Blackcircles.com Limited

Annual report and financial statements

for the year ended 31 December 2025

Registered number: SC224310



Contents

Officers and professional advisers	**1**
Strategic report	**2**
Directors' report	**6**
Directors' responsibilities statement	**8**
Independent auditors' report	**9**
Statement of Comprehensive Income	**13**
Balance sheet	**14**
Statement of changes in equity	**15**
Notes to the financial statements	**16**

Officers and Professional Advisers

Directors

Graeme Cole
Philippe Berther (resigned 16th December 2025)
Raymond Kavanagh
Caroline Talon-Tailhardat

Company Secretary

Lynne Thomson

Registered Office

1 Tanfield
Edinburgh
EH3 5DA

Bankers

Barclays Bank plc
1-4 Clyde Place Lane
Glasgow
G5 8DP

Solicitors

Addleshaw Goddard
Cornerstone
107 West Regent Street
Glasgow
G2 2BA

Independent Auditors

Constantin
200 Aldersgate Street,
London
EC1A 4HD

Blackcircles.com Limited

Strategic report

Blackcircles is a leading online tyre retailer distributing to consumers across the UK. The directors, in preparing this strategic report, have complied with S414C of the Companies Act 2006.

Review of the business

The financial performance of Blackcircles.com Limited ('the Company') reflect the UK business's trading activities and ongoing investment in initiatives that support our parent company's global ambitions.

Despite a challenging UK tyre market in 2025, the company achieved a 7% revenue increase compared to the previous year. This growth demonstrates our ability to maintain and expand market share primarily through a strategic focus on premiumisation and enhanced customer engagement.

During 2025 the Company continued to develop the Driver Reviews operation, which provides brands and retailers with access to over 530,000 verified tyre reviews. These reviews cover 850 million miles of real-world driving, collected across 70 different tyre brands in more than 30 countries. Following the successful launch of driverreviews.de in Germany, the Company is exploring further expansion opportunities in 2026.

The Company have continued to support Michelin's e-retail investments to extend its online influence beyond the United Kingdom. This includes the establishment of online tyre retailers in Italy, Australia and New Zealand and the evaluation of new investment opportunities in additional markets.

The Directors are optimistic about our long-term growth plans and the potential global influence of our offerings.

Key performance indicators

The following indicators are regarded by the Board as the most important in external reporting:

	2025	2024
Revenue	£96,884,961	£90,840,373
Earnings before Interest, Tax, Depreciation and Amortisation	£129,287	£121,588
Profit/(Loss) Before Tax	(£287,038)	(£80,586)
Cash at bank and in hand	£85,494	£99,264
Net current assets	£2,860,046	£3,455,550

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are as follows:

Macroeconomics and global uncertainties – The continued cost of living pressures could reduce customers spending and shift demand towards budget tyres. The company mitigates this by focusing on premium tailored tyre offerings.

Competition in the UK retail tyre market – the Company actively monitors competitive activity and optimises offerings to customers to maintain a competitive edge in service and breadth of choice. Market analysis is conducted weekly.

Quality of service to our customers – the Company monitors customer service standards weekly using our Net Promoter Score (NPS) and takes action to maintain high standards across our network and teams.

Brand and reputation – the Company invests in marketing and brand positioning, ensuring quality standards are applied across the business to protect the company's reputation.

Strategic report (continued)

Principal risks and uncertainties (continued)

IT systems – the Company depends on leading-edge IT infrastructure and have implemented robust measures, including firewalls and disaster recovery planning to protect against threats.

Supply and Logistics – The Company works closely with its suppliers and logistics partners to mitigate the risk of product availability, ensuring customers can access the tyres they need.

People – The Company recognises the importance of colleagues. The company provides a safe working environment, competitive financial terms, and development programs to support the team and ensure succession planning.

Adequacy of cash – the Company maintains a positive cash flow position and have no debt. The company's cash flow is carefully managed, and its parent company can provide cash support if needed, through a cash pooling arrangement.

Future developments

The Company's revenue growth demonstrates its ability to maintain and increase market share in the tyre industry. The Company focuses on providing excellent customer service to build loyalty and attract new customers through advocacy of existing customer recommendations.

In 2026, the Company will continue to focus on:

- Providing excellent customer service and expanding our network of fitting garages.
- Expanding Driver Reviews into new markets to enhance our global influence and strengthen partnerships

In line with the requirements of section 172(1) of the Companies Act 2006, the Directors have, in good faith, in exercising their duty to promote the success of the Company and the desirability to maintain a reputation for high standards of business conduct, acted for the benefit of its members.

Section 172 statement

Our stakeholders

The Directors consider the following as the Company's key stakeholders – owners, employees, customers, suppliers, regulators and the wider community. The Board seeks to understand the interests of such stakeholders, to ensure that they can be incorporated at relevant points. This is done through engagement by Board members, wider considerations in decision making and reports and updates from the management team who engage with all stakeholders.

The Directors of the company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and to preserve company reputation.

Strategic report (continued)

Section 172 statement (continued)

Greenhouse Gas Emissions

Absolute GHG Emissions in tones of CO2

Annual Carbon Footprint	*2025*	*2024*
Tonnes of CO2	107.78	109.51

Energy Consumptions

	2025	*2024*
GwH	30.64	34.43

Note: 2024 restated following correction of calculation

Reducing our energy consumption and emissions

The company is committed to reducing our environmental impact, in line with the UK Government's target of net-zero greenhouse gas emissions by 2050.

The company continuously seek ways to minimise our carbon footprint, including:

- Considering energy consumption and travel plans
- Educating colleagues on environmentally friendly practices
- Informing customers of our internal environmental and social commitments in addition to sharing industry publications relating to the topics on our dedicated webpage.

Owners

The Directors maintain regular communications with the Owners through monthly reports and quarterly business review meetings. This ensures that the owners opinions are considered in our decision making.

Employees

The Executive team actively seek and consider employee suggestions and views. takes active steps to ensure that the suggestions, views and interests of the employees are captured and considered in our decision-making.

The Executive team use various engagement mechanisms, including regular presentations, meetings, annual surveys and forums.

The executive team attend key business meetings throughout the year, including weekly trading and executive meetings, monthly management meetings, and Town Hall presentations.

These measures ensure that the Board is aware of the collective workforce's views.

Customers

Customers are central to the company.

The company monitors our Net Promoter Score (NPS) weekly and use customer feedback to improve our services, formulate action plans and continually improve our customer journey and systems.

Suppliers

The company maintains stable relationships with our suppliers through frequent, open dialogue.

Strategic report (continued)

The company ensures alignment on expectations and performance. Senior management and key suppliers meet at least twice yearly for reviews.

Wider Community

The company's community investment society supports the local community through donations, volunteering and fundraising. The company encourages colleague engagement in community activities..

Environment

The company conducts business responsibly by:

- Using suppliers vans for deliveries to minimise CO2 emissions.
- Ensuring proper office recycling.
- Engaging in socially responsible tasks such as litter picking
- Operating an in-house 'Green Council' to educate and present environmentally friendly ideas
- Educating colleagues on climate conscious practices.

Regulators

Key areas of focus are compliance with laws and regulations and health and safety. The Board are aware of and monitor all legal and regulatory developments.

Events after the balance sheet date

No significant events since the balance sheet date have been disclosed in the financial statements. The Company has considered the impact of the United States–Iran conflict, which commenced in February 2026, and has determined that there has been no material adverse impact on its operations or financial position to date. Based on current information and trading conditions, the Company does not expect this position to change.

Approved by the board of directors and signed on its behalf by:

Ray Kavanagh

Raymond Kavanagh

Director

Date. 1st July 2026

Blackcircles.com Limited

Directors' Report

The directors present their annual report on the affairs of the Company, together with the audited financial statements for the year ended 31st December 2025.

The Strategic Report on pages 2 to 5 contains the information required to be presented under section 414C(11) of the Companies Act 2006 in this Directors' Report.

Future developments

Details of future developments can be found in the Strategic Report on page 3 and form part of this report by cross-reference.

Going concern

The Directors believe that the company have adequate resources to continue operating for the foreseeable future. Therefore, these financial statements are prepared on a going concern basis.

The company is confident that, despite the risks discussed, the company can continue to operate successfully and on a going concern basis. Throughout 2025, we have invested in strategic medium to long term projects designed to expand the global reach of the Blackcircles brand and to evolve our business beyond core tyre retail operations which remain profitable.

The Company carefully manages its cash reserves daily and have sufficient resources to meet all its liabilities as they become due.

Financial risk management objectives and policies

The Company's activities expose it to a limited number of financial risks including price risk, foreign exchange risk, credit risk and liquidity risk. The Company uses no financial derivative products.

Price risk

The Company operates a just in time stock purchasing model, which reduces the risk associated with holding stock. However, this means the company is directly exposed to price changes from our suppliers. This risk is managed by:

- Entering into advantageous supply contracts with multiple suppliers
- Maintaining positive relationships with our suppliers
- Daily management of our gross margin

Foreign exchange risk

The Company's exposure to financial risks from changes in foreign currency exchange rates is minimal. The company actively manages this input cost risk, alongside the management of gross margin.

Credit risk

The Company's primary financial assets are bank balances held with reputable financial institutions. Credit risk is considered immaterial.

Liquidity risk

The Company carefully manages its cash balances to ensure that there are sufficient funds held for ongoing operations and future developments. The Company has no debt and does not rely on debt facilities.

Dividends

No dividends were paid during 2025. The directors do not recommend a dividend for 2025 (2024; £Nil).

Directors' Report (continued)

Directors

The directors, who served throughout the year and to the date of this report are:

Graeme Cole
Philippe Berther (resigned 16th December 2025)
Raymond Kavanagh
Caroline Talon-Tailhardat

Directors' indemnities

The Company have made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Political contributions

No political donations were made by the Company (2024: £Nil).

Independent Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

In 2025 the company continued to appoint Constantin as its auditors following their appointment in 2022.

Approved by the Board and signed on its behalf by

Ray Kavanagh

Raymond Kavanagh
Director

Date. 1st July 2026

Blackcircles.com Limited

Directors responsibilities statement

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 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.

The Director's responsibilities were approved by the board on 30th June 2026 and signed on its behalf by:

Ray Kavanagh

Raymond Kavanagh

Director

Blackcircles.com Limited

Independent auditor' report

Independent auditor's report to the members of Blackcircles.com Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Blackcircles.com Limited :

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the material accounting policy information; and
- the related notes 1 to 19

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 and Republic of Ireland" (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 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Independent auditor' report

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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 auditor's report.

Extent to which the audit was considered 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' report

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address it are described below:

- Cut-off of turnover due to varying timing of transfer of risks and rewards of the revenue transactions.

We addressed this risk by performing the following procedures:

- Obtaining an understanding of management's processes and controls in relation to ensuring the correct recognition of revenue. This includes performing the design and implementation of relevant controls.
- Performed analytical procedures to identify any unusual relationships that may indicate an error in the revenue recognised for the year.
- Selecting a sample of revenue transactions before and after the year end and verifying the terms of the services to the underlying customer agreements in order to validate the timing of revenue recognition.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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 year for which the financial statements are prepared is consistent with the financial statements; and

Independent auditor' report

- 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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

Thierry de Gennes, ACA (Senior Statutory Auditor)

For and on behalf of Constantin

Chartered Accountants and Statutory Auditor

200 Aldersgate Street

London

EC1A 4HD

Thierry de Gennes

Date: 1st July 2026

Blackcircles.com Limited

Statement of Comprehensive Income
For the year ended 31 December 2025

	Note	2025 £	2024 £
Turnover	4	96,884,961	90,840,373
Cost of Sales		(76,137,219)	(73,151,895)
Gross profit		20,747,742	17,688,478
Administrative expenses		(23,156,859)	(20,271,214)
Other operating income		1,602,489	1,921,804
Operating (loss)		(806,628)	(660,932)
Interest receivable and similar income	5	519,590	580,346
(Loss) before taxation	6	(287,038)	(80,586)
Tax on profit	8	19,294	(28,835)
Represents comprehensive income (loss) for the year		(267,744)	(109,421)

The results for the current and prior year have been derived from wholly continuing activities.

No separate statement of comprehensive income has been presented because the company has no other comprehensive income other than the profit for the year.

The accompanying notes on pages 16 to 30 form an integral part of these financial statements.

Blackcircles.com Limited

Balance sheet
As at 31 December 2025

	Note	2025 £	2024 £
Fixed assets			
Intangible assets	9	2,456,320	2,039,649
Tangible assets	10	288,330	377,241
		2,744,650	2,416,890
Current assets			
Stock	11	-	5,265
Debtors (including £622,236 (2024: £596,627) due after one year)	12	16,628,363	17,313,852
Cash at bank and in hand		85,494	99,264
		16,713,857	17,418,381
Creditors: Amounts falling due within one year	13	(13,853,811)	(13,962,831)
Net current assets		2,860,046	3,455,550
Total assets less current liabilities		5,604,696	5,872,440
Net assets		5,604,696	5,872,440
Capital and reserves			
Called up share capital	15	1,098,355	1,098,355
Merger reserve	16	37,475	37,475
Profit and loss account	16	4,468,866	4,736,610
Total Shareholder's funds		5,604,696	5,872,440

The accompanying notes on pages 16 to 30 form an integral part of these financial statements.

The financial statements of Blackcircles.com Limited, registered number SC224310, were approved by the board of directors and authorised for issue on 30th June 2026. They were signed on its behalf by

Ray Kavanagh

Raymond Kavanagh
Director

Blackcircles.com Limited

Statement of changes in equity
For the year ended 31 December 2025

	Called up share capital £	Merger reserve £	Profit and Loss account £	Total £
Balance as at 1 January 2024	1,098,355	37,475	4,846,031	5,981,861
Issued Share Capital during the year	-	-	-	-
Dividends			-	-
Loss for the year and other comprehensive income	-	-	(109,421)	(109,421)
Balance as at 31 December 2024	1,098,355	37,475	4,736,610	5,872,440
Balance as at 1 January 2025	1,098,355	37,475	4,736,610	5,872,440
Issued Share Capital during the year	-	-	-	-
Dividends			-	-
Loss for the year and other comprehensive income	-	-	(267,744)	(267,744)
Balance as at 31 December 2025	1,098,355	37,475	4,468,866	5,604,696

The accompanying notes on pages 16 to 30 form an integral part of these financial statements.

Blackcircles.com Limited

Notes to the financial statements
For the year ended 31 December 2025

1. General information

Blackcircles.com Limited ('the company') provides a nationwide online tyre supply and fitting service to consumers, supported by a national garage network of partners.

The company is a private company, limited by shares and is incorporated and domiciled in Scotland. The address of its registered office is 1 Tanfield, Edinburgh, EH3 5DA.

2. Statement of compliance

The individual financial statements of Blackcircles.com Limited have been prepared in compliance with 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. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

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 accounting policies.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Strategic and Directors' Report also describe the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The directors have a reasonable expectation that the Company has adequate working capital to continue trading for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The company has strong cash reserves that are carefully and stringently managed daily and has sufficient resources to meet all its liabilities as they fall due.

Exemptions for qualifying entities under FRS 102

Blackcircles.com Limited is a wholly owned subsidiary of another company, Compagnie Generale des Etablissements Michelin which prepares group financial statements. Blackcircles.com Limited meets the definition of a qualifying entity. FRS 102 allows a qualifying entity certain disclosure exemptions under paragraph 1.12 of FRS 102. The company has taken advantage of the following available exemptions for qualifying entities:

- Exemption from preparing a cash flow statement
- Disclosures in respect of financial instruments
- Disclosures in respect of key management personnel compensation

3. Accounting policies (continued)

Intangible fixed assets

Computer software, including development, is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between 3 and 5 years, which is based on historical experience of similar assets and their useful life, on a straight-line basis.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life, or amortisation rate are amended prospectively to reflect the new circumstances.

Intangible assets under development are stated at cost. These assets are not amortised until they are available for use.

The assets are assessed annually by the Company's Director of Technology and the relevant team for impairment if the above factors indicate that the carrying amount may be impaired.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

(a) Fixtures, fittings and equipment and computer hardware

Fixtures, fittings and equipment and computer hardware are stated at cost less accumulated depreciation and accumulated impairment losses.

(b) Depreciation and residual values

Depreciation on assets is calculated using the straight-line method, to allocate the cost of their residual values over their estimated useful lives, as follows:

Fixtures, fitting and equipment	20% - 50% per annum
Computer hardware	20% - 33% per annum

The assets residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(c) Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

3. Accounting policies (continued)

Tangible fixed assets (continued)

(d) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit and loss and included in 'Other operating (Losses)/Gains' if applicable.

Stock

Stocks are stated at the lower of cost and net realisable value. Stocks are recognised as an expense in the period in which the related revenue is recognised. Cost includes the purchase price, transport and handling directly attributable to bringing the stock to its present location and condition. At the end of each reporting period, stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, 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 are not discounted.

(a) 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 based on tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

(b) Deferred tax

Deferred tax arises from timing differences that are 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 the periods different from those in which they are recognised in the 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.

3. Accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and value added taxes.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the company's sales channels have been met, as described below.

(a) Sale of goods - internet based transactions

The company sells goods via its website for delivery to the customer or to a garage partner within the company's garage network for fitting to the customer vehicle. Revenue is recognised when the risks and rewards of the inventory is passed to the customer. For deliveries to the customer this is at the point of acceptance of the goods by the customer and for fitted orders, this is once the fitting service has been completed.

(b) Other income

The company receives further income from partners in relation to marketing campaigns or Network program. Additionally, this category includes revenue generated from the International franchisees.

(c) Interest receivable and other income

Interest income is recognised when it is probable that the economics benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and its effective interest rate.

Employee Benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(a) Short term benefits

Short term benefits, including holiday pay and other similar monetary benefits, are recognised as an expense in the period in which the service is received.

(b) Defined contribution pension plans

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets are held separately from the company in independently administered funds.

3. Accounting policies (continued)

Foreign currency

The company's functional and presentation currency is pound sterling.

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 profit and loss account.

Leased Assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

The company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the profit and loss account over the period to the first review date on which the rent is adjusted to market rates.

Cash flow statement

The Company, being a subsidiary undertaking where 100% of the voting rights are controlled within the Group whose consolidated financial statements which include a consolidated cash flow statement are publicly available (Note 19), is exempt from the requirement to draw up a cash flow statement in accordance with paragraph 1.12 of FRS 102.

Financial Instruments

The company has chosen to adopt section 11 and 12 of FRS 102 in respect of financial instruments.

(a) 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.

3. Accounting policies (continued)

Financial Instruments (continued)

(a) Financial assets (continued)

Such assets are subsequently carried at amortised cost using the effective interest rate 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 now recognised in profit or loss.

If there is a 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 is recognised in the profit and loss.

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

(b) Financial liabilities

Basic financial liabilities, including trade and other creditors 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 the 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 rate method.

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

Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the company financial statements.

The Company has taken advantage of the exemption available in section 33 of FRS 102, "Related Party Disclosures", and has not disclosed details of transactions with group companies on the grounds that the Company is a wholly owned subsidiary where consolidated financial statements are publicly available.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the financial statements
For the year ended 31 December 2025 (continued)

3. Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand

Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

In the view of the directors, there are no key accounting estimates and assumptions which affect the company's financial statements.

Critical accounting judgements in applying the Company's accounting policies

In the view of the directors, there are no critical accounting judgements which affect the company's financial statements.

4. Turnover

All sales are attributable to the Company's principal activity, online tyre sales, and were generated within the United Kingdom.

Franchise fees payable by our Premier Partner fitting network are included within turnover.

5. Interest receivable and similar income

	2025 £	2024 £
Bank interest received	15,763	19,438
Group interest	503,827	560,908
	519,590	580,346

6. Loss before taxation

Loss before taxation is stated after charging:

	2025 £	2024 £
Depreciation of tangible fixed assets (note 10)	127,010	104,635
Amortisation of intangible fixed assets (note 9)	808,904	677,885
Operating lease rentals:		
Plant and machinery	161,148	160,315
Property	431,103	389,779

There are no non audit fees payable to the company's auditor (2024: £nil)

The analysis of the auditors' remuneration is as follows:

	2025 £	2024 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	36,734	36,278
Total audit fees	36,734	36,278

7. Staff costs

The average monthly number of persons (including executive directors) employed by the company was:

By activity:	2025 No.	2024 No.
Paid Directors	2	2
Non-paid Directors	2	2
Operations	92	82
Administration	39	36
	135	122

Their aggregate remuneration comprised:	2025 £	2024 £
Wages and salaries	8,531,928	7,503,881
Social security costs	729,209	583,859
Other pension costs (see note 18)	313,670	294,056
	9,574,807	8,381,796

7. Staff costs (continued)

	2025 £	2024 £
Total Directors' remuneration		
Emoluments	666,471	684,333
Share based benefits	93,831	58,326
Company contributions to defined contribution pension scheme – 2 directors (2024: 2 directors)	32,839	35,523

NOTE: 2024 restated following correction of calculation.

8. Tax on profit

The tax charge comprises:

	2025 £	2024 £
Current tax		
UK corporation tax on profits for the period	(32,257)	71,860
Adjustment in respect of previous periods	(184)	29,057
Foreign tax suffered	3,016	1,882
Group relief payment	35,740	-
Total current tax	6,315	102,799
Deferred tax		
Origination and reversal of timing differences	(32,113)	(73,963)
Adjustment in respect of previous periods	6,504	(1)
Effect of changes in tax rates	-	-
Total deferred tax	(25,609)	(73,964)
Total tax on profit	(19,294)	28,835

Notes to the financial statements
For the year ended 31 December 2025 (continued)

8. Tax on profit (continued)

The charge for the year can be reconciled to the profit per Statement of Comprehensive Income as follows:

	2025 £	2024 £
(Loss) before tax	(287,712)	(80,586)
Tax at standard UK corporation tax rate of 25% (2024: 25%)	(71,928)	(20,146)
Effects of:		
Expenses not deductible	7,558	24,854
Effects of overseas tax rates	3,016	1,882
Effects of group relief	-	-
Adjustment from previous periods	6,320	29,056
Change in tax rates	-	-
Share options	-	(6,811)
Group Relief payment	35,740	-
Total charge for the period	(19,294)	28,835

Pillar Two of the Organisation for Economic Co-Operation and Development's ("OECD's") Two Pillar Solution provides for the taxation of income of large groups at a minimum effective rate of 15% on a jurisdictional basis.

The Company is a wholly owned subsidiary of Compagnie Générale des Etablissements Michelin, which is incorporated in France and is the ultimate parent undertaking for the Michelin Group. The Group is within scope of the OECD Pillar Two model rules.

Pillar Two legislation received Royal Assent on 11 July 2023 in the United Kingdom and applies to accounting periods beginning on or after 31 December 2023. As the Group's effective tax rate in the UK is above 15%, the Company does not suffer any additional Pillar Two top-up taxes by the application of Pillar Two.

The Company has applied the mandatory temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to Pillar Two income taxes

9. Intangible assets

	Assets Under Development	Computer Software	Finance Leases	Total
	£	£	£	£
Cost				
At 1 January 2025	394,977	6,145,718	88,569	6,629,264
Additions	758,251	1,149,088	24,642	1,931,981
Transfers/Disposals	(706,406)	(366,276)	-	(1,072,682)
At 31 December 2025	446,822	6,928,530	113,211	7,488,563
Accumulated Amortisation				
At 1 January 2025	-	4,561,235	28,380	4,589,615
Charge for year	-	780,524	28,380	808,904
Eliminated on Disposal	-	(366,276)	-	(366,276)
At 31 December 2025	-	4,975,483	56,760	5,032,243
Net book value At 31 December 2025	446,822	1,953,047	56,451	2,456,320
At 31 December 2024	394,977	1,584,483	60,189	2,039,649

There are no individually material intangible assets (2024: none).

10. Tangible assets

	Fixtures, fittings and equipment £	Computer hardware £	Total £
Cost			
At 1 January 2025	1,430,646	359,063	1,789,709
Additions	(10,633)	48,732	38,099
Disposals	-	-	-
At 31 December 2025	1,420,013	407,795	1,827,808
Accumulated Depreciation			
At 1 January 2025	1,105,740	306,728	1,412,468
Charge for the year	91,391	35,619	127,010
Eliminated on Disposal	-	-	-
At 31 December 2025	1,197,131	342,347	1,539,478
Net book value			
At 31 December 2025	222,882	65,448	288,330
At 31 December 2024	324,906	52,335	377,241

11. Stock

	2025 £	2024 £
Goods held for resale	-	5,265

12. Debtors

	2025 £	2024 £
Trade debtors	1,236,071	1,644,229
Other debtors	4,525,766	4,432,789
Amounts owed by group undertakings	10,244,290	10,640,207
	16,006,127	16,717,225

Debtors – amounts recoverable after one year

Deferred tax asset (Note 14)	622,236	596,627
	622,236	596,627

13. Creditors – amounts falling due within one year

	2025 £	2024 £
Trade creditors	6,983,776	5,534,356
Corporation tax	380,741	1,176,247
Taxation and social security	731,938	1,088,230
Accruals and provisions	5,513,760	5,876,372
Deferred income	51,837	97,124
Defined contribution pension scheme	47,788	44,043
Other creditors	143,971	146,459
	13,853,811	13,962,831

Amounts owed to Group undertakings are unsecured, do not bear interest and are repayable on demand.

14. Deferred tax

	2025 £	2024 £
At start of year	(596,627)	(522,663)
Deferred tax credit in P&L for the year	(25,609)	(73,964)
At end of year	(622,236)	(596,627)

14. Deferred tax (continued)

	2025 £	2024 £
Fixed asset timing differences	(347,736)	(315,403)
Short Term Temporarily Deferred - trading	(274,500)	(281,224)
	(622,236)	(596,627)

Deferred tax assets

Recoverable after one year	(622,236)	(596,627)

15. Called-up share capital

	2025 £	2024 £
Allotted, called-up and fully paid		
1,098,355 ordinary shares of £1.00 each	1,098,355	1,098,355

16. Reserves

Profit and loss account - this reserve records retained earnings and accumulated losses

Merger reserve – reserve created on previous merger

17. Financial commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2025 £	2024 £
Payments due:		
- Not later than one year	558,663	540,925
- Later than one year and not later than five years	1,103,652	1,662,315
	1,662,315	2,203,240

The company had no other off balance sheet arrangements.

18. Retirement benefit schemes

The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the schemes are held separately from those of the Company. The total amount charged to the profit and loss account of £313,670 (2024: £294,056) represents contributions payable to the scheme by the Company in the year. As at 31 December 2025, contributions of £47,788 (2024: £44,043) due in respect of the current reporting year had not been paid over to the scheme.

19. Controlling party

The company is a wholly owned subsidiary of Compagnie Financiere Michelin, a company incorporated and registered in France, whose registered office is 23, Place des Carmes, Dechaux, CEDEX 9 ,63040, Clermont, Ferrand France. This is the immediate parent company.

In the opinion of the directors, the ultimate holding company and controlling party is Compagnie Generale des Etablissements Michelin, incorporated in France, situated at 23, Place des Carmes, Dechaux, CEDEX 9 ,63040, Clermont, Ferrand France.

Copies of the financial statement of Compagnie Finaciere Michelin and Compagnie Generale des Etablissements Michelin, which are the smallest and largest groups into which the company's financial statements are consolidated, may be obtained from these stated addresses. The company benefits from technology supply and service agreements with its ultimate holding company.