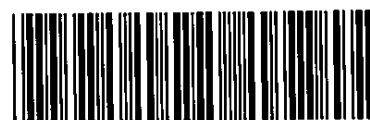


Company Registration No. 615334 (England and Wales)

SOUTHERN TYRE CO LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

FRIDAY



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SOUTHERN TYRE CO LIMITED

COMPANY INFORMATION

Directors	J E D M Sattin J E M Sattin S A M Sattin A M A Sattin Z V L Sattin K A E Sattin
Secretary	J E D M Sattin
Company number	615334
Registered office	Unit 7 Hackhurst Lane Hackhurst Industrial Estate Hailsham East Sussex Great Britain BN27 4BW
Auditors	Friend-James 169 Preston Road Brighton East Sussex BN1 6AG
Business address	Unit 7 Hackhurst Lane Hackhurst Industrial Estate Hailsham East Sussex Great Britain BN27 4BW

SOUTHERN TYRE CO LIMITED

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SOUTHERN TYRE CO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and financial statements for the year ended 31 March 2010

Principal activities and review of the business

The principal activity of the company continued to be that of the wholesale and distribution of tyres and the retail of tyres and fast fit services

The results for the year and the financial position at the year end were considered satisfactory by the directors in a deteriorating economic climate

There will always be some risk and uncertainty regarding the future performance of any business. The directors believe that the principal risks and uncertainties relate to a general economic downturn. The company's strategy continues to be to minimise costs and borrowings and exposures to unnecessary risks.

Turnover increased by 11% and profits were considered satisfactory during a year of stabilisation. The balance sheet at 31 March 2010 shows that shareholders' funds amounted to £8,644,000.

Results and dividends

The results for the year are set out on page 5.

Dividends for the year to 31st March 2010 amounted to £220,000.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

Future developments

The directors expect trading to continue satisfactorily for the foreseeable future with new depots strengthening the portfolio.

Directors

The following directors have held office since 1 April 2009:

J E D M Sattin
J E M Sattin
S A M Sattin
A M A Sattin
Z V L Sattin
K A E Sattin

Auditors

In accordance with the Company's Articles, a resolution proposing that Friend-James be reappointed as auditors of the company will be put at a General Meeting.

SOUTHERN TYRE CO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



J E D M Sattin

Director

7 December 2010

SOUTHERN TYRE CO LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SOUTHERN TYRE CO LIMITED

We have audited the financial statements of Southern Tyre Co Limited for the year ended 31 March 2010 set out on pages 5 to 17. 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 an auditors' report 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 Directors' Responsibilities Statement set out on pages 1 - 2, 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 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 31 March 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SOUTHERN TYRE CO LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SOUTHERN TYRE CO LIMITED

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

Mr John Warner FCA (Senior Statutory Auditor)
for and on behalf of Friend-James

7 December 2010

Chartered Accountants
Statutory Auditor

169 Preston Road
Brighton
East Sussex
BN1 6AG

SOUTHERN TYRE CO LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £'000	2009 £'000
Turnover	2	50,266	45,039
Cost of sales		(39,938)	(36,027)
Gross profit		10,328	9,012
Administrative expenses		(10,016)	(8,408)
Other operating income		121	123
Operating profit	3	433	727
Profit/(Loss) on sale of property		-	54
Profit on ordinary activities before interest		433	781
Other interest receivable and similar income	4	32	19
Interest payable and similar charges	5	(178)	(77)
Profit on ordinary activities before taxation		287	723
Tax on profit on ordinary activities	6	(84)	(209)
Profit for the year	15	203	514

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

SOUTHERN TYRE CO LIMITED

BALANCE SHEET

AS AT 31 MARCH 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Intangible assets	8	5	8
Tangible assets	9	7,479	7,517
Investments	10	150	150
		<u>7,634</u>	<u>7,675</u>
Current assets			
Stocks	11	3,448	3,482
Debtors	12	6,044	5,878
Cash at bank and in hand		1,958	2,665
		<u>11,450</u>	<u>12,025</u>
Creditors, amounts falling due within one year	13	<u>(10,440)</u>	<u>(11,039)</u>
Net current assets		<u>1,010</u>	<u>986</u>
Total assets less current liabilities		<u><u>8,644</u></u>	<u><u>8,661</u></u>
Capital and reserves			
Called up share capital	14	495	495
Revaluation reserve	15	658	658
Profit and loss account	15	7,491	7,508
Shareholders' funds	16	<u><u>8,644</u></u>	<u><u>8,661</u></u>

Approved by the Board and authorised for issue on 7 December 2010



J E M Sattin
Director



J E M Sattin
Director

Company Registration No 615334

SOUTHERN TYRE CO LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

	£'000	2010 £'000	£'000	2009 £'000
Net cash inflow from operating activities		86		4,154
Returns on investments and servicing of finance				
Interest received	32		19	
Interest paid	(178)		(77)	
Net cash outflow for returns on investments and servicing of finance		(146)		(58)
Taxation		(158)		(125)
Capital expenditure				
Payments to acquire intangible assets	-		(11)	
Payments to acquire tangible assets	(288)		(813)	
Receipts from sales of tangible assets	19		116	
Net cash outflow for capital expenditure		(269)		(708)
Equity dividends paid		(220)		(110)
Net cash (outflow)/inflow before management of liquid resources and financing		(707)		3,153
Financing				
Net cash outflow from financing		-		-
(Decrease)/increase in cash in the year		(707)		3,153

SOUTHERN TYRE CO LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

1	Reconciliation of operating profit to net cash inflow from operating activities			2010	2009
				£'000	£'000
	Operating profit			433	727
	Depreciation of tangible assets			302	326
	Amortisation of intangible assets			3	3
	Loss/(profit) on disposal of tangible assets			5	(4)
	Decrease/(increase) in stocks			34	(900)
	Increase in debtors			(166)	(1,695)
	(Decrease)/Increase in creditors within one year			(525)	5,697
	Net cash inflow from operating activities			86	4,154

2	Analysis of net funds	1 April 2009	Cash flow	Other non- cash changes	31 March 2010
		£'000	£'000	£'000	£'000
	Net cash				
	Cash at bank and in hand	2,665	(707)	-	1,958
	Bank deposits	-	-	-	-
	Net funds	2,665	(707)	-	1,958

3	Reconciliation of net cash flow to movement in net funds			2010	2009
				£'000	£'000
	(Decrease)/increase in cash in the year			(707)	3,153
	Movement in net funds in the year			(707)	3,153
	Opening net funds/(debt)			2,665	(488)
	Closing net funds			1,958	2,665

SOUTHERN TYRE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the historic revaluation of certain freehold land and buildings. The company does not have an ongoing policy of revaluation. The majority of the properties are used for the Company's trade and although they may have a market value in excess of historic valuation, this is likely to be for an alternative purpose.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings freehold	No depreciation
Land and buildings leasehold	Straight line over 20 years
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% straight line
Motor vehicles	Commercial vehicles 33 1/3% straight line Cars 25% reducing balance

No depreciation is provided in respect of freehold land and buildings as the company's policy of regular maintenance and repair ensures that the buildings remain at the same standard as that assessed at acquisition.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

SOUTHERN TYRE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies (continued)

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The subsidiary undertakings are non-trading companies which are not material either individually or in aggregate. The company has therefore taken advantage of the exemptions permitted by section 229 of the Companies Act 1985 not to prepare group accounts.

1.11 Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company.

2 Turnover

The total turnover and operating profit are attributable to the main activity of the company. The directors do not consider that a geographical analysis would be of benefit to the shareholders.

3 Operating profit	2010 £'000	2009 £'000
Operating profit is stated after charging		
Amortisation of intangible assets	3	3
Depreciation of tangible assets	302	326
Loss on disposal of tangible assets	5	-
Loss on foreign exchange transactions	141	-
and after crediting		
Profit on disposal of tangible assets	-	(4)
Profit on foreign exchange transactions	-	(96)

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

Other services	33	33
	50	32
	83	65

4 Investment income	2010 £'000	2009 £'000
Bank interest	32	15
Other interest	-	4
	32	19

SOUTHERN TYRE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

5	Interest payable	2010	2009
		£'000	£'000
	On bank loans and overdrafts	7	27
	On other loans wholly repayable within five years	171	50
		<u>178</u>	<u>77</u>
6	Taxation	2010	2009
		£'000	£'000
	Domestic current year tax		
	U K corporation tax	84	209
	Current tax charge	<u>84</u>	<u>209</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>287</u>	<u>723</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25.73% (2009 - 28.00%)	<u>74</u>	<u>202</u>
	Effects of		
	Non deductible expenses	1	1
	Depreciation add back	79	91
	Capital allowances	(70)	(71)
	Chargeable disposals	-	(15)
	Other tax adjustments	-	1
		<u>10</u>	<u>7</u>
	Current tax charge	<u>84</u>	<u>209</u>
7	Dividends	2010	2009
		£'000	£'000
	Final ordinary 'A' dividend paid 5 March 2010	50	50
	Final ordinary 'B' dividend paid 5 March 2010	60	60
	Interim ordinary 'A' dividend paid 31 July 2009	50	-
	Interim ordinary 'B' dividend paid 31 July 2009	60	-
		<u>220</u>	<u>110</u>

SOUTHERN TYRE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

8 Intangible fixed assets

Goodwill £'000

Cost

At 1 April 2009 & at 31 March 2010

11

Amortisation

At 1 April 2009

3

Charge for the year

3

At 31 March 2010

6

Net book value

At 31 March 2010

5

At 31 March 2009

8

SOUTHERN TYRE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

9 Tangible fixed assets

	Land and buildings freehold £'000	Land and buildings leasehold £'000	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation						
At 1 April 2009	6,814	136	1,358	270	615	9,193
Additions	-	-	103	9	176	288
Disposals	-	-	-	-	(194)	(194)
At 31 March 2010	6,814	136	1,461	279	597	9,287
Depreciation						
At 1 April 2009	-	86	962	229	399	1,676
On disposals	-	-	-	-	(170)	(170)
Charge for the year	-	2	117	17	166	302
At 31 March 2010	-	88	1,079	246	395	1,808
Net book value						
At 31 March 2010	6,814	48	382	33	202	7,479
At 31 March 2009	6,814	50	396	41	216	7,517

Comparable historical cost for the land and buildings included at valuation

Cost

At 1 April 2009 & at 31 March 2010

£'000

5,811

Depreciation based on cost

At 1 April 2009

86

Charge for the year

4

At 31 March 2010

90

Net book value

At 31 March 2010

5,721

At 31 March 2009

5,725

The property portfolio consists of warehouses and depots that have been used in the business of the group. Although some properties are currently let to third parties, the directors do not consider a split to be beneficial to the shareholders.

SOUTHERN TYRE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

10 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost or valuation	
At 1 April 2009 & at 31 March 2010	1,943
Provisions for diminution in value	
At 1 April 2009 & at 31 March 2010	1,793
Net book value	
At 31 March 2010	150
At 31 March 2009	150

All of the company's subsidiary undertakings listed above are non-trading companies with parent company loan balances equal to their issued share capital. The directors do not consider these subsidiary undertakings to be material for the purpose of giving a true and fair view, either individually or in aggregate, and they have therefore been excluded from consolidation as permitted by section 229 of the Companies Act 1985.

11 Stocks	2010 £'000	2009 £'000
Finished goods and goods for resale	3,448	3,482

12 Debtors	2010 £'000	2009 £'000
Trade debtors	5,696	5,149
Other debtors	211	673
Prepayments and accrued income	137	56
	6,044	5,878

SOUTHERN TYRE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

13 Creditors: amounts falling due within one year	2010 £'000	2009 £'000
Trade creditors	6,000	7,164
Amounts owed to subsidiary undertakings	150	150
Corporation tax	83	157
Other taxes and social security costs	161	132
Directors' current accounts	2,641	2,424
Other creditors	845	428
Accruals and deferred income	560	584
	<u>10,440</u>	<u>11,039</u>

The bank overdraft facility is secured by a fixed charge over certain of the company's freehold properties

Share capital	2010 £'000	2009 £'000
Authorised		
500,000 ordinary 'A' shares of £1 each	500	500
500,000 ordinary 'B' shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
225,000 ordinary 'A' shares of £1 each	225	225
270,000 ordinary 'B' shares of £1 each	270	270
	<u>495</u>	<u>495</u>

'A' and 'B' shares rank pari passu in all respects except that each class of share shall exclusively be offered to members within their own class on issue and that the holders of each class of share shall alone be entitled to vote in relation to the election or removal of the equivalent class of director

15 Statement of movements on reserves

	Revaluation reserve £'000	Profit and loss account £'000
Balance at 1 April 2009	658	7,508
Profit for the year	-	203
Dividends paid	-	(220)
	<u>658</u>	<u>7,491</u>
Balance at 31 March 2010		

SOUTHERN TYRE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

16 Reconciliation of movements in shareholders' funds	2010 £'000	2009 £'000
Profit for the financial year	203	514
Dividends	(220)	(110)
Net (depletion in)/addition to shareholders' funds	(17)	404
Opening shareholders' funds	8,661	8,257
Closing shareholders' funds	8,644	8,661

17 Directors' remuneration	2010 £'000	2009 £'000
Remuneration for qualifying services	84	90

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
Office and management	18	17
Sales	12	11
Warehouse, delivery and fitting	188	172
	218	200

Employment costs	2010 £'000	2009 £'000
Wages and salaries	4,745	4,218
Social security costs	432	388
	5,177	4,606

19 Control

The ultimate controlling party is the Sattin family

SOUTHERN TYRE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

20 Related party relationships and transactions

During the year the company paid rent of £43,000 (2009 £43,000) to Firststeady Limited, a company controlled by the directors. The directors consider the rent paid to be a market rate. The company also made payments and banked receipts on behalf of Firststeady Limited and included in other debtors is £45,000 (2009 £251,000) due to the company at the balance sheet date.

The company made payments on behalf of Firefold Limited, a company controlled by the directors. Included in other creditors is £617,000 (2009 other debtors £199,000) due from the company at the balance sheet date.

SBS Consultancy a partnership of JEDM Sattin, JEM Sattin and SAM Sattin received consultancy fees of £1,611,000 during the year (2009 £1,211,000). The balance owing at the year end is treated as directors current account.