

Constant Price Monitor Limited

Annual report
Registered number SC148574
for the year ended 31 December 2015

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Strategic report

The directors present their strategic report for the company for the year ended 31 December 2015.

Review of the Business

~~The principal activity of the company is the retailing of tyres over the internet.~~

The Company made a loss for the financial year of £2,220,959 (2014: £1,774,691) and this has been transferred to reserves.

The company's net liability position has increased to £12,727,562 (2014: £10,506,603).

The financial statements have been prepared on a going concern basis as the company's parent undertaking Axle Group Holdings Limited has indicated its intention to support the company financially for the foreseeable future.

The Company will continue to look for opportunities to grow its market share in the retailing of tyres over the internet for the foreseeable future.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks which are managed at the Group level.

Financial risk management

The company recognises its operations expose it to a variety of financial risks. The company has in place policies to manage such risks which are periodically reviewed at Board level.

Commodities price risk

The company does not perceive a significant exposure to commodities price risk to its operations. The directors periodically review the appropriateness of this view.

Key performance indicators

The directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the performance or position of the company.

On behalf of the Board

J Taylor
Director



26 – 32 Millbrae Road
Langside
Glasgow
G42 9TU

22nd June 2016

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2015.

Results and future developments

The result for the year is set out in the statement of comprehensive income on page 7. The Company made a loss for the financial year of £2,220,959 (2014: £1,774,691) and this has been transferred to reserves.

The company's net liability position has increased to £12,727,562 (2014: £10,506,603).

The directors do not recommend the payment of a dividend in respect of the year (2014: £nil).

The financial statements have been prepared on a going concern basis as the company's parent undertaking Axle Group Holdings Limited has indicated its intention to support the company financially for the foreseeable future.

The Company will continue to look for opportunities to grow its market share in the retailing of tyres over the internet for the foreseeable future.

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

A Revie
J Taylor

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standards Applicable in UK and Republic of Ireland (FRS 102)". 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, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

Disclosure of information to the auditors

So far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware and each of the directors believes that all the steps that ought to, have been taken in order to make them aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' report (continued)

Independent auditors

A resolution for the re-appointment of PricewaterhouseCoopers LLP as independent auditors of the company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

J Taylor
Director



26 – 32 Millbrae Road
Langside
Glasgow
G42 9TU

 June 2016

Independent auditors' report to the members of Constant Price Monitor Limited

Report on the financial Statements

Our Opinion

In our opinion, Constant Price Monitor Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss 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.

What we have audited

The financial statements, included within the Annual report (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Constant Price Monitor Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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.



Martin Cowie (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
22nd June 2016

Statement of Comprehensive Income
for the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	4	8,762,276	7,900,331
Cost of sales		<u>(8,819,114)</u>	<u>(7,936,873)</u>
Gross loss		(56,838)	(36,542)
Administrative expenses		<u>(2,164,121)</u>	<u>(1,738,149)</u>
Loss on ordinary activities before taxation		<u>(2,220,959)</u>	<u>(1,774,691)</u>
Tax on loss on ordinary activities	8	-	-
Loss for the financial year		<u>(2,220,959)</u>	<u>(1,774,691)</u>

All turnover and operating loss of the company is derived from continuing operations.

Balance sheet
as at 31 December 2015

	Notes	2015 £	2014 £
Current assets			
Cash at bank and in hand		12,422	7,343
<hr/>			
Creditors: amounts falling due within one year	9	(12,739,984)	(10,513,946)
<hr/>			
Net liabilities		(12,727,562)	(10,506,603)
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Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		(12,727,563)	(10,506,604)
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Total equity		(12,727,562)	(10,506,603)
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The notes on pages 10-15 are an integral part of these financial statements.

These financial statements on pages 7 to 15 were approved by the Board of directors on 22nd June 2016 and were signed on its behalf by:



A Revie
Director

Statement of changes in Equity
for the year ended 31 December 2015

	Share capital	Retained earnings	Total
	£	£	£
Balance as at 1 January 2014	1	(8,731,913)	(8,731,912)
Loss for the financial year	-	(1,774,691)	(1,774,691)
Balance as at 31 December 2014	1	(10,506,604)	(10,506,603)
Loss for the financial year	-	(2,220,959)	(2,220,959)
Balance as at 31 December 2015	1	(12,727,563)	(12,727,562)

Notes to the financial statements
for the year ended 31 December 2015

Accounting policies

1) General information

Constant Price Monitor Limited (the "Company") is a private company limited by shares and is incorporated in United Kingdom. The address of its registered office is 26-32 Millbrae Road, Langside, Glasgow, G42 9TU.

The principal activity of the Company is the retailing of tyres over the internet.

2) Statement of compliance

The individual financial statements of Constant Price Monitor Limited have been prepared in compliance with the United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The Company has also early adopted the Amendments to FRS 102 (issued in July 2015).

3) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets. This is the first year in which the financial statements have been prepared under FRS 102. The date of transition to FRS 102 was 1 January 2014. Details of the transition to FRS 102 are disclosed in Note 12.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in 'Critical accounting judgements and key source of estimation uncertainty' section of this note.

b) Going concern

On the basis of their assessment of the Company's financial position and resources, the directors believe that the Company is well placed to manage its business risks. Therefore the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Constant Price Monitor Limited is a qualifying entity as its results are consolidated into the financial statements of Axle Group Holdings Limited which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

Notes to the financial statements (continued)
for the year ended 31 December 2015

3) Summary of significant accounting policies (continued)

d) Foreign currencies

(i) Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income.

e) Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers. Turnover is recognised on despatch of goods or completion of services performed.

f) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These 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 recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

g) Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and deposits repayable on demand, less overdraft payable on demand.

Notes to the financial statements (continued)
for the year ended 31 December 2015

3) Summary of significant accounting policies (continued)

h) Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

i) Related party disclosures

The Company has taken advantage of the exemption, as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with members of the same group that are wholly owned. The Company discloses transactions with related parties which are not wholly owned with the same group.

Notes to the financial statements (continued)
for the year ended 31 December 2015

3) Summary of significant accounting policies (continued)

j) Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

4) Turnover

Turnover in both the current year and prior year is generated from the principal activity of the company, which is carried out wholly within the United Kingdom.

	2015 £	2014 £
Sale of goods	8,762,276	7,900,331
	<u>8,762,276</u>	<u>7,900,331</u>

5) Remuneration of directors

The directors are employed and remunerated by Axle Group Limited in respect of their services to the Axle group as a whole. No emoluments were paid to the directors in respect of their services to the Company in the year ended 31 December 2015 (2014: £nil).

6) Auditors' remuneration

Remuneration receivable by the company's auditors, in their capacity as auditors, of £3,000 (2014:£3,000). This is borne by National Tyre Service Limited, another group company.

7) Employees

The company has no employees (2014:none).

Notes to the financial statements (*continued*)
for the year ended 31 December 2015

Accounting policies (continued)

8) Tax on Loss on ordinary activities

	2015 £	2014 £
Current tax:		
UK corporation tax on losses for the period	-	-
Total current tax	-	-
Total tax per income statement	-	-

The charge for the year can be reconciled to the profit per the income statement as follows:

	2015 £	2014 £
Loss for the period – continuing operations	(2,220,959)	(1,774,691)
Tax on loss at standard UK tax rate of 20.25% (2014: 21.49%)	(449,668)	(381,437)
Effects of :		
Effects of group relief	41,042	381,437
Movement in deferred tax not provided on losses	408,626	-
Tax charge for the period	-	-

A change to the UK Corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce UK Corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

There is an unprovided taxation asset of £393,775 at 31 December 2015 (2014: £10,851).

9) Creditors: amounts falling due within one year

	2015 £	2014 £
Amount owed to group undertakings	12,569,250	10,362,450
Other Creditors	170,734	151,496
	12,739,984	10,513,946

Amounts owed to group undertakings are unsecured, interest free have no fixed repayment date and are repayable on demand.

Notes to the financial statements (continued)
for the year ended 31 December 2015

Accounting policies (Continued)

10) Called up share capital

	2015 £	2014 £
Allotted and unpaid		
Equity: 1 ordinary shares of £1 each (2014: £1 each)	1	1

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

11) Ultimate parent company and controlling party

The Company's immediate parent undertaking is Birkenshaw Tyre Company Limited.

The Company's ultimate parent company and controlling party is Axle Group Holdings Limited, a company registered in Scotland.

Copies of the financial statements are available from The Registrar of Companies, Companies House, Fourth Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh EH3 9FF.

12) Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. The Company has early adopt amendments to FRS 102. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

No transition adjustments have been identified which affect the statement of comprehensive income, balance sheet or net equity, as a result of transitioning to FRS 102.