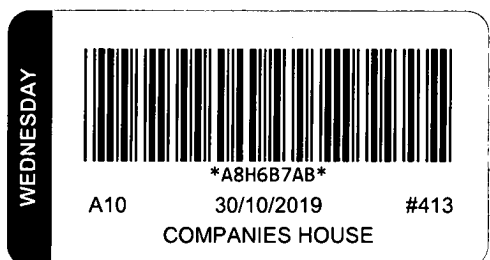


Registration number: 05467715

Boardman Bikes Limited

Annual Report and Financial Statements

for the 52 week period ended 29 March 2019



Boardman Bikes Limited

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Boardman Bikes Limited

Directors and Advisors

Directors

G Stapleton

J Mason (resigned 31 July 2018)

L Woodhouse (appointed 1 November 2018)

A Phillips (appointed 31 July 2018 and resigned 1 November 2018)

Company secretary

T O'Gorman

Registered office

Icknield Street Drive
Washford West
Redditch
Worcestershire
B98 0DE

Independent Auditor

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Boardman Bikes Limited

Strategic Report for the period ended 29 March 2019

The Directors present their strategic report on the Company together with the audited financial statements for the 52 week period ended 29 March 2019; comparatives are for the 52 week period ended 30 March 2018.

Principal activities

The principal activity of the Company is through royalty sales.

Review of the business

The Directors have no plans to change the activities of the Company. The Directors are satisfied that the Company will have sufficient funds to support its ongoing operations.

Results and dividends

Turnover for the period to 29 March 2019 was £433,550 (2018: £479,886) producing an operating loss of £3,491,277 (2018: operating loss £176). Net assets for the period ended 29 March 2019 were £108,888 (2018: £3,544,134).

No interim dividend was paid (2018: £nil). The Directors do not recommend a final dividend (2018: £nil).

Principal risks and uncertainties

The Directors consider the only risk to the Company to be in respect of its investment in subsidiaries. The Directors monitor this closely and are confident that its investments are recoverable.

Approved by the Board on 16 October 2019 and signed on its behalf by:



L Woodhouse
Director

Boardman Bikes Limited

Directors' Report for the period ended 29 March 2019

The Directors present their annual report together with the audited financial statements for the 52 week period ended 29 March 2019; comparatives are for the 52 week period ended 30 March 2018.

Charitable donations and political donations

During the period the Company made no charitable donations or political contributions (2018: £nil).

Staff

The Company is committed to the principle of equal opportunity in employment and to ensuring that no applicant or employee receives less favourable treatment on the grounds of gender, marital status, race, ethnic origin, religion, disability, sexuality, age, or is disadvantaged by conditions or requirements which cannot be shown to be justified. The Company applies employment policies which are fair and equitable and which ensure entry into and progression within the Company. Appointments are determined solely by application of job criteria, personal ability and competency.

The Company gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities, wherever suitable opportunities exist. Should an employee become disabled when working for the Company, efforts are made to continue their employment and retraining is provided, if necessary.

Directors

The details of Directors at the date of this report and during the period are shown on page 1.

Directors of the company

The directors, who held office during the period, were as follows:

G Stapleton

J Mason (resigned 31 July 2018)

L Woodhouse (appointed 1 November 2018)

A Phillips (appointed 31 July 2018 and resigned 1 November 2018)

Remuneration of directors

The Directors did not receive any remuneration from the Company during the period (2018: £nil).

Boardman Bikes Limited

Directors' Report for the period ended 29 March 2019 (continued)

Going concern

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The Directors, having assessed the responses of the Directors of the Company's ultimate parent, Halfords Group plc to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Halfords Group to continue as a going concern or its ability to continue with secured banking arrangements.

The ultimate holding company, Halfords Group plc, has a £200m five-year revolving credit facility, which began on 4 September 2017 and now expires on 3 September 2022. The facility contained an option to extend for a further year which was exercised during the year. The Group's current committed borrowing facilities contain certain financial covenants, which have been met throughout the period. The Group's forecasts and projections show that the Group should be able to operate within the level of its borrowing facilities and covenants for the foreseeable future.

On the basis of the availability of this facility and their 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 foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

The company is in the process of appointing its auditors for the 53 week period ended 3 April 2020. KPMG LLP will continue in office until the formal resignation process is complete.

Approved by the Board on 16 October 2019 and signed on its behalf by:



L Woodhouse
Director

Boardman Bikes Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Director's Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Boardman Bikes Limited

Independent auditor's report to the members of Boardman Bikes Limited

Opinion

We have audited the financial statements of Boardman Bikes Limited (the 'Company') for the period ended 29 March 2019, which comprise the Profit and Loss Account, Balance Sheet, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 March 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Boardman Bikes Limited

Independent auditor's report to the members of Boardman Bikes Limited (continued)

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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.

Boardman Bikes Limited

Independent auditor's report to the members of Boardman Bikes Limited (continued)

Auditor's responsibilities for the audit of the financial statements

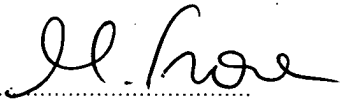
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities.

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.



Michael Froom (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

16 October 2019

Boardman Bikes Limited

Profit and Loss Account and Other Comprehensive Income for the period ended 29 March 2019

	Note	52 weeks to 29 March 2019 £	52 weeks to 30 March 2018 £
Turnover		433,550	479,886
Cost of sales		<u>(433,550)</u>	<u>(479,886)</u>
Gross profit		-	-
Administrative expenses		<u>(3,491,277)</u>	<u>(176)</u>
Operating loss		(3,491,277)	(176)
Other interest receivable and similar income	2	<u>69,270</u>	<u>57,270</u>
(Loss)/profit before tax		(3,422,007)	57,094
Tax on (loss)/profit on ordinary activities	3	<u>(59,201)</u>	<u>35,116</u>
(Loss)/profit for the period		<u><u>(3,481,208)</u></u>	<u><u>92,210</u></u>
Total comprehensive income for the period		<u><u>(3,481,208)</u></u>	<u><u>92,210</u></u>

The results for the period are wholly attributable to the continuing operations of the Company.

The notes on pages 12 to 16 form an integral part of these financial statements.

Boardman Bikes Limited

Balance Sheet

as at 29 March 2019

(Registration number: 05467715)

	Note	29 March 2019 £	30 March 2018 £
Current assets			
Debtors	4	688,485	3,782,897
Cash at bank and in hand		-	47,671
Creditors: Amounts falling due within one year	6	(376,030)	(286,434)
Bank Overdraft		<u>(249,529)</u>	<u>-</u>
Net assets		<u>62,926</u>	<u>3,544,134</u>
Capital and reserves			
Called up share capital	7	111	111
Profit and loss account		<u>62,815</u>	<u>3,544,023</u>
Shareholders' funds		<u>62,926</u>	<u>3,544,134</u>

The notes on pages 12 to 16 form an integral part of these financial statements.

The financial statements on pages 9 to 16 were approved by the Board of Directors on 16 October 2019 and signed on its behalf by:



L Woodhouse
Director

Boardman Bikes Limited

Statement of Changes in Equity for the period ended 29 March 2019

	Called up share capital £	Profit And Loss Account £	Total Equity £
At 31 March 2017	111	3,451,813	3,451,924
Profit for the period	-	92,210	92,210
Total comprehensive income	-	92,210	92,210
At 30 March 2018	111	3,544,023	3,544,134
At 31 March 2018	111	3,544,023	3,544,134
Loss for the period	-	(3,481,208)	(3,481,208)
Total comprehensive income	-	(3,481,208)	(3,481,208)
At 29 March 2019	111	62,815	62,926

The notes on pages 12 to 16 form an integral part of these financial statements.

Boardman Bikes Limited

Notes to the Financial Statements for the period ended 29 March 2019

1 Accounting policies

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

Basis of preparation

The accounts are prepared under the historical cost convention, on the going concern basis, in accordance with the Companies Act 2006, applicable accounting standards and specifically in accordance with the accounting policies set out below which have been consistently applied.

Boardman Bikes Limited ("the Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set below where advantage of the FRS 101 disclosure exemptions has been taken.

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.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Directors do not consider that there is any judgement in the application of these accounting policies that may have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

The financial statements are prepared for the period up to the Friday closest to 31 March. Consequently, the financial statements for the current period cover the period to 29 March 2019, whilst the comparative period covered the period ended 30 March 2018.

Boardman Bikes Limited

Notes to the Financial Statements for the period ended 29 March 2019 (continued)

Going concern

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

Turnover

Turnover represents royalties received from sale of goods via a third party excluding value added tax.

Foreign currency translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2 Other interest receivable and similar income

	52 weeks to 29 March 2019 £	52 weeks to 30 March 2018 £
Interest receivable on loans owed by Group undertakings	<u>69,270</u>	<u>57,270</u>

3 Income tax

Tax charged/(credited) in the profit and loss account

	52 weeks to 29 March 2019 £	52 weeks to 30 March 2018 £
Current taxation		
UK corporation tax	13,147	10,848
UK corporation tax adjustment to prior periods	<u>46,054</u>	<u>(45,964)</u>
	<u>59,201</u>	<u>(35,116)</u>

Boardman Bikes Limited

Notes to the Financial Statements for the period ended 29 March 2019 (continued)

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	52 weeks to 29 March 2019 £	52 weeks to 30 March 2018 £
(Loss)/profit before tax	<u>(3,422,007)</u>	<u>57,094</u>
Corporation tax at standard rate	(650,181)	10,848
Increase/(decrease) in current tax from adjustment for prior periods	46,054	(45,964)
Increase from effect of expenses not deductible in determining taxable profit	<u>663,328</u>	<u>-</u>
Total tax charge/(credit)	<u>59,201</u>	<u>(35,116)</u>

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

4 Debtors

	29 March 2019 £	30 March 2018 £
Falling due with one year:		
Trade debtors	9,600	9,600
Amounts owed by group undertakings	<u>678,885</u>	<u>3,773,297</u>
	<u>688,485</u>	<u>3,782,897</u>

During the period the loan due from Boardman International Limited included in amounts owed by group undertakings was impaired by £3,491,201.

5 Loans and borrowings

	29 March 2019 £	30 March 2018 £
Current loans and borrowings		
Bank overdrafts	<u>249,529</u>	<u>-</u>

The loans and borrowings classified as financial instruments are disclosed in the financial instruments note.

Boardman Bikes Limited

Notes to the Financial Statements for the period ended 29 March 2019 (continued)

The company's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management and impairment note.

6 Creditors

	29 March 2019 £	30 March 2018 £
Accrued expenses	26,697	1,161
Amounts owed to group undertakings	319,760	260,559
Social security and other taxes	29,573	24,714
	<u>376,030</u>	<u>286,434</u>

Boardman Bikes Limited

Notes to the Financial Statements for the period ended 29 March 2019 (continued)

7 Share capital

Allotted, called up and fully paid shares

	29 March 2019		30 March 2018	
	Number of shares	£	Number of shares	£
Ordinary A shares of £0.01 each	8,900	89.00	8,900	89.00
Ordinary B shares of £0.01 each	1,100	11.00	1,100	11.00
Ordinary C shares of £0.01 each	1,100	11.00	1,100	11.00
	<u>11,100</u>	<u>111.00</u>	<u>11,100</u>	<u>111.00</u>

Ordinary A shares have full rights in all respects relating to voting, capital and dividends. Ordinary B shares have full rights in respect of voting and capital but shall have no dividend rights. Ordinary C shares have equal rights to dividends to Ordinary A shares but have no voting or capital rights.

8 Contingent liabilities

Halfords Group's banking arrangements are subject to a netting facility whereby credit balances may be offset against the indebtedness of other group companies. The Group's banking arrangements include the facility for the bank to provide a number of guarantees in respect of liabilities owed by the Group during the course of its trading. In the event of any amount being immediately payable under the guarantee, the bank has the right to recover the sum in full from the Group. The total amount of guarantees in place at 29 March 2019 amounted to £4,000,000 (2018: £3,600,000).

9 Ultimate parent undertaking

The Company's immediate holding Company is Halfords Limited. The ultimate holding Company and ultimate controlling party is Halfords Group plc, a Company incorporated in Great Britain and registered in England and Wales, which is the parent undertaking of the smallest and largest Group to consolidate these financial statements. The results of the Company are included in the Group financial statements of Halfords Group plc.

Copies of the Group financial statements may be obtained from the Company Secretary at Icknield Street Drive, Washford West, Redditch, Worcestershire, B98 0DE.

The Company has taken advantage of the exemption given by FRS101.8(k) to subsidiary undertakings, 100% of whose voting rights are controlled within the Group, by not disclosing information on related party transactions with entities that are part of the Group.