

**ADR UK Tyremart Limited**  
**Report of the Directors and**  
**Financial Statements**  
**For The Year Ended 31st December 2010**

Saul Fairholm, Statutory Auditor  
12 Tentercroft Street  
Lincoln  
Lincolnshire  
LN5 7DB

WEDNESDAY



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**ADR UK Tyremart Limited**

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**For The Year Ended 31st December 2010**

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**ADR UK Tyremart Limited**

**Company Information**  
**For The Year Ended 31st December 2010**

<b>DIRECTORS:</b>	Miss S Radrizzani Mrs L E Huggins R Airolidi Esq F Radrizzani Esq D Radrizzani Esq
<b>SECRETARY:</b>	Mrs L E Huggins
<b>REGISTERED OFFICE:</b>	Main Road Long Bennington Newark Nottinghamshire NG23 5BD
<b>REGISTERED NUMBER:</b>	1405709
<b>AUDITORS:</b>	Saul Fairholm, Statutory Auditor 12 Tentercroft Street Lincoln Lincolnshire LN5 7DB
<b>BANKERS:</b>	Barclays Bank plc Old Market Square Nottingham NG1 6FF
<b>BANKERS:</b>	HSBC Bank Plc 1 Leeming Street Mansfield NG18 1LU

**ADR UK Tyremart Limited**

**Report of the Directors**  
**For The Year Ended 31st December 2010**

The directors present their report with the financial statements of the company for the year ended 31st December 2010

**CHANGE OF NAME**

The company passed a special resolution on 12th April 2011 changing its name from Tyremart Agricultural Limited to ADR UK Tyremart Limited

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of factoring of farm trailer axles, wheels, tyres and spares

**REVIEW OF BUSINESS**

The company achieved a satisfactory return for the year, given the economic climate of 2010 Profit after taxation of £239,453 (2009 £146,866) has been achieved which will be retained within the company

Turnover had increased by 12.7% in the year whilst also sustaining an improved gross profit margin from 16.6% in 2009 to 17.7% in 2010. This has been achieved by the quality and reliability of the products sold along with the company's ability to source more of its axles and spares from China. Although administrative expenses have increased by 9.1% during the year the net profit margin stands at 3.5% compared with 2.4% in 2009.

During the year Trade Creditors with Group undertakings reduced by 58.2%. £90,000 of this creditor was converted into a loan repayable over 5 years. This reduction in net debt is part of the finance restructuring within the Group to support development of trade in China.

The Groups reorganisation of production has resulted in the company having to source more of its axles and spares from group undertakings in China with reduced terms of credit. This has had no effect on the short term stability of the company.

The Directors consider the key performance indicators discussed above alongside the detailed profit and loss account and balance sheet to be sufficient to provide an understanding of the development and performance of the business during the financial year, given the size and complexity of the company.

Overall the Directors are satisfied with the results and look forward to the future with confidence as the company continues to expand its markets in a more efficient and cost effective manner.

**DIVIDENDS**

No dividends will be distributed for the year ended 31st December 2010

**FIXED ASSETS**

At 31st December 2010 the difference between the book value and market value of freehold property amounted to £273,470, based on a valuation performed by Robert Clarke, Chartered Surveyors on 23rd July 2009.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2010 to the date of this report

Miss S Radrizzani  
Mrs L E Huggins  
R Airolidi Esq  
F Radrizzani Esq  
D Radrizzani Esq

## **ADR UK Tyremart Limited**

### **Report of the Directors** **For The Year Ended 31st December 2010**

#### **RISK**

The company's principal financial instruments comprise bank balances, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

The difficult trading conditions in the UK agricultural industry continues to be a risk that the industry faces along with potential competition from other axle suppliers. This is a risk that the Directors continue to monitor and address where appropriate, striving to deliver high quality products that offer excellent value for money in the market place.

The company's approach to managing other risks applicable to the financial instruments concerned is as follows.

In respect of bank balances the liquidity risk is managed by monitoring a balance between the continuity of funding and flexibility through use of overdrafts at floating rates of interest.

In respect of loans these comprise loans from financial institutions. The interest rate on the loans from financial institutions is variable but the monthly repayments are fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by controlling the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

The company has reduced its foreign exchange risk by invoicing some of its sales in foreign currency and holding bank accounts in concurrent currencies.

#### **POST BALANCE SHEET EVENTS**

Since the end of the year the company changed its name from Tyremart Agricultural Limited to ADR UK Tyremart Limited so as to identify the group branding structure more prominently.

#### **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,
- 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 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 company's auditors are aware of that information.

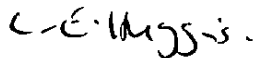
**ADR UK Tyremart Limited**

**Report of the Directors**  
**For The Year Ended 31st December 2010**

**AUDITORS**

The auditors, Saul Fairholm, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**



Mrs L E Huggins - Secretary

31st May 2011

**Report of the Independent Auditors to the Shareholders of**  
**ADR UK Tyremart Limited**

We have audited the financial statements of ADR UK Tyremart Limited for the year ended 31st December 2010 on pages six to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**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 31st December 2010 and of its 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.

**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.

*Saul Fairholm*

Richard Welsh (Senior Statutory Auditor)  
for and on behalf of Saul Fairholm, Statutory Auditor  
12 Tentercroft Street  
Lincoln  
Lincolnshire  
LN5 7DB

31st May 2011

**ADR UK Tyremart Limited**

**Profit and Loss Account**  
**For The Year Ended 31st December 2010**

	Notes	2010 £	2009 £
<b>TURNOVER</b>	2	6,909,444	6,131,839
Cost of sales		5,684,543	5,114,243
<b>GROSS PROFIT</b>		1,224,901	1,017,596
Administrative expenses		863,572	791,098
<b>OPERATING PROFIT</b>	5	361,329	226,498
Interest receivable and similar income		117	252
		361,446	226,750
Interest paid	6	28,166	31,491
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		333,280	195,259
Tax on profit on ordinary activities	7	93,827	48,393
<b>PROFIT FOR THE FINANCIAL YEAR</b>		239,453	146,866

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

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

The notes form part of these financial statements



**ADR UK Tyremart Limited**

**Balance Sheet**  
**31st December 2010**

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	8	1,893,832	1,927,076
<b>CURRENT ASSETS</b>			
Stocks	9	1,674,206	1,998,082
Debtors	10	1,219,128	773,784
Cash at bank and in hand		10,457	585,722
		<u>2,903,791</u>	<u>3,357,588</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>1,721,563</u>	<u>3,023,606</u>
<b>NET CURRENT ASSETS</b>		<u>1,182,228</u>	<u>333,982</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,076,060</u>	<u>2,261,058</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(1,073,445)	(500,458)
<b>PROVISIONS FOR LIABILITIES</b>	14	<u>(55,074)</u>	<u>(52,512)</u>
<b>NET ASSETS</b>		<u><u>1,947,541</u></u>	<u><u>1,708,088</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	190	190
Share premium	16	262,430	262,430
Profit and loss account	16	<u>1,684,921</u>	<u>1,445,468</u>
<b>SHAREHOLDERS' FUNDS</b>	19	<u><u>1,947,541</u></u>	<u><u>1,708,088</u></u>

The financial statements were approved by the Board of Directors on 31st May 2011 and were signed on its behalf by



Miss S Radrizzani - Director

The notes form part of these financial statements

**ADR UK Tyremart Limited**

**Cash Flow Statement**  
**For The Year Ended 31st December 2010**

	Notes	2010 £	2009 £
Net cash (outflow)/inflow from operating activities	1	(232,980)	731,806
Returns on investments and servicing of finance	2	(28,049)	(31,239)
Taxation		(88,462)	(70,482)
Capital expenditure	2	(19,619)	3,946
		<u>(369,110)</u>	<u>634,031</u>
Financing	2	(459,316)	(246,222)
(Decrease)/Increase in cash in the period		<u>(828,426)</u>	<u>387,809</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/Increase in cash in the period		(828,426)	387,809
Cash outflow from decrease in debt		<u>459,316</u>	<u>246,222</u>
Change in net debt resulting from cash flows		(369,110)	634,031
New finance		(900,000)	-
Translation differences		4,101	42,622
		<u>(1,265,009)</u>	<u>676,653</u>
Movement in net debt in the period		(318,481)	(995,134)
Net debt at 1st January		<u>(1,583,490)</u>	<u>(318,481)</u>
Net debt at 31st December		<u>(1,583,490)</u>	<u>(318,481)</u>

The notes form part of these financial statements

**ADR UK Tyremart Limited**

**Notes to the Cash Flow Statement**  
**For The Year Ended 31st December 2010**

**1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2010	2009
	£	£
Operating profit	361,329	226,498
Depreciation charges	50,974	59,091
Loss on disposal of fixed assets	1,889	9,289
Foreign exchange differences	(4,101)	(42,622)
Decrease in stocks	323,876	160,720
(Increase)/Decrease in debtors	(445,344)	1,358,016
Decrease in creditors	(521,603)	(1,039,186)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(232,980)</b>	<b>731,806</b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2010	2009
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	117	252
Interest paid	(28,166)	(31,491)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(28,049)</b>	<b>(31,239)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(19,619)	(9,254)
Sale of tangible fixed assets	-	13,200
<b>Net cash (outflow)/inflow for capital expenditure</b>	<b>(19,619)</b>	<b>3,946</b>
<b>Financing</b>		
Loan repayments in year	(459,316)	(246,222)
<b>Net cash outflow from financing</b>	<b>(459,316)</b>	<b>(246,222)</b>

The notes form part of these financial statements

**ADR UK Tyremart Limited**

**Notes to the Cash Flow Statement**  
**For The Year Ended 31st December 2010**

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1/1/10 £	Cash flow £	Exchange movements £	Other non-cash changes £	At 31/12/10 £
Net cash					
Cash at bank and in hand	585,722	(579,366)	4,101		10,457
Bank overdraft	-	(249,060)	-		(249,060)
	<u>585,722</u>	<u>(828,426)</u>	<u>4,101</u>		<u>(238,603)</u>
Debt					
Debts falling due within one year	(403,745)	56,701	-	(173,458)	(520,502)
Debts falling due after one year	<u>(500,458)</u>	<u>402,615</u>	<u>-</u>	<u>(726,542)</u>	<u>(824,385)</u>
	<u>(904,203)</u>	<u>459,316</u>	<u>-</u>	<u>(900,000)</u>	<u>(1,344,887)</u>
Total	<u>(318,481)</u>	<u>(369,110)</u>	<u>4,101</u>	<u>(900,000)</u>	<u>(1,583,490)</u>

The notes form part of these financial statements

**ADR UK Tyremart Limited**

**Notes to the Financial Statements**  
**For The Year Ended 31st December 2010**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The accounts have been prepared on the historical cost basis of accounting, whereby items are recorded at the values of the dates when the assets were acquired, the liabilities were incurred or the capital obtained. The accounts have been prepared in accordance with applicable Accounting Standards.

**Turnover**

Revenue represents the fair value of the consideration received or receivable for the factoring of farm trailer axles, wheels, tyres and spares net of discounts and sales taxes. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the company and the amount of revenue and associated costs can be measured reliably.

**Tangible fixed assets**

Fixed assets are stated at cost. Depreciation is charged to write off the cost less residual value of fixed assets over their estimated useful lives.

	%	Method
Freehold property	1	Straight Line
Motor vehicles	25	Reducing balance
Plant and computer equipment	15	Reducing balance
Fixtures and fittings	15	Reducing balance

**Stocks**

Stocks are valued at the lower of average cost and realisable value.

**Deferred tax**

Deferred taxation is provided in respect of the tax effect of all timing differences at the rates of tax expected to apply when the timing differences reverse. No provision is made in respect of deferred taxation on chargeable gains rolled over into the base cost of relevant tangible fixed assets.

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

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

**Foreign currency transactions**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the Balance Sheet date. Any gain or loss arising from a change in exchange rates is included as an exchange difference in the profit and loss account.

**Operating leased assets**

Rentals payable under operating leases are charged to Profit and Loss Account on a straight line basis over the term of the lease.

**ADR UK Tyremart Limited**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31st December 2010**

**2 TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	2010 £	2009 £
United Kingdom	5,059,700	4,398,476
Eire	930,896	664,448
U S A and Canada	875,079	1,022,124
Other exports	43,769	46,791
	<u>6,909,444</u>	<u>6,131,839</u>

**3 STAFF COSTS**

	2010 £	2009 £
Wages and salaries	252,938	271,438
Social security costs	21,887	24,735
Other pension costs	1,200	1,200
	<u>276,025</u>	<u>297,373</u>

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

	2010	2009
Direct Labour	8	8
Selling	2	2
Administration	5	6
	<u>15</u>	<u>16</u>

The company operates a defined contribution Pension Scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable to the fund.

**4 DIRECTORS' EMOLUMENTS**

	2010 £	2009 £
Emoluments of directors for management services	33,691	33,917
Pension contributions	1,200	1,200
	<u>34,891</u>	<u>35,117</u>

**ADR UK Tyremart Limited**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31st December 2010**

**5 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2010 £	2009 £
Hire of plant and machinery	2,587	-
Depreciation - owned assets	50,974	59,091
Loss on disposal of fixed assets	1,889	9,289
Foreign exchange differences	(4,101)	(42,622)
Staff costs	276,025	297,373
Auditors remuneration - audit fee	6,500	6,500
Auditors remuneration - other	7,607	7,458
	<u>281,382</u>	<u>287,091</u>

**6 INTEREST PAID**

	2010 £	2009 £
Bank loan interest	24,057	31,491
Corporation tax interest	696	-
Bank overdraft interest	3,413	-
	<u>28,166</u>	<u>31,491</u>

**7 TAXATION**

**Analysis of the tax charge**

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

	2010 £	2009 £
Current tax		
UK corporation tax	91,265	54,996
Deferred tax	2,562	(6,603)
Tax on profit on ordinary activities	<u>93,827</u>	<u>48,393</u>

**Factors affecting the tax charge**

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

	2010 £	2009 £
Profit on ordinary activities before tax	<u>333,280</u>	<u>195,259</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	93,318	54,673
Effects of		
Expenses not deductible for tax purposes	122	427
Capital allowances in excess of depreciation	(2,155)	(83)
Other Income not taxable	(20)	(21)
Current tax charge	<u>91,265</u>	<u>54,996</u>

**ADR UK Tyremart Limited**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31st December 2010**

**8 TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and computer equipment £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1st January 2010	1,781,832	275,548	113,485	6,000	2,176,865
Additions	-	18,200	1,419	-	19,619
Disposals	-	(1,818)	(5,030)	-	(6,848)
At 31st December 2010	1,781,832	291,930	109,874	6,000	2,189,636
<b>DEPRECIATION</b>					
At 1st January 2010	78,814	117,764	52,961	250	249,789
Charge for year	16,488	23,896	9,152	1,438	50,974
Eliminated on disposal	-	(1,140)	(3,819)	-	(4,959)
At 31st December 2010	95,302	140,520	58,294	1,688	295,804
<b>NET BOOK VALUE</b>					
At 31st December 2010	1,686,530	151,410	51,580	4,312	1,893,832
At 31st December 2009	1,703,018	157,784	60,524	5,750	1,927,076

**9 STOCKS**

	2010 £	2009 £
Tyres, axles and spares	1,674,206	1,998,082

**10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Trade debtors	1,181,306	725,905
Other debtors	-	9,000
Prepayments	37,822	38,879
	1,219,128	773,784

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Bank loans and overdrafts (see note 13)	347,044	403,745
Loans from group undertaking (see note 13)	173,458	-
Trade creditors	1,093,754	2,472,626
Social security and other taxes	79,884	101,520
Accrued charges	27,423	45,715
	1,721,563	3,023,606

Amounts falling due within one year -

(a) The bank loans and overdraft are secured by a mortgage debenture over the assets of the company



**ADR UK Tyremart Limited**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31st December 2010**

**12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2010 £	2009 £
Bank loans (see note 13)	375,475	500,458
Loans from group undertaking (see note 13)	697,970	-
	<u>1,073,445</u>	<u>500,458</u>

**13. LOANS**

An analysis of the maturity of loans is given below

	2010 £	2009 £
Amounts falling due within one year or on demand		
Bank overdrafts	249,060	-
Bank loans	97,984	403,745
Loans from group undertakings	173,458	-
	<u>520,502</u>	<u>403,745</u>

Amounts falling due between one and two years

Bank loans repayable between 1-2 years	97,934	87,193
Loans from group undertakings between 1-2 years	176,956	-
	<u>274,890</u>	<u>87,193</u>

Amounts falling due between two and five years

Bank loans repayable between 2-5 years	214,148	229,416
Loans from group undertakings between 2-5 years	521,014	-
	<u>735,162</u>	<u>229,416</u>

Amounts falling due in more than five years

Repayable by instalments		
Bank loans in five years or more	<u>63,393</u>	<u>183,849</u>

Bank loans comprise

- a) A commercial mortgage which falls due for maturity in October 2013 Interest is charged at 5.9% fixed rate
- b) A commercial mortgage which falls due for maturity in October 2018 Interest is charged at 1.1% over base

**14 PROVISIONS FOR LIABILITIES**

	2010 £	2009 £
Deferred tax	<u>55,074</u>	<u>52,512</u>

**ADR UK Tyremart Limited**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31st December 2010**

**14 PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1st January 2010	52,512
Charged during the year	<u>2,562</u>
Balance at 31st December 2010	<u><u>55,074</u></u>

No provision has been made for deferred tax on gains recognised on the sale of property where the taxable gain has been rolled over into replacement assets. The total amount unprovided is £53,297 (2009 £57,102)

**15 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value £1	2010 £ <u>190</u>	2009 £ <u>190</u>
190	Ordinary			

**16 RESERVES**

	Profit and loss account £	Share premium £	Totals £
At 1st January 2010	1,445,468	262,430	1,707,898
Profit for the year	<u>239,453</u>		<u>239,453</u>
At 31st December 2010	<u><u>1,684,921</u></u>	<u><u>262,430</u></u>	<u><u>1,947,351</u></u>

**ADR UK Tyremart Limited**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31st December 2010**

**17 RELATED PARTY DISCLOSURES**

a) The following transactions with A D R S p A , a group undertaking based in Italy, occurred during the year

	2010 £	2009 £
Sales	<u>630</u>	<u>35</u>
	2010 £	2009 £
Purchase of materials	587,722	1,063,286
Insurance and advertising	14,300	40,950
Equipment purchases	-	2,600
Software purchases	<u>-</u>	<u>333</u>

At the end of the year the company owed £223,307 (2009 £823,064) along with accrued charges of £14,300 (2009 £12,200) to A D R S p A

b) The following transactions with Coleart Essieux, a group undertaking based in France, occurred during the year

	2010 £	2009 £
Sales	<u>5,332</u>	<u>1,210</u>
	2010 £	2009 £
Purchases of materials	<u>2,455,112</u>	<u>3,899,996</u>

At the end of the year the company owed £521,956 (2009 £1,421,156) to Coleart Essieux Coleart Essieux owed £3,060 (2009 £1,210) to ADR UK Tyremart Limited

During the year Coleart Essieux converted £900,000 of its trade creditor in ADR UK Tyremart Limited into a loan The loan is repayable over 5 years at an interest rate of 2% At the end of the year the amount owing to Coleart Essieux was £871,428 (2009 £Nil)

c) The following transactions with C L M S r L, a group undertaking based in Italy, occurred during the year

	2010 £	2009 £
Purchases of materials	<u>672</u>	<u>672</u>

At the end of the year the company owed £Nil (2009 £672) to C L M S r L

**ADR UK Tyremart Limited**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31st December 2010**

d) The following transactions with R P F S p A, its parent undertaking based in Italy, occurred during the year

	2010 £	2009 £
Show Expenses	-	10,000
Travel and computer expenses	-	2,030
Management charges	90,000	92,632

	2010 £	2009 £
Sales	-	3,333

At the end of the year the company owed £90,000 (2009 £72,632) to R P F S p A along with accrued charges of £Nil (2009 £20,000)

e) The following transactions with A T W S A, a group undertaking based in Poland, occurred during the year

	2010 £	2009 £
Purchases of materials	843,696	177,653
Research and development	43,860	-
Training expenses	-	35,088

At the end of the year the company owed £131,523 (2009 £101,329) to A T W S A

f) The following transactions with Qingdao A D R Axles Machinery Co, a group undertaking based in China, occurred during the year

	2010 £	2009 £
Purchases of materials	1,110,115	297,731
Training expenses	-	8,772
Research and development	35,088	-

At the end of the year the company owed £17,779 (2009 £8,772) to Qingdao A D R Axles Machinery Co

g) The following transactions with W P S Sp z o o, a group undertaking based in Poland, occurred during the year

	2010 £	2009 £
Research and development charges	30,702	-

At the end of the year the company owed £30,702 (2009 £Nil) to W P S Sp z o o

**18 ULTIMATE CONTROLLING PARTY**

The Company is a wholly owned subsidiary of R P F S p A, a company incorporated in Italy. The Directors regard this company as the ultimate parent company and ultimate controlling party. Consolidated accounts are available from the Tribunale di Busto Arsizio Reg Soc No 02764470122, Camera Commercio, Varese 145380

**ADR UK Tyremart Limited**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31st December 2010**

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

	2010	2009
	£	£
Profit for the financial year	239,453	146,866
Net addition to shareholders' funds	239,453	146,866
Opening shareholders' funds	1,708,088	1,561,222
Closing shareholders' funds	1,947,541	1,708,088