b>	<b>9</b>
<b>Consolidated Other Comprehensive Income</b>	<b>10</b>
<b>Consolidated Balance Sheet</b>	<b>11</b>
<b>Company Balance Sheet</b>	<b>12</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>13</b>
<b>Company Statement of Changes in Equity</b>	<b>14</b>
<b>Consolidated Cash Flow Statement</b>	<b>15</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>16</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>18</b>

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**S AND M TYRES HOLDINGS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 JANUARY 2022**

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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 2022**

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The directors present their strategic report of the company and the group for the year ended 31 January 2022.

**PRINCIPAL ACTIVITY**

The company's principle activity is selling tyres; we sell to the public and local businesses through sixteen 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 and a supermarket which trades as Morrisons Local in Shaftesbury.

**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.

The last twelve months have seen the second year in which the pandemic has made a significant impact on our business, the gradual easing of lockdowns saw our petrol stations showing a fuel volume increase of 20% but in reality this was moving back to nearer ,but still slightly below, the volumes of two years ago .The year also saw panic buying of fuel and significant disruption at our sites due to the lack of tanker drivers following brexit. The step up in shop sales we achieved during the first year of the pandemic were maintained into this year, Overall shop turnover increased by a third. The gross margin from our forecourt operation increased by 12% on the previous year. In January we opened our first supermarket which trades as Morrisons local in Shaftesbury.

The tyre side of our business saw turnover increase by 20% on the previous year to slightly above where we were two years ago . The gross profit for the year increased by 11.9%. During the year we acquired the site in Shaftesbury which opened as a fastfit centre in February 2022, in December 21 we added another site in Newport Isle of Wight which started wholesale operations in April 2022 and retail shortly thereafter.

Our total turnover for the year increased to £57.2m (2021 - £44.9m) an increase of 27.3% and our gross profit increased to £6.6m (2021 - £5.4m) a rise of 21.7%.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The risks and uncertainties in our business are affected by international exchange rates, commodity prices, pandemics and general business confidence. Changes in the level of competition from other tyre sellers and petrol retailers will also have a bearing. The war in Ukraine has had seen dramatic increases in the price of energy products which seems set to continue for some time.

**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 2022**

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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

11 October 2022

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 JANUARY 2022**

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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 2022.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 January 2022.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 February 2021 to the date of this report.

Mrs S D Whittemore  
R J Whittemore

**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.

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

R J Whittemore - Director

11 October 2022

## **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 2022 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 2022 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

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### **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.

### **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.



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

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### **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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We enquired of management concerning the Company's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, tax legislation, anti-bribery legislation, GDPR and employment law.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:

- journal entries that increased revenues or that reclassified costs from the income statement to the balance sheet
- stock existence, completeness and valuation
- potential management bias in determining accounting estimates
- transactions with related parties.

It is the audit partner's assessment that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the Company's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement. We also considered the effectiveness of the Company's control environment to identify and prevent any irregularities and fraud.

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.

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

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**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

11 October 2022

**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 JANUARY 2022**

		2022	2021
	Notes	£	£
<b>TURNOVER</b>		<b>57,277,801</b>	44,969,515
Cost of sales		<b>50,591,104</b>	39,480,580
<b>GROSS PROFIT</b>		<b>6,686,697</b>	5,488,935
Administrative expenses		<b>5,251,507</b>	4,445,774
		<b>1,435,190</b>	1,043,161
Other operating income		<b>563,026</b>	832,465
<b>OPERATING PROFIT</b>	4	<b>1,998,216</b>	1,875,626
Income from shares in group undertakings		<b>120,000</b>	-
Income from other participating interests		<b>209,366</b>	202,253
Interest receivable and similar income		<b>1,388</b>	2,654
		<b>330,754</b>	204,907
		<b>2,328,970</b>	2,080,533
Interest payable and similar expenses	5	<b>54,748</b>	52,414
<b>PROFIT BEFORE TAXATION</b>		<b>2,274,222</b>	2,028,119
Tax on profit	6	<b>378,631</b>	381,938
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,895,591</b>	1,646,181
Profit attributable to:			
Owners of the parent		<b>1,895,591</b>	1,646,181

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JANUARY 2022**

	Notes	2022 £	2021 £
<b>PROFIT FOR THE YEAR</b>		<b>1,895,591</b>	1,646,181
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>1,895,591</u></b>	<b><u>1,646,181</u></b>
Total comprehensive income attributable to: Owners of the parent		<b><u>1,895,591</u></b>	<b><u>1,646,181</u></b>

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET**  
**31 JANUARY 2022**

			2022		2021
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	9		-		-
Tangible assets	10		15,369,871		13,274,356
Investments	11				
Interest in joint venture					
Share of gross assets			7,475,457		6,880,994
Share of gross liabilities			(5,944,831)		(5,559,734)
			1,530,626		1,321,260
Other investments			8,239		95,308
			16,908,736		14,690,924
<b>CURRENT ASSETS</b>					
Stocks	12	4,045,065		3,135,241	
Debtors	13	3,806,424		2,845,616	
Cash in hand		5,850		4,150	
		7,857,339		5,985,007	
<b>CREDITORS</b>					
Amounts falling due within one year	14	11,054,784		9,366,335	
<b>NET CURRENT LIABILITIES</b>			(3,197,445)		(3,381,328)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			13,711,291		11,309,596
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(2,308,479)		(1,841,644)
<b>PROVISIONS FOR LIABILITIES</b>	17		(253,945)		(214,676)
<b>NET ASSETS</b>			11,148,867		9,253,276
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		100		100
Retained earnings	19		11,148,767		9,253,176
<b>SHAREHOLDERS' FUNDS</b>			11,148,867		9,253,276

The financial statements were approved by the Board of Directors and authorised for issue on 11 October 2022 and were signed on its behalf by:

R J Whittemore - Director

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

**COMPANY BALANCE SHEET  
31 JANUARY 2022**

	Notes	£	2022 £	£	2021 £
<b>FIXED ASSETS</b>					
Intangible assets	9		-		-
Tangible assets	10		12,502,192		11,057,178
Investments	11		986,769		986,769
			<u>13,488,961</u>		<u>12,043,947</u>
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>4,659,007</u>		<u>4,897,830</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(4,659,007)</u>		<u>(4,897,830)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,829,954</u>		<u>7,146,117</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		100		100
Retained earnings	19		8,829,854		7,146,017
<b>SHAREHOLDERS' FUNDS</b>			<u>8,829,954</u>		<u>7,146,117</u>
Company's profit for the financial year			<u>1,683,837</u>		<u>1,415,203</u>

The financial statements were approved by the Board of Directors and authorised for issue on 11 October 2022 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 2022**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 February 2020</b>	100	7,631,113	7,631,213
<b>Changes in equity</b>			
Dividends	-	(24,118)	(24,118)
Total comprehensive income	-	1,646,181	1,646,181
<b>Balance at 31 January 2021</b>	100	9,253,176	9,253,276
<b>Changes in equity</b>			
Total comprehensive income	-	1,895,591	1,895,591
<b>Balance at 31 January 2022</b>	100	11,148,767	11,148,867

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2022**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 February 2020</b>	100	5,754,932	5,755,032
<b>Changes in equity</b>			
Dividends	-	(24,118)	(24,118)
Total comprehensive income	-	1,415,203	1,415,203
<b>Balance at 31 January 2021</b>	100	7,146,017	7,146,117
<b>Changes in equity</b>			
Total comprehensive income	-	1,683,837	1,683,837
<b>Balance at 31 January 2022</b>	100	8,829,854	8,829,954

The notes form part of these financial statements



**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JANUARY 2022**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<b>2,819,021</b>	2,731,868
Interest paid		<b>(54,748)</b>	(52,414)
Tax paid		<b>(346,329)</b>	(209,999)
Net cash from operating activities		<b><u>2,417,944</u></b>	<u>2,469,455</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<b>(2,754,780)</b>	(1,788,002)
Sale of tangible fixed assets		<b>101,743</b>	129,139
Interest received		<b>1,388</b>	2,654
Dividends received		<b>120,000</b>	-
Net cash from investing activities		<b><u>(2,531,649)</u></b>	<u>(1,656,209)</u>
<b>Cash flows from financing activities</b>			
New loans in year		<b>660,920</b>	502,500
Loan repayments in year		<b>(218,503)</b>	(1,508,324)
Loan to joint venture		<b>87,069</b>	22,713
Amount withdrawn by directors		<b>(532,934)</b>	187,791
Equity dividends paid		<b>-</b>	(24,118)
Net cash from financing activities		<b><u>(3,448)</u></b>	<u>(819,438)</u>
<b>Decrease in cash and cash equivalents</b>		<b><u>(117,153)</u></b>	<u>(6,192)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>(835,850)</b>	(829,658)
<b>Cash and cash equivalents at end of year</b>	2	<b><u>(953,003)</u></b>	<u>(835,850)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JANUARY 2022**
**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before taxation	2,274,222	2,028,119
Depreciation charges	570,268	463,448
Profit on disposal of fixed assets	(12,745)	(2,265)
Finance costs	54,748	52,414
Finance income	(330,754)	(204,907)
	<u>2,555,739</u>	<u>2,336,809</u>
(Increase)/decrease in stocks	(909,824)	165,692
(Increase)/decrease in trade and other debtors	(834,040)	366,802
Increase/(decrease) in trade and other creditors	<u>2,007,146</u>	<u>(137,435)</u>
<b>Cash generated from operations</b>	<u><b>2,819,021</b></u>	<u><b>2,731,868</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 2022**

	<b>31.1.22</b>	<b>1.2.21</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	5,850	4,150
Bank overdrafts	(958,853)	(840,000)
	<u>(953,003)</u>	<u>(835,850)</u>

**Year ended 31 January 2021**

	<b>31.1.21</b>	<b>1.2.20</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	4,150	4,500
Bank overdrafts	(840,000)	(834,158)
	<u>(835,850)</u>	<u>(829,658)</u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JANUARY 2022

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.2.21 £	Cash flow £	At 31.1.22 £
<b>Net cash</b>			
Cash at bank and in hand	4,150	1,700	5,850
Bank overdrafts	<u>(840,000)</u>	<u>(118,853)</u>	<u>(958,853)</u>
	<u>(835,850)</u>	<u>(117,153)</u>	<u>(953,003)</u>
<b>Debt</b>			
Debts falling due within 1 year	(261,811)	(4,641)	(266,452)
Debts falling due after 1 year	<u>(1,841,644)</u>	<u>(466,835)</u>	<u>(2,308,479)</u>
	<u>(2,103,455)</u>	<u>(471,476)</u>	<u>(2,574,931)</u>
<b>Total</b>	<u>(2,939,305)</u>	<u>(588,629)</u>	<u>(3,527,934)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2022**

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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 2021.

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 £1,415,203 (2020 - £1,583,634).

**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 2022**

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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.

**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.

**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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2022

## 2. ACCOUNTING POLICIES - continued

**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

	2022 £	2021 £
Wages and salaries	6,652,026	5,868,308
Social security costs	617,572	518,076
Other pension costs	98,824	182,955
	<u>7,368,422</u>	<u>6,569,339</u>

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

	2022	2021
Retail and workshops	234	238
Administration and support	10	11
Other departments	2	2
	<u>246</u>	<u>251</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 246 (2021 - 251) .

	2022 £	2021 £
Directors' remuneration	<u>562,560</u>	<u>454,940</u>

Information regarding the highest paid director is as follows:

	2022 £	2021 £
Emoluments etc	<u>291,200</u>	<u>287,200</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2022

## 4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2022 £	2021 £
Other operating leases	112,792	112,195
Depreciation - owned assets	570,267	463,448
Profit on disposal of fixed assets	(12,745)	(2,265)
Auditors' remuneration	<u>10,095</u>	<u>19,745</u>

## 5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Bank interest	337	1,164
Bank loan interest	54,331	51,250
Other interest payable	80	-
	<u>54,748</u>	<u>52,414</u>

## 6. TAXATION

**Analysis of the tax charge**

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

	2022 £	2021 £
Current tax:		
UK corporation tax	339,362	301,214
Deferred tax	39,269	80,724
Tax on profit	<u>378,631</u>	<u>381,938</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

	2022 £	2021 £
Ordinary 'A' shares of £1 each		
Interim	-	20,000
Ordinary 'C' shares of £1 each		
Interim	-	4,118
	<u>-</u>	<u>24,118</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2022

## 9. INTANGIBLE FIXED ASSETS

## Group

Goodwill  
£**COST**At 1 February 2021  
and 31 January 2022117,500**AMORTISATION**At 1 February 2021  
and 31 January 2022117,500**NET BOOK VALUE**

At 31 January 2022

-

At 31 January 2021

-

## 10. TANGIBLE FIXED ASSETS

## Group

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

**COST**

At 1 February 2021

12,348,448      1,170,259      2,285,408      1,183,553      16,987,668

Additions

1,539,019      615,498      346,094      254,169      2,754,780

Disposals

-      (54,368)      (145,599)      (220,750)      (420,717)

At 31 January 2022

13,887,467      1,731,389      2,485,903      1,216,972      19,321,731**DEPRECIATION**

At 1 February 2021

1,433,687      452,211      1,332,159      495,255      3,713,312

Charge for year

94,005      63,772      220,216      192,274      570,267

Eliminated on disposal

-      (48,040)      (137,132)      (146,547)      (331,719)

At 31 January 2022

1,527,692      467,943      1,415,243      540,982      3,951,860**NET BOOK VALUE**

At 31 January 2022

12,359,775      1,263,446      1,070,660      675,990      15,369,871

At 31 January 2021

10,914,761      718,048      953,249      688,298      13,274,356



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2022

## 10. TANGIBLE FIXED ASSETS - continued

## Company

	Freehold property £
<b>COST</b>	
At 1 February 2021	12,107,628
Additions	1,539,019
At 31 January 2022	<u>13,646,647</u>
<b>DEPRECIATION</b>	
At 1 February 2021	1,050,450
Charge for year	94,005
At 31 January 2022	<u>1,144,455</u>
<b>NET BOOK VALUE</b>	
At 31 January 2022	<u>12,502,192</u>
At 31 January 2021	<u>11,057,178</u>

## 11. FIXED ASSET INVESTMENTS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Shares in group undertakings	-	-	100	100
Participating interests	1,530,626	1,321,260	986,669	986,669
Loans to undertakings in which the company has a participating interest	-	87,069	-	-
Other investments not loans	8,239	8,239	-	-
	<u>1,538,865</u>	<u>1,416,568</u>	<u>986,769</u>	<u>986,769</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2022

## 11. FIXED ASSET INVESTMENTS - continued

Additional information is as follows:

**Group**

	Interest in joint venture £
<b>COST</b>	
At 1 February 2021	1,321,260
Share of profit/(loss)	209,366
At 31 January 2022	<u>1,530,626</u>
<b>NET BOOK VALUE</b>	
At 31 January 2022	<u>1,530,626</u>
At 31 January 2021	<u>1,321,260</u>

Investments (neither listed nor unlisted) were as follows:

	2022 £	2021 £
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 2021 and 31 January 2022	<u>100</u>	<u>986,669</u>	<u>986,769</u>
<b>NET BOOK VALUE</b>			
At 31 January 2022	<u>100</u>	<u>986,669</u>	<u>986,769</u>
At 31 January 2021	<u>100</u>	<u>986,669</u>	<u>986,769</u>

**Group**

	Loans to joint ventures £
At 1 February 2021	87,069
Other movement	(87,069)
At 31 January 2022	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2022

## 12. STOCKS

	Group	
	2022	2021
	£	£
<b>Stocks</b>	<b><u>4,045,065</u></b>	<b><u>3,135,241</u></b>

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

	Group	
	2022	2021
	£	£
<b>Trade debtors</b>	<b>3,178,021</b>	<b>2,447,668</b>
<b>Other debtors</b>	<b>28,277</b>	<b>44,878</b>
<b>Directors' loan accounts</b>	<b>126,768</b>	<b>-</b>
<b>Prepayments</b>	<b><u>473,358</u></b>	<b><u>353,070</u></b>
	<b><u>3,806,424</u></b>	<b><u>2,845,616</u></b>

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 16)	1,225,305	1,101,811	-	-
Trade creditors	7,194,284	4,690,430	-	-
Amounts owed to group undertakings	-	-	4,656,907	4,891,842
Tax	175,499	182,466	-	-
Social security and other taxes	279,574	281,654	-	-
VAT	395,391	620,376	-	-
Other creditors	378,161	687,400	-	-
Defined contributions pension	40,000	63,741	-	-
Directors' loan accounts	27,428	433,594	-	-
Accrued expenses	<u>1,339,142</u>	<u>1,304,863</u>	<u>2,100</u>	<u>5,988</u>
	<b>11,054,784</b>	<b>9,366,335</b>	<b>4,659,007</b>	<b>4,897,830</b>

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

	Group	
	2022	2021
	£	£
<b>Bank loans (see note 16)</b>	<b><u>2,308,479</u></b>	<b><u>1,841,644</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2022

## 16. LOANS

An analysis of the maturity of loans is given below:

		Group	
		2022	2021
		£	£
<b>Amounts falling due within one year</b>	<b>or on demand:</b>		
Bank overdrafts		958,853	840,000
Bank loans		266,452	261,811
		<u>1,225,305</u>	<u>1,101,811</u>
<b>Amounts falling due between one and</b>	<b>two years:</b>		
Bank loans - 1-2 years		266,452	261,811
<b>Amounts falling due between two and</b>	<b>five years:</b>		
Bank loans - 2-5 years		799,355	785,433
<b>Amounts falling due in more than five</b>	<b>years:</b>		
Repayable by instalments			
Bank loans more 5 yr by instal		<u>1,242,672</u>	<u>794,400</u>

## Group

## Bank borrowings

Barclays loan is denominated in sterling with a nominal interest rate of 1.75%, and the final instalment is due to be paid on 1 December 2026. The carrying amount at year end is £627,230 (2021: £687,740).

Barclays loan is denominated in sterling with a nominal interest rate of 1.75%, and the final instalment is due to be paid on 11 April 2023. The carrying amount at year end is £858,940 (2021: £928,023).

Barclays loan is denominated in sterling with a nominal interest rate of 1.75%. £502,500 was advanced in July 2020 and the final instalment is due to be paid on 23 July 2025. The carrying amount at year end is £457,996 (2021: £487,692).

Barclays loan is denominated in sterling with a nominal interest rate of 2.55%, and the final instalment is due to be paid in March 2026. The carrying amount at year end is £630,765.

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

## 17. PROVISIONS FOR LIABILITIES

		Group	
		2022	2021
		£	£
Deferred tax		<u>253,945</u>	<u>214,676</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2022

## 17. PROVISIONS FOR LIABILITIES - continued

Group

Deferred tax £
Balance at 1 February 2021
Provided during year
Balance at 31 January 2022

Balance at 1 February 2021  
Provided during year  
Balance at 31 January 2022

214,676  
39,269  
253,945

## 18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

No. Class:	Nominal value:	2022 £	2021 £
78 Ordinary 'A'	£1	82	78
1 Ordinary 'B'	£1	1	1
17 Ordinary 'C'	£1	17	17
		<u>100</u>	<u>96</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.

## 19. RESERVES

Group

Retained  
earnings  
£

At 1 February 2021  
Profit for the year  
At 31 January 2022

9,253,176  
1,895,591  
11,148,767

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2022

19. **RESERVES - continued**

**Company**

**Retained  
earnings  
£**

At 1 February 2021  
Profit for the year  
At 31 January 2022

7,146,017  
1,683,837  
8,829,854

20. **PENSION COMMITMENTS**

The company 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 £121,552 (2021 - £182,995).

Contributions totalling £40,000 (2021 - £63,741) were payable to the scheme at the end of the year and are included in creditors.

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

**R J Whittemore**

During the year the company incurred rents payable to R J Whittemore of £nil (2021: £nil). At the balance sheet date the amount due to R J Whittemore was £27,408 (2021: £230,208).

**S D Whittemore**

During the year the company made payments totalling £12,497 (2021: £12,497) 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 & M Tyres Limited from S D Whittemore was £126,768.

22. **RELATED PARTY DISCLOSURES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2022

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**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 £123,662 (2021: £124,473) were made from Group Tyre (UK) Limited. At the balance sheet date the amount due to Group Tyre (UK) Limited was £2,378 (2021: £2,734). At the balance sheet date, the amount due from Group Tyre (UK) Limited was £2,159 (2021: £1,804).

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

S and M Tyres Holdings Limited has a 50% interest in Group Tyre Wholesale Limited. During the year sales totalling £205,797 (2021: £330,762) and purchases totalling £682,557 (2021: £711,744) were made between the two companies. At the balance sheet date the amount due from Group Tyre Wholesale Limited was £69,963 (2021: £117,618). At the balance sheet date the amount due to Group Tyre Wholesale Limited was £457,514 (2021: £137,310).

**23. 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.