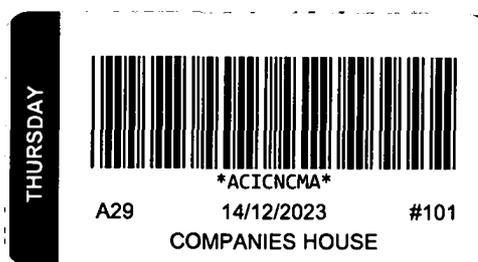


**Constant Price Monitor Limited**

**Annual report and financial statements**

Registered number SC148574

for the period from 2 April 2022 to 31 March 2023



**Company Information**

**Directors**

G Stapleton  
J Hartley

**Company secretary**

T O'Gorman

**Registered Office**

The Ca'D'Oro  
45 Gordon Street  
Glasgow  
G1 3PE

**Auditors**

BDO LLP  
Ground Floor – Suite B  
Water Court  
116-118 Canal Street  
Nottingham  
NG1 7HF

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## Strategic report

The Directors present their strategic report on the Company together with the audited financial statements for the period from 2 April 2022 to 31 March 2023.

### Review of the Business

The principal activity of the Company is the retailing of tyres over the internet, which are subsequently delivered by National Tyre Service Limited and other members of the Halfords Group, being Halfords Autocentres Limited and McConechy's Tyre Services Limited.

The Company broke even for the financial period (period to 1 April 2022: broke even) and with no funds transferred to reserves.

The Company's net liability position has remained the same £17,529,848 (as at 1 April 2023: £17,529,848).

On 9 December 2021, Axle Group Holding Ltd, the previous ultimate parent of the Company, and all of its subsidiaries were purchased by Halfords Group plc. The Directors have no plans to change the activities of the Company.

The financial statements have been prepared on a going concern basis as the company's ultimate parent undertaking Halfords Group plc 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.

The Company became a trading subsidiary of its ultimate parent company, Halfords Group plc on 9 December 2021. Further details on the performance of the Group can be found in the Chairman's Statement, Strategic Report and Chief Financial Officer's Report in the Group's Annual Report, which does not form part of this report. An updated view of the detailed KPIs since acquisition are discussed and documented within the Strategic Report of the Annual Report and Accounts of Halfords Group plc.

### Principal risks and uncertainties

The Company's financial risks are managed at a Group level. A detailed review of the Group's financial risk policy is contained within the Annual Report and Accounts of Halfords Group plc. The Directors of the Group and Company consider that the financial risks of the Group and Company remain the same as those outlined in the Halfords Group Annual Report and Accounts for the period ended 31 March 2023.

### Financial risk management

The company recognises its operations expose it to financial risk. The company has in place policies to manage such risk which is periodically reviewed at Board level.

### 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.

## Strategic report (continued)

### s172(1) Statement

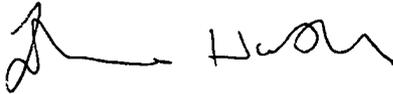
This section describes how the Directors have had regard to the matters set out in section 172(1)(a) to (f) Companies Act 2016 (the "Act"), in exercising their duty to promote the success of the Company for the benefit of its members as a whole.

Directors are required to have regard, amongst other matters, to the interests of wider stakeholders, as well as:

- the likely long-term consequences of any decision they make;
- the interests of the Company's colleagues;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly, as between members of the Company.

The Company is a subsidiary company within Halfords Group Plc ("Group"), and therefore key decisions which affect the Group, this Company and stakeholders are principally made by the Board of the ultimate parent company Halfords Group Plc. Further details of how the Board of Halfords Group Plc have had regard to s172(1) (a) to (f) in the current financial year can be found in those consolidated financial statements.

On behalf of the Board



J Hartley  
Director

The Ca'D'Oro  
45 Gordon Street  
Glasgow  
G1 3PE

28 September 2023

## Directors' report

The Directors present their annual report and the financial statements for the period from 2 April 2022 to 31 March 2023.

### Results and future developments

The result for the year is set out in the statement of comprehensive income on page 9. The Company broke even for the financial period (period ended 1 April 2022: broke even) with no funds transferred to reserves.

The company's net liability position has remained the same £17,529,848 (1 April 2022: £17,529,848).

The directors do not recommend the payment of a dividend in respect of the period ended 31 March 2023 (period ended 1 April 2022: £nil).

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.

### Going Concern

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The going concern assessment for the Company is therefore linked to that of the wider group headed by Halfords Group plc.

In determining the appropriate basis of preparation of the financial statements for the Company for the period ended 31 March 2023, the Directors are required to consider whether the company can continue in operational existence for at least 12 months from the date of approval of the financial statements. The Directors have concluded that it is appropriate to adopt the Going Concern basis, having considered the going concern assessment undertaken by Halfords Group PLC ("Group"), which included the Company.

As detailed in the Group's annual report, the Group significantly outperformed the scenarios reviewed as part of the Going Concern assessment in the Annual Report and Accounts to 1 April 2022. In determining the appropriate basis of preparation of the financial statements for the period ended 31 March 2023, the Group Directors reviewed financial forecasts and projections to 30 June 2024. Within these financial projections, management reviewed profit and net cash flow and tested financial covenants in the period. No issues were found. Further details of these reviews can be found in the Principal Risk and uncertainty Report and Viability Report in the Group's Annual Report, which does not form part of this report. This analysis has then been extended to September 2024 and factors in post year end performance for the purposes of the subsidiary financial statement approvals.

The ultimate parent company, Halfords Group plc, has a revolving credit facility of £180m at the date of approval of these financial statements, which expires on 4 December 2024, and has no other debt or facilities.

Based on the analysis completed, the Group has adequate bank facilities available and the Directors therefore have a reasonable expectation that the Group and the Company will be able to continue in operation and meet their liabilities as they fall due, retain sufficient available cash and not breach any covenants under any drawn facilities for at least 12 months from the date of approval of the financial statements. They do not consider there to be a material uncertainty relating to the Group's and the Company's ability to continue as a going concern.

### Directors

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

A Randall	
G Stapleton	resigned 7 October 2022
J Hartley	appointed 4 October 2022
T O'Gorman	Company Secretary

## Directors' report (continued)

### 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including 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 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.

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.

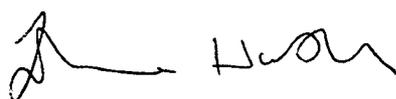
### Disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that: so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Independent auditors

On 4 September 2023, BDO LLP were re-appointed as the Company's statutory auditor.

On behalf of the Board



J Hartley  
**Director**

The Ca'D'Oro  
45 Gordon Street  
Glasgow  
G1 3PE

28 September 2023

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTANT PRICE MONITOR LIMITED THE MEMBERS OF CONSTA

### Opinion on the 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 2023 and of its results for the period 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.

We have audited the financial statements of Constant Price Monitor Limited ("the Company") for the period ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice)*.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTANT PRICE MONITOR LIMITED  
(continued)**

**Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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.

**Auditor's 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 auditor's 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.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTANT PRICE MONITOR LIMITED  
(continued)**

*Non-compliance with laws and regulations*

Based on:

- Our understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates;
- Discussion with management and those charged with governance, including internal legal counsel; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

we considered the significant laws and regulations to be Companies Act 2006 and the Financial Reporting Standard (FRS) 102.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be UK Employment Law, Data Protection Act, UK tax law including corporate tax and VAT.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of tax compliance and involvement of our tax specialists in the audit;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance and internal legal counsel regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be:

- Management override of controls – bias in estimates and judgments

Our procedures in respect of the above included, but were not limited to:

- Testing a sample of journal entries throughout the period, which met a defined risk criteria, by agreeing to supporting documentation; and
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTANT PRICE MONITOR LIMITED  
(continued)**

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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 auditor's 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.

DocuSigned by:  
  
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Laurie Hannant (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Nottingham, UK  
28 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Statement of comprehensive income**  
*for the period ended 31 March 2023*

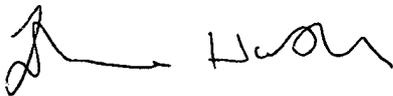
The company did not trade during the period or the preceding period and made neither a profit nor a loss. There were also no other recognised gains and losses for the current financial period or the preceding financial year. Accordingly, a statement of comprehensive income has not been presented.

**Balance sheet**  
as at 31 March 2023

	<i>Notes</i>	<b>As at 31 March 2023 £</b>	<b>As at 1 April 2022 £</b>
<b>Current assets</b>			
Cash at bank and in hand		<u>3,304</u>	<u>52,015</u>
		<b>3,304</b>	<b>52,015</b>
<b>Creditors: amounts falling due within one year</b>	<b>8</b>	<u>(17,533,152)</u>	<u>(17,581,863)</u>
<b>Net liabilities</b>		<u>(17,529,848)</u>	<u>(17,529,848)</u>
<b>Capital and reserves</b>			
Called up share capital	<b>9</b>	<b>1</b>	<b>1</b>
Accumulated losses		<u>(17,529,849)</u>	<u>(17,529,849)</u>
<b>Total equity</b>		<u>(17,529,848)</u>	<u>(17,529,848)</u>

The notes on pages 14 to 19 are an integral part of these financial statements.

These financial statements on pages 11 to 19 were approved by the Board of directors on 28 September 2023 and were signed on its behalf by:



J Hartley  
**Director**

**Constant Price Monitor Limited**  
**Registered number: SC148574**

**Statement of changes in equity**  
*for the period ended 31 March 2023*

	<b>Called up share capital</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 1 January 2021	1	(17,529,849)	(17,529,848)
Result for the financial period and total comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Balance as at 1 April 2022	1	(17,529,849)	(17,529,848)
Result for the financial period and total comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance as at 31 March 2023</b>	<b>1</b>	<b>(17,529,849)</b>	<b>(17,529,848)</b>

The notes on page 14 to 19 form part of these financial statements.

## Notes to the financial statements

for the period ended 31 March 2023

### 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 The Ca'D'Oro, 45 Gordon Street, Glasgow, G1 3PE.

The principal activity of the company is the retailing of tyres over the internet, which are subsequently delivered by National Tyre Services Limited, Halfords Autocentres Limited and McConechy's Tyre Services Limited.

### 2 Accounting policies

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 following accounting policies have been used in dealing with items, which are considered material in relation to the financial statements.

#### Basis of accounting

The Company's ultimate parent undertaking, Halfords Group plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Halfords Group plc are prepared in accordance with International Financial Reporting Standards, are available to the public and may be obtained from Icknield Street Drive, Washford West, Redditch, Worcestershire, B98 0DE.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland":

- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d); and
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

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.

#### 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.

#### Going concern

The going concern basis is considered appropriate based on the assessment made by the Directors.

The financial statements have been prepared on the going concern basis, notwithstanding the net current liabilities of £17,529,848, which the Directors believe to be appropriate for the following reasons.

The Company is dependent for its working capital on funds provided to it by Halfords Group plc, the Company's ultimate parent. Halfords Group plc have confirmed in writing that for at least 12 months from the date of approval of these financial statements ("going concern assessment period"), it will continue to make available such funds as are needed by the Company, and in particular will not seek repayment of the amounts currently made available unless the company has the means to pay. The Directors consider that this will enable the Company to continue in operational existence for the going concern assessment period by meeting its liabilities as they fall due for payment.

## Notes to the financial statements (continued)

### Going concern (continued)

In determining the appropriate basis of preparation of the financial statements for the period ended 31 March 2023, the Group Directors reviewed financial forecasts and projections to 30 June 2024. Within these financial projections, management reviewed profit and net cash flow and tested financial covenants in the period. No issues were found. Further details of these reviews can be found in the Principal Risk and Uncertainty Report and Viability Report in the

The ultimate parent company, Halfords Group plc, has a revolving credit facility of £180m at the date of approval of these financial statements, which expires on 4 December 2024, and has no other debt or facilities.

On the basis of the availability of the Group banking facility, the Directors assessment of the Company's financial position and of the enquiries made of the Directors of Halfords Group Plc, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the going concern assessment period.

### 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.

### Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers, where the despatch of goods or completion of services are performed by the Company. When the despatch of goods or completion of services are performed by another company in the group, then the Company is acting as an agent and therefore the associated turnover is not recognised.

### 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.

## Notes to the financial statements (continued)

### Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and deposits repayable on demand.

### 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.

### 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)

### 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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

#### (i) Agent vs Principal Turnover

The principal activity of the Company is the retailing of tyres over the internet, which are subsequently delivered by National Tyre Service Limited. As per FRS 102, the Company has to consider whether the relationship with National Tyre Service Limited, which ultimate parent is also Halfords Group plc, is viewed as either agent or principal. Given that the risk and rewards associated with the sale of goods and services are borne by National Tyre Service Limited, the directors have viewed this as an agent relationship, and therefore the associated turnover can not be recognised in the Statement of Comprehensive Income

### 3 Turnover

Turnover is generated from the principal activity of the Company, which is carried out wholly within the United Kingdom, where sales and service are wholly delivered by National Tyre Services Limited.

	52 weeks to 31 March 2023 £	15 months to 1 April 2022 £
Sale of goods and provision of services	-	-
	<u>-</u>	<u>-</u>

Sales in the period have been made in an agent relationship with National Tyre Services Limited, with the risk and reward association with the sale of goods and services borne by National Tyre Services Limited and other members of the Group including Halfords Autocentres Limited and McConechy's Tyre Services Limited. In accordance with FRS 102, these sales are not recognisable in the finance statements.

Unrecognised sales to National Tyre Services Limited, Halfords Autocentres Limited and McConechy's Tyre Services Limited in the 52 week period to 31 March 2023 amount to £9,694,661 (period to 1 April 2022: £10,460,909).

### 4 Remuneration of directors

The directors are employed and remunerated by Halfords Limited in respect of their services to the Halfords Group as a whole. No emoluments were paid to the directors, or ex-directors, in respect of their services to the Company in the period to 31 March 2023 (period to 1 April 2022: £nil).

### 5 Auditors' remuneration

Remuneration receivable by the company's auditors BDO LLP, in their capacity as auditors, of £3,000 (period to 1 April 2022: £3,000). This is borne by National Tyre Service Limited, another group company.

### 6 Employees

The company has no employees (period to 1 April 2022: none).

## Notes to the financial statements (continued)

### 7 Tax on result

	52 weeks to 31 March 2023 £	15 months to 1 April 2022 £
<b>Current tax:</b>		
UK corporation tax on result for the period	-	-
Total current tax	<u>-</u>	<u>-</u>
Total tax per the statement of comprehensive income	<u>-</u>	<u>-</u>

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

	52 weeks to 31 March 2023 £	15 months to 1 April 2022 £
Result for the period/year before taxation	-	-
Tax on result at standard UK tax rate of 19% (period to 1 April 2022: 19.00%)	-	-
Effects of:		
Effects of group relief	-	-
Total tax charge for the period/year	<u>-</u>	<u>-</u>

An increase to the main rate of corporation tax to 25% from 1 April 2023 was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly. The deferred tax asset at 31 March 2023 has been calculated based on the rate of 25% substantively enacted at the balance sheet date.

There is an unprovided deferred tax asset of £1,717,889 as at 31 March 2023 (period to 1 April 2022: £1,717,889).

### 8 Creditors: amounts falling due within one year

	As at 31 March 2023 £	As at 1 April 2022 £
Amount owed to group undertakings	17,492,544	17,445,907
Other Creditors	40,608	135,956
	<u>17,533,152</u>	<u>17,581,863</u>

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

## Notes to the financial statements (continued)

### 9 Called up share capital

	As at 31 March 2023 £	As at 1 April 2022 £
<b><i>Allotted and unpaid</i></b>		
Equity: 1 (period to 1 April 2022: 1) ordinary share of £1 (period to 1 April 2022: £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.

### 10 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 Halfords Group Plc, a company registered in England. The annual report and financial statements for Halfords Group Plc includes the consolidation of the ultimate parent company and its subsidiaries, including this Company.

Copies of the financial statements are available from Icknield Street Drive, Washford West, Redditch, B98 0DE