Constant Price Monitor Limited

Annual report
Registered number SC148574
for the year ended 31 December 2018

Contents

Strategic report

The directors present their strategic report for the company for the year ended 31 December 2018.

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 £971,130 (2017: loss of £1,519,231) and this has been transferred to reserves.

The company's net liability position has increased to £17,529,848 (2017: £16,558,718).

The financial statements have been prepared on a going concern basis as the company's ultimate 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

28 March 2019

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2018.

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 £971,130 (2017: loss of £1,519,231) and this has been transferred to reserves.

The company's net liability position has increased to £17,529,848 (2017: £16,558,718).

The directors do not recommend the payment of a dividend in respect of the year (2017: £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 in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

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

28 March 2019

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

Report on the audit of the financial statements

Opinion

In our opinion, Constant Price Monitor Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 December 2018; the statement of comprehensive income, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility

Kenneth Wilson

Kenneth Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow 28 March 2019

Statement of Comprehensive Income
for the year ended 31 December 2018

	Note	**2018**	2017
		£	£
Turnover	*4*	**7,128,870**	7,774,145
Cost of sales		**(7,128,870)**	(7,774,145)
Gross result		**-**	-
Administrative expenses		**(971,130)**	(1,519,231)
Loss before taxation		**(971,130)**	(1,519,231)
Tax on loss	*8*	**-**	-
Loss for the financial year		**(971,130)**	(1,519,231)

All turnover and gross result of the company is derived from continuing operations.

Balance sheet
as at 31 December 2018

	Notes	**2018**	2017
		£	£
Current assets			
Cash at bank and in hand		**16,112**	9,352
		16,112	9,352
Creditors: amounts falling due within one year	*9*	**(17,545,960)**	(16,568,070)
Net liabilities		**(17,529,848)**	(16,558,718)
Capital and reserves			
Called up share capital	*10*	**1**	1
Profit and loss account		**(17,529,849)**	(16,558,719)
Total equity		**(17,529,848)**	(16,558,718)

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 28 March 2019 and were signed on its behalf by:

A Revie
Director

Constant Price Monitor Limited
Registered number: SC148574

Statement of changes in Equity
for the year ended 31 December 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance as at 1 January 2017	1	(15,039,488)	(15,039,487)
Loss for the financial year and total comprehensive expense	-	(1,519,231)	(1,519,231)
Balance as at 31 December 2017	1	(16,558,719)	(16,558,718)
Loss for the financial year and total comprehensive expense	-	(971,130)	(971,130)
Balance as at 31 December 2018	**1**	**(17,529,849)**	**(17,529,848)**

Notes to the financial statements
for the year ended 31 December 2018

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.

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.

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. The company's ultimate parent undertaking Axle Group Holdings Limited has indicated its intention to support the company financially for the foreseeable future; 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.
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 2018

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 2018

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 2018

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.

	2018	2017
	£	£
Sale of goods and provision of services	**7,128,870**	7,774,145
	7,128,870	7,774,145

5) Remuneration of directors

The directors are employed and remunerated by Axle Group Limited, another group company, 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 2018 (2017: £nil).

6) Auditors' remuneration

Remuneration receivable by the company's auditors, in their capacity as auditors, of £3,000 (2017: £3,000). This is borne by National Tyre Service Limited, another group company.

7) Employees

The company has no employees (2017: none).

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

8) Tax on loss

	2018 £	2017 £
Current tax:		
UK corporation tax on losses for the year	-	-
Total current tax	-	-
Total tax per the statement of comprehensive income	-	-

The charge for the year can be reconciled to the loss per the statement of comprehensive income as follows:

	2018 £	2017 £
Loss for the year before taxation	(971,130)	(1,519,231)
Tax on loss at standard UK tax rate of 19.00% (2017: 19.25%)	(184,515)	(292,400)
Effects of :		
Effects of group relief	-	3
Movement in deferred tax not provided on losses	184,515	292,397
Total tax charge for the year	-	-

The main rate of corporation tax was aligned with the small profits rate at 20% with effect from 1 April 2015. Changes to the UK corporation tax rates were enacted as part of the Finance (No.2) Act 2015 which received Royal Assent on 18 November 2015 and Finance Act 2016 which received Royal Assent on 15 September 2016. These include reductions to reduce the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

There is an unprovided taxation asset of £1,168,165 at 31 December 2018 (2017: £1,003,070).

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

9) Creditors: amounts falling due within one year

	2018	2017
	£	£
Amount owed to group undertakings	**17,459,636**	16,428,866
Other Creditors	**86,324**	139,204
	17,545,960	16,568,070

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

10) Called up share capital

	2018	2017
	£	£
Allotted and unpaid		
Equity: 1 (2017: 1) ordinary share of £1 (2017: £1)	**1**	1

There is a single class of ordinary share. 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.