

PARENT COMPANY ACCOUNTS
TO
TRUCTYRE FLEET MANAGEMENT LIMITED
(03999449)

GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
TFM HOLDINGS LIMITED

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**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 DECEMBER 2016**

	Page
Company Information	1
Group Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	4
Consolidated Income Statement	5
Consolidated Other Comprehensive Income	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Statement of Changes in Equity	9
Company Statement of Changes in Equity	10
Consolidated Cash Flow Statement	11
Notes to the Consolidated Cash Flow Statement	12
Notes to the Consolidated Financial Statements	13

TFM HOLDINGS LIMITED

COMPANY INFORMATION

for the Year Ended 31 DECEMBER 2016

DIRECTOR:

G W Sherwood

REGISTERED OFFICE:

Goodwood House
Goodwood Road
Eastleigh
Hampshire
SO50 4NT

REGISTERED NUMBER:

05664592 (England and Wales)

AUDITORS:

Stone Osmond Limited
75 Bournemouth Road
Chandlers Ford
Eastleigh
Hampshire
SO53 3AP

GROUP STRATEGIC REPORT
for the Year Ended 31 DECEMBER 2016

The director presents his strategic report of the company and the group for the year ended 31 December 2016.

REVIEW OF BUSINESS

The acquisition of PK Commercial Tyres Ltd in 2012 by parent company TFM Holdings Ltd meant an enlarged group. To ensure it met key strategies in the 3 year business plan (2014 to 2016), significant investment in resource, compliance, plant/equipment, training, IT, back office and re-branding had to be made to ensure high quality of service associated with the group to meet the current and future needs of customers.

The commercial business when growing is stepchanging and the company's growth rate of 6.6% per annum means that it takes two years to realise the investment.

The investment as outlined in our strategic report for year ending 2015 continued in 2016 with a complete refocus of our sales & marketing and end user offer. Introduction of our technical services division, Trutrak, expansion into Essex and investments into plant and equipment for our specialist supporting business units have all enabled the business to continue to move forward.

The company's key statistics are as follows:

	<u>12 months to 31.12.16</u>		<u>12 months to 31.12.15</u>	
Turnover	£32,511,829	(100.0%)	£29,670,053	(100.0%)
Gross profit	£12,022,664	(37.0%)	£10,792,172	(36.4%)
Profit before tax	£477,474	(1.5%)	£591,595	(2.0%)

As can be seen, both turnover and gross profit were up on 2015 and whilst profit before tax was down, it was actually up on budget.

During 2016 the group started to prepare its 2020 plan, investment in which commenced in the second half of the year. We now have the infrastructure and scalability to push the business forward in the next 5 years and we are confident that we are continuing to put all the processes in place to meet our sales growth and financial objectives going forward.

Since the year end, the group has sold its non-core business Autokwik Limited to a third party.

PRINCIPAL RISKS AND UNCERTAINTIES

Post Brexit and further political unrest has made, at times, challenging markets, particularly with current exchange rates and global raw materials, adversely affecting UK imports and therefore sales value and inflation is something that we will need to monitor very closely because of the effects it has on gross margin.

However, the structures, measurements and added value services developed over the past three years will help to minimise such impacts and as a consequence, will put us in a competitive advantage over our nearest competitors, particularly those who's not invested will struggle to meet the demands of the market in the future.

Whilst we cannot be complacent our core values have been further developed to meet the needs of the 2020 plan so that the group can maintain its position as the UK's largest independent truck service retailer.

ON BEHALF OF THE BOARD:



.....
G W Sherwood - Director

Date: 22-08-2017.....

**REPORT OF THE DIRECTOR
for the Year Ended 31 DECEMBER 2016**

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the sale, lease and maintenance of commercial vehicle tyres.

DIVIDENDS

An interim dividend of 10p per share was paid on 22 December 2016. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2016 will be £60,000.

DIRECTOR

G W Sherwood held office during the whole of the period from 1 January 2016 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is 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 he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:



.....
G W Sherwood - Director

Date: 22-08-2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TFM HOLDINGS LIMITED

We have audited the financial statements of TFM Holdings Limited for the year ended 31 December 2016 on pages five to twenty one. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2016 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.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Group Strategic Report or the Report of the Director.

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 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



C D Osmond (Senior Statutory Auditor)
for and on behalf of Stone Osmond Limited
75 Bournemouth Road
Chandlers Ford
Eastleigh
Hampshire
SO53 3AP

Date: 22/8/17

CONSOLIDATED INCOME STATEMENT
for the Year Ended 31 DECEMBER 2016

	Notes	31.12.16 £	£	31.12.15 £	£
TURNOVER			32,511,829		29,670,053
Cost of sales			20,489,165		18,877,881
GROSS PROFIT			12,022,664		10,792,172
Distribution costs		7,029		2,868	
Administrative expenses		11,455,617		10,079,168	
			11,462,646		10,082,036
			560,018		710,136
Other operating income			40,234		4,904
OPERATING PROFIT	4		600,252		715,040
Interest receivable and similar income			101		-
			600,353		715,040
Interest payable and similar expenses	5		122,879		123,445
PROFIT BEFORE TAXATION			477,474		591,595
Tax on profit	6		136,170		151,037
PROFIT FOR THE FINANCIAL YEAR			341,304		440,558
Profit attributable to:					
Owners of the parent			341,304		440,558

TFM HOLDINGS LIMITED (REGISTERED NUMBER: 05664592)

CONSOLIDATED OTHER COMPREHENSIVE INCOME
for the Year Ended 31 DECEMBER 2016


	Notes	31.12.16 £	31.12.15 £
PROFIT FOR THE YEAR		341,304	440,558
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>341,304</u>	<u>440,558</u>
Total comprehensive income attributable to: Owners of the parent		<u>341,304</u>	<u>440,558</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2016

	Notes	31.12.16 £	£	31.12.15 £	£
FIXED ASSETS					
Intangible assets	9		803,799		936,076
Tangible assets	10		2,358,660		2,171,724
Investments	11		-		-
			<u>3,162,459</u>		<u>3,107,800</u>
CURRENT ASSETS					
Stocks	12	2,810,764		2,686,393	
Debtors	13	7,271,032		6,276,288	
Cash at bank and in hand		37,116		11,952	
		<u>10,118,912</u>		<u>8,974,633</u>	
CREDITORS					
Amounts falling due within one year	14	9,835,641		8,896,895	
NET CURRENT ASSETS			<u>283,271</u>		<u>77,738</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,445,730</u>		<u>3,185,538</u>
CREDITORS					
Amounts falling due after more than one year	15		(676,202)		(684,809)
PROVISIONS FOR LIABILITIES	19		(53,115)		(65,620)
NET ASSETS			<u><u>2,716,413</u></u>		<u><u>2,435,109</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		600,001		600,001
Retained earnings	21		2,116,412		1,835,108
SHAREHOLDERS' FUNDS			<u><u>2,716,413</u></u>		<u><u>2,435,109</u></u>

The financial statements were approved and authorised for issue by the director on 22-08-2017 and were signed by:



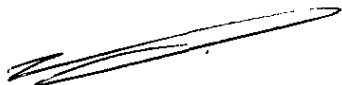
 G W Sherwood - Director

COMPANY BALANCE SHEET
31 DECEMBER 2016

	Notes	31.12.16 £	£	31.12.15 £	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		4,043,581		4,043,581
			<u>4,043,581</u>		<u>4,043,581</u>
CREDITORS					
Amounts falling due within one year	14	3,443,580		3,443,580	
NET CURRENT LIABILITIES			<u>(3,443,580)</u>		<u>(3,443,580)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>600,001</u>		<u>600,001</u>
CAPITAL AND RESERVES					
Called up share capital	20		600,001		600,001
SHAREHOLDERS' FUNDS			<u>600,001</u>		<u>600,001</u>
Company's profit for the financial year			<u>60,000</u>		<u>60,000</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the director on 22-08-2017 and were signed by:



.....
G W Sherwood - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 DECEMBER 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	600,001	1,454,550	2,054,551
Changes in equity			
Dividends	-	(60,000)	(60,000)
Total comprehensive income	-	440,558	440,558
Balance at 31 December 2015	<u>600,001</u>	<u>1,835,108</u>	<u>2,435,109</u>
Changes in equity			
Dividends	-	(60,000)	(60,000)
Total comprehensive income	-	341,304	341,304
Balance at 31 December 2016	<u>600,001</u>	<u>2,116,412</u>	<u>2,716,413</u>

TFM HOLDINGS LIMITED (REGISTERED NUMBER: 05664592)

COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 DECEMBER 2016

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	600,001	-	600,001
Dividends	-	(60,000)	(60,000)
Total comprehensive income	-	60,000	60,000
Balance at 31 December 2015	<u>600,001</u>	<u>-</u>	<u>600,001</u>
Changes in equity			
Dividends	-	(60,000)	(60,000)
Total comprehensive income	-	60,000	60,000
Balance at 31 December 2016	<u>600,001</u>	<u>-</u>	<u>600,001</u>

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 DECEMBER 2016

	Notes	31.12.16 £	31.12.15 £
Cash flows from operating activities			
Cash generated from operations	1	1,396,940	1,783,467
Interest paid		(51,861)	(53,667)
Interest element of hire purchase payments paid		(71,018)	(69,778)
Tax paid		(113,352)	(96,123)
Net cash from operating activities		<u>1,160,709</u>	<u>1,563,899</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(120,224)	(153,372)
Sale of tangible fixed assets		18,659	29,842
Interest received		101	-
Net cash from investing activities		<u>(101,464)</u>	<u>(123,530)</u>
Cash flows from financing activities			
Loan repayments in year		(266,082)	(270,717)
Loan to associated company		2,069	(7,086)
Capital repayments in year		(860,406)	(681,424)
Amount introduced by directors		23,822	25,616
Government grants received		38,823	-
Equity dividends paid		(60,000)	(60,000)
Net cash from financing activities		<u>(1,121,774)</u>	<u>(993,611)</u>
(Decrease)/increase in cash and cash equivalents		<u>(62,529)</u>	<u>446,758</u>
Cash and cash equivalents at beginning of year	2	(134,992)	(581,750)
Cash and cash equivalents at end of year	2	<u><u>(197,521)</u></u>	<u><u>(134,992)</u></u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 DECEMBER 2016

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

	31.12.16	31.12.15
	£	£
Profit before taxation	477,474	591,595
Depreciation charges	965,712	889,903
Profit on disposal of fixed assets	(15,362)	(17,851)
Government grants	(38,823)	-
Finance costs	122,879	123,445
Finance income	(101)	-
	<u>1,511,779</u>	<u>1,587,092</u>
Increase in stocks	(124,371)	(108,265)
Increase in trade and other debtors	(996,813)	(494,323)
Increase in trade and other creditors	<u>1,006,345</u>	<u>798,963</u>
Cash generated from operations	<u><u>1,396,940</u></u>	<u><u>1,783,467</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	37,116	11,952
Bank overdrafts	(234,637)	(146,944)
	<u>(197,521)</u>	<u>(134,992)</u>

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	11,952	5,814
Bank overdrafts	(146,944)	(587,564)
	<u>(134,992)</u>	<u>(581,750)</u>

3. MAJOR NON-CASH TRANSACTIONS

During the year the group entered into finance lease and hire purchase arrangements in respect of fixed assets with a total capital value at the inception of the leases of £903,440.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 DECEMBER 2016

1. **STATUTORY INFORMATION**

TFM 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 incorporating the results of TFM Holdings Limited and all of its subsidiary undertakings as at 31 December 2015 using the acquisition method of accounting. Where the acquisition method is used, the results of the subsidiary undertakings are included from the date of acquisition.

Turnover

Turnover represents services provided to customers in accordance with the company's principal activity, net of value added tax.

Goodwill

Goodwill of £1,500,000, being the amount paid in connection with the acquisition of a business in 2006, is being amortised evenly over its estimated useful life of 15 years.

In 2009 and 2010 the group paid £25,000 for a similar but smaller business to enable it to expand its current area of operation. This payment is considered to represent goodwill, and is being amortised evenly over its estimated useful life of 12 years.

In November 2012 the group acquired the Commercial Tyres Group (Commercial Tyre (Holdings) Limited and its subsidiaries). Goodwill of £452,906 resulting from this purchase is being written off over its estimated useful life of 15 years.

The remaining goodwill relates to an earlier acquisition by the business purchased, and has been amortised over its remaining useful life. It was fully written off in previous accounting periods.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- Over period of lease
Improvements to property	- Over period of lease
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on cost and 20% on cost
Computer equipment	- 25% on cost

Government grants

Government grants are recognised as income in the financial statements on receipt.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

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.

During the year the group also contributed to some employees' personal pension plans. Contributions payable for the year have been charged in the profit and loss account.

3. EMPLOYEES AND DIRECTORS

	31.12.16	31.12.15
	£	£
Wages and salaries	6,267,225	5,487,393
Social security costs	635,787	547,078
Other pension costs	91,841	81,599
	<u>6,994,853</u>	<u>6,116,070</u>

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

	31.12.16	31.12.15
Depot managers and fitters	132	125
Sales and administration	56	45
	<u>188</u>	<u>170</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 188.

	31.12.16	31.12.15
	£	£
Director's remuneration	<u>92,264</u>	<u>80,057</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 DECEMBER 2016

4. OPERATING PROFIT

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

	31.12.16	31.12.15
	£	£
Depreciation - owned assets	247,408	254,697
Depreciation - assets on hire purchase contracts	586,027	502,929
Profit on disposal of fixed assets	(15,362)	(17,851)
Goodwill amortisation	132,277	132,277
Auditors' remuneration	12,000	10,000
Hire of plant and machinery - operating leases	55,655	53,224
Hire of land and buildings - operating leases	520,849	492,119
	<u>520,849</u>	<u>492,119</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.16	31.12.15
	£	£
Bank interest	42,787	42,099
Other interest payable	9,074	11,568
Hire purchase	71,018	69,778
	<u>122,879</u>	<u>123,445</u>

6. TAXATION**Analysis of the tax charge**

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

	31.12.16	31.12.15
	£	£
Current tax:		
UK corporation tax	148,700	113,377
UK corporation tax - prior years	(25)	-
Total current tax	<u>148,675</u>	<u>113,377</u>
Deferred tax:		
Deferred tax	(12,529)	37,660
Deferred tax - prior years	24	-
Total deferred tax	<u>(12,505)</u>	<u>37,660</u>
Tax on profit	<u>136,170</u>	<u>151,037</u>

Reconciliation of total tax charge included in profit and loss

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

	31.12.16	31.12.15
	£	£
Profit before tax	<u>477,474</u>	<u>591,595</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.247%)	95,495	119,780
Effects of:		
Expenses not deductible for tax purposes	37,771	32,993
Adjustments to tax charge in respect of previous periods	(107)	-
Difference between standard rate of corporation tax and marginal rate applicable	-	(2,539)
Deferred tax asset not provided.	3,011	803
Total tax charge	<u>136,170</u>	<u>151,037</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 DECEMBER 2016

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

	31.12.16 £	31.12.15 £
Ordinary shares of £1 each		
Interim	<u>60,000</u>	<u>60,000</u>

9. INTANGIBLE FIXED ASSETS**Group**

	Goodwill £
COST	
At 1 January 2016	
and 31 December 2016	<u>2,000,906</u>
AMORTISATION	
At 1 January 2016	1,064,830
Amortisation for year	<u>132,277</u>
At 31 December 2016	<u>1,197,107</u>
NET BOOK VALUE	
At 31 December 2016	<u>803,799</u>
At 31 December 2015	<u>936,076</u>

10. TANGIBLE FIXED ASSETS**Group**

	Short leasehold £	Improvements to property £	Plant and machinery £
COST			
At 1 January 2016	77,800	160,075	558,571
Additions	-	26,137	61,119
Disposals	<u>(3,982)</u>	<u>(3,260)</u>	<u>(136,994)</u>
At 31 December 2016	<u>73,818</u>	<u>182,952</u>	<u>482,696</u>
DEPRECIATION			
At 1 January 2016	28,768	37,135	387,523
Charge for year	15,413	24,584	106,306
Eliminated on disposal	<u>(3,430)</u>	<u>(3,260)</u>	<u>(134,249)</u>
At 31 December 2016	<u>40,751</u>	<u>58,459</u>	<u>359,580</u>
NET BOOK VALUE			
At 31 December 2016	<u>33,067</u>	<u>124,493</u>	<u>123,116</u>
At 31 December 2015	<u>49,032</u>	<u>122,940</u>	<u>171,048</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 DECEMBER 2016

10. TANGIBLE FIXED ASSETS - continued**Group**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2016	71,512	2,924,795	193,750	3,986,503
Additions	10,069	903,444	22,899	1,023,668
Disposals	-	(374,303)	-	(518,539)
At 31 December 2016	81,581	3,453,936	216,649	4,491,632
DEPRECIATION				
At 1 January 2016	52,361	1,201,226	107,766	1,814,779
Charge for year	11,137	628,898	47,097	833,435
Eliminated on disposal	-	(374,303)	-	(515,242)
At 31 December 2016	63,498	1,455,821	154,863	2,132,972
NET BOOK VALUE				
At 31 December 2016	18,083	1,998,115	61,786	2,358,660
At 31 December 2015	19,151	1,723,569	85,984	2,171,724

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 January 2016	99,500	2,202,783	2,302,283
Additions	-	903,444	903,444
Disposals	(39,800)	-	(39,800)
Transfer to ownership	-	(635,763)	(635,763)
At 31 December 2016	59,700	2,470,464	2,530,164
DEPRECIATION			
At 1 January 2016	40,425	646,757	687,182
Charge for year	31,091	554,936	586,027
Eliminated on disposal	(38,280)	-	(38,280)
Transfer to ownership	-	(515,989)	(515,989)
At 31 December 2016	33,236	685,704	718,940
NET BOOK VALUE			
At 31 December 2016	26,464	1,784,760	1,811,224
At 31 December 2015	59,075	1,556,026	1,615,101

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 DECEMBER 2016

11. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£**COST**At 1 January 2016
and 31 December 2016

4,043,581

NET BOOK VALUE

At 31 December 2016

4,043,581

At 31 December 2015

4,043,581

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries**Tructyre Fleet Management Limited**

Registered office:

Nature of business: Sale, hire & maintenance, commercial vehicle tyres
%Class of shares: holding
Ordinary 100.00**Commercial Tyre (Holdings) Ltd**

Registered office:

Nature of business: Dormant

Class of shares: holding
Ordinary 100.00**PK Commercial Tyres Ltd**

Registered office:

Nature of business: Dormant

Class of shares: holding
Ordinary 100.00**Southern Tyre Service (Commercial) Ltd**

Registered office:

Nature of business: Dormant

Class of shares: holding
Ordinary 100.00**Autokwik Ltd**

Registered office:

Nature of business: Car tyre sales and repairs

Class of shares: holding
Ordinary 100.00**Commercial Tyres Off Highway Limited**

Registered office:

Nature of business: Earthmover tyre sales, hire and maintenance

Class of shares: holding
Ordinary 100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 DECEMBER 2016

11. FIXED ASSET INVESTMENTS - continued**Southern Tyres (Commercial) Limited**

Registered office:

Nature of business: Commercial tyre wholesaler.

Class of shares:	%
Ordinary	holding 100.00

All subsidiaries are included in the consolidated accounts. Under section 479A, they are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts.

12. STOCKS

	Group	
	31.12.16	31.12.15
	£	£
Stocks	2,810,764	2,686,393

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Trade debtors	5,708,112	4,943,149	-	-
Amounts owed by associates	312,832	314,901	-	-
Amounts recoverable on contract	506,206	401,892	-	-
Other debtors	170,062	173,749	-	-
Prepayments and accrued income	573,820	442,597	-	-
	<u>7,271,032</u>	<u>6,276,288</u>	<u>-</u>	<u>-</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Bank loans and overdrafts (see note 16)	1,697,155	1,875,544	-	-
Hire purchase contracts (see note 17)	686,719	635,074	-	-
Trade creditors	6,142,535	5,358,640	1	1
Amounts owed to group undertakings	-	-	3,436,080	3,436,080
Corporation tax	148,700	113,377	-	-
Social security and other taxes	170,256	152,872	-	-
VAT	361,561	265,927	-	-
Other creditors	13,410	9,990	-	-
Directors' current accounts	56,937	33,115	7,499	7,499
Accrued expenses	558,368	452,356	-	-
	<u>9,835,641</u>	<u>8,896,895</u>	<u>3,443,580</u>	<u>3,443,580</u>

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

	Group	
	31.12.16	31.12.15
	£	£
Hire purchase contracts (see note 17)	676,202	684,809

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 DECEMBER 2016

16. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31.12.16	31.12.15
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	234,637	146,944
Bank loans	1,462,518	1,728,600
	<u>1,697,155</u>	<u>1,875,544</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group		
	Hire purchase contracts	
	31.12.16	31.12.15
	£	£
Net obligations repayable:		
Within one year	686,719	635,074
Between one and five years	650,575	635,890
In more than five years	25,627	48,919
	<u>1,362,921</u>	<u>1,319,883</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	31.12.16	31.12.15
	£	£
Bank overdraft	234,637	146,944
Bank loans	1,462,518	1,728,600
Hire purchase contracts	1,362,921	1,319,883
	<u>3,060,076</u>	<u>3,195,427</u>

The bank loans are secured on the group's trade debtors. The bank overdraft and other loans are secured by fixed and floating charges over the assets of the group. The hire purchase liabilities are secured by the respective assets as set out in note 10.

19. PROVISIONS FOR LIABILITIES

	Group	
	31.12.16	31.12.15
	£	£
Deferred tax		
Accelerated capital allowances	<u>53,115</u>	<u>65,620</u>
Group		Deferred tax
		£
Balance at 1 January 2016		65,620
Credit to Income Statement during year		<u>(12,505)</u>
Balance at 31 December 2016		<u>53,115</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 DECEMBER 2016

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	31.12.16 £	31.12.15 £
600,001	Ordinary	£1	<u>600,001</u>	<u>600,001</u>

21. RESERVES**Group**

	Retained earnings £
At 1 January 2016	1,835,108
Profit for the year	341,304
Dividends	(60,000)
At 31 December 2016	<u>2,116,412</u>

22. PENSION COMMITMENTS

Included in group creditors at 31 December 2016 were pension contributions due amounting to £10,478 (31 December 2015: £8,904). There was no company liability at either 31 December 2016 or 31 December 2015.

23. CAPITAL COMMITMENTS

	31.12.16 £	31.12.15 £
Contracted but not provided for in the financial statements	<u>730,500</u>	<u>597,219</u>

24. RELATED PARTY DISCLOSURES

During the year, total dividends of £60,000 (2015 - £60,000) were paid to the director.

GWS Motorsport Limited

GWS Motorsport Limited is a company in which G W Sherwood is both a director and shareholder.

During the period the group made sales to this company amounting to £nil (2015: £2,060), purchases from this company totalling £9,977 (2015: £25,000) and made loans to this company amounting to £10,770 (2015: £7,500).

The amount due from GWS Motorsport Limited at 31.12.16 was £312,832 (31.12.15: £314,901).

25. AUDITOR LIABILITY LIMITATION AGREEMENT

The auditors liability is limited to a multiple of 10 times the annual audit fee as set out in the letter of engagement signed in November 2013.

26. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is G W Sherwood.

27. POST BALANCE SHEET EVENTS

Since the year end, TFM Holdings Limited has sold the whole of the share capital of Autokwik Limited to a third party.