

**M S TYRES LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 1996**

Company Number 01561251 (England and Wales)



**M S TYRES LIMITED**

**Company Information**

Directors	M T Scott J Scott
Secretary	M T Scott
Company Number	01561251 (England and Wales)
Registered Office	310 Cotton Exchange Building Old Hall Street Liverpool L3 9LF
Reporting Accountants	Kemp & Beggs Chartered Accountants 310 Cotton Exchange Building Old Hall Street Liverpool L3 9LF

# M S TYRES LIMITED

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# **M S TYRES LIMITED**

## **Directors' Report for the year ended 31 August 1996**

The Directors present their report and the accounts for the year ended 31 August 1996.

### **Principal Activities and review of business**

The company's principal activity continues to be that of tyre and exhaust specialists. The Directors are encouraged with the return to profitability and are hopeful that this will continue in the future.

The results for the year are set out on page 3.

### **Dividends**

The Directors do not recommend the payment of a final dividend but that the retained profit of £4,747 be deducted from the accumulated deficit.

### **Fixed assets**

Details of movements in fixed assets are set out in notes 8 and 9 of the accounts.

### **Directors**

The Directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	Number of Shares	
	1996	1995
M T Scott	999	999
J Scott	1	1

This report was approved by the Board on 18 June 1997 and signed on its behalf by:

M T Scott



**M S TYRES LIMITED**

**Accountants' Report to the Shareholders  
on the unaudited accounts of M S Tyres Limited**

We report on the accounts for the year ended 31 August 1996 set out on pages 3 to 8.

**Respective responsibilities of Directors and Reporting Accountants**

As described on page 4, the company's Directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

**Basis of opinion**

Our work was conducted in accordance with the Statement of Standards for reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

**Opinion**

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, information contained in those accounting records:
  - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
  - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



Kemp & Beggs  
Chartered Accountants  
310 Cotton Exchange Building  
Old Hall Street  
Liverpool  
L3 9LF

18 June 1997

# M S TYRES LIMITED

## Profit & Loss Account for the year ended 31 August 1996

	Notes	1996 £	1995 £
Turnover	1,2	135173	123124
Cost of sales		(98530)	(92160)
Gross Profit		36643	30964
Administrative expenses		(30315)	(37626)
Operating profit/(loss) on ordinary activities before interest	3	6328	(6662)
Interest payable	6	(1581)	(788)
Profit/(loss) on ordinary activities before taxation		4747	(7450)
Taxation	7	-	-
Profit/(loss) for year		4747	(7450)
Retained loss brought forward		(16848)	(9398)
Retained loss carried forward		(12101)	(16848)
		=====	=====

There were no recognised gains and losses for 1995 or 1996 other than those included in the Profit & Loss Account.

The notes on pages 5 to 8 form part of these accounts.

# M S TYRES LIMITED

## Balance Sheet as at 31 August 1996

	Notes	1996		1995	
		£	£	£	£
<b>Fixed Assets</b>					
Intangible assets	1 & 8		4000		5000
Tangible assets	9		<u>1734</u>		<u>2312</u>
			5734		7312
<b>Current Assets</b>					
Stocks	10	19520		20559	
Debtors	11	<u>7454</u>		<u>1756</u>	
		26974		22315	
<b>Creditors: amounts falling due within one year</b>	12	<u>28034</u>		<u>32000</u>	
<b>Net Current Liabilities</b>			(1060)		(9685)
<b>Total assets less current liabilities</b>			4674		(2373)
<b>Créditors: amounts falling due after more than one year</b>	13		(15775)		(13475)
<b>Net liabilities</b>			(11101)		(15848)
			=====		=====
<b>Capital and reserves</b>					
Called up share capital	14		1000		1000
Profit & Loss Account			<u>(12101)</u>		<u>(16848)</u>
<b>Shareholders' funds</b>					
- all equity	15		(11101)		(15848)
			=====		=====

The Directors consider that the company is entitled to exemption from the requirements to have an audit under the provisions of section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The Directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 August 1996 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The accounts were approved by the Board on 18 June 1997 and signed on its behalf by:

M T Scott  
Director

The notes on pages 5 to 8 form part of these accounts.

## **M S TYRES LIMITED**

### **Notes to the accounts for the year ended 31 August 1996**

#### **1 Accounting Policies**

##### **1.1 Basis of preparation of accounts**

The accounts are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company meets its day-to-day working capital requirements through an overdraft facility which is repayable on demand and is guaranteed by the Directors.

The Directors, after careful consideration, consider that the company's cash flow will be sufficient to meet the company's liabilities as and when they fall due.

On this basis, the Directors consider it appropriate to prepare the accounts on the going-concern basis.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

##### **1.2 Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

##### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicle	25% reducing balance basis
Fixtures & fittings	25% reducing balance basis

##### **1.4 Goodwill**

Goodwill is reviewed annually and the Directors consider it appropriate to amortise the goodwill over a period of eight years.

##### **1.5 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.



# M S TYRES LIMITED

## Notes to the accounts for the year ended 31 August 1996 (Contd)

### 1.6 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

### 2 Turnover

The whole of the turnover and profit before taxation is attributable to the one principal activity of the company as stated in the Directors' Report and arises solely in the United Kingdom.

### 3. Operating profit

The operating profit is stated after charging:	1996	1995
	£	£
Depreciation of tangible fixed assets		
- owned by the company	578	738
Amortisation of goodwill	1000	1000
	====	====

### 4 Staff costs

Staff costs, including Directors' remuneration, were as follows:	1996	1995
	£	£
Wages and salaries	21685	26606
Social security costs	1393	2723
Other pension costs	1123	1711
	<u>24201</u>	<u>31040</u>
	=====	=====

The average weekly number of employees, including Directors, during the year was as follows:

	1996	1995
Office and administration	2	2
Sales and marketing	1	1
	===	===

### 5 Directors' remuneration

	1996	1995
	£	£
Emoluments for services as Directors	19996	26092
	=====	=====

Included in the above are emoluments, excluding pension contributions paid to:

The Chairman and highest paid Director	15269	21381
	=====	=====

Other Directors' emoluments, excluding pension contributions, were in the following ranges:

£0 - £5000	1	1
	===	===

# M S TYRES LIMITED

## Notes to the accounts for the year ended 31 August 1996 (Contd)

6	Interest payable	1996	1995
		£	£
	On bank loans, overdrafts and other loans:		
	Repayable within 5 years, not by instalments	1581	788
		=====	=====

### 7 Taxation

The company has tax losses of approximately £13,300 available for carry forward and offset against future taxable profit.

### 8 Intangible fixed assets - goodwill

<b>Cost</b>	
31 August 1995 and 31 August 1996	8000
	=====
<b>Amortisation</b>	
At 1 September 1995	3000
Charge for year	1000
	-----
At 31 August 1996	4000
	=====
<b>Net Book Value</b>	
31 August 1996	4000
	=====
31 August 1995	5000
	=====

### 9 Tangible fixed assets

	Motor Vehicles £	Fixtures & fittings £	Total £
<b>Cost</b>			
At 1 September 1995	5802	3896	9698
Additions	-	-	-
	-----	-----	-----
At 31 August 1996	5802	3896	9698
	=====	=====	=====
<b>Depreciation</b>			
At 1 September 1995	4100	3286	7386
Charge for year	425	153	578
	-----	-----	-----
At 31 August 1996	4525	3439	7964
	=====	=====	=====
<b>Net Book Value</b>			
At 31 August 1996	1277	457	1734
	=====	=====	=====
At 31 August 1995	1702	610	2312
	=====	=====	=====

# M S TYRES LIMITED

## Notes to the accounts for the year ended 31 August 1996

10	<b>Stocks</b>	1996	1995
		£	£
	Finished goods and goods for resale	19520	20559
		=====	=====
11	<b>Debtors</b>	1996	1995
		£	£
	Due within one year		
	Trade debtors	7454	1756
		=====	=====
12	<b>Creditors: amounts falling due within one year</b>	1996	1995
		£	£
	Bank loans and overdraft	7883	8345
	Trade creditors	-	-
	Social security and other taxes	12020	14449
	Directors' loan account	1031	1056
	Accruals and deferred income	7100	8150
		<u>28034</u>	<u>32000</u>
		=====	=====
13	<b>Creditors: amount falling due after one year</b>	1996	1995
		£	£
	Trade creditor	15775	13475
		=====	=====
	A creditor is accepting payment of £2,400 per annum against arrears, payable at £200 per month.		
14	<b>Called up share capital</b>	1996	1995
	<b>Authorised</b>	£	£
	Ordinary shares of £1 each	5000	5000
		=====	=====
	<b>Allotted, called up and fully paid</b>		
	Ordinary shares of £1 each	1000	1000
		=====	=====
15	<b>Movement on Shareholders' funds</b>	1996	1995
		£	£
	Profit/(loss) for the year	4747	(7450)
	Opening Shareholders' funds (deficit)	(15848)	(8398)
		<u>(11101)</u>	<u>(15848)</u>
	Closing Shareholders' funds (deficit)	=====	=====
16	<b>Capital commitments</b>		
	At 31 August 1996 the company had capital commitments as follows:	1996	1995
		£	£
	Contracted for but not provided in these accounts	Nil	Nil
		===	===
	Authorised by the Directors but not contracted for	Nil	Nil
		===	===