

Group Strategic Report, Report of the Director and
Consolidated Financial Statements for the Year Ended 31 December 2022
for
Bike It International Holdings Limited

Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2022

	Page
Company Information	1
Group Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	4
Consolidated Income Statement	7
Consolidated Other Comprehensive Income	8
Consolidated Balance Sheet	9
Company Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Cash Flow Statement	13
Notes to the Consolidated Cash Flow Statement	14
Notes to the Consolidated Financial Statements	15

Bike It International Holdings Limited

Company Information
for the Year Ended 31 December 2022

DIRECTOR: M Mansbridge

REGISTERED OFFICE: 24 Picton House
Hussar Court
Waterlooville
Hampshire
PO7 7SQ

REGISTERED NUMBER: 06441804 (England and Wales)

AUDITORS: JWR Audit Limited
Statutory Auditor
24 Picton House
Hussar Court
Waterlooville
Hampshire
PO7 7SQ

Group Strategic Report
for the Year Ended 31 December 2022

The director presents his strategic report of the company and the group for the year ended 31 December 2022.

REVIEW OF BUSINESS

The company's main business continued to be the wholesale supply of motorcycle parts and accessories.

The period since Covid-19 has been difficult with stocking issues compounding a general uncertainty in the market. Bike It has also had some uncertainty as it reviewed the best way to deal with the changes and chart a way forward. This started to crystalise in 2022 and although the overall result was disappointing, it is felt that significant progress has been made.

Bike It is a well-respected name in the motorcycle industry and continued to be a market leader in its range of products, stock availability and customer service.

PRINCIPAL RISKS AND UNCERTAINTIES

Motorcycle sales in 2022 were similar to those in 2021 so there was no real change in the market. With most sales, however, being imports, the weakness of sterling must be a concern as prices are likely to rise. As an exporter as well as an importer, Bike It has some cover against exchange fluctuations but sterling weakness is a concern.

The impact of Brexit is still being felt although beginning to reach a stable level. Bike It does though have a strong agent chain and a sought after product list (particularly Moto GP range) and its future plans still include a strong EU sales presence.

Price risks principally arise on the purchase of stock which are subject to inflationary pressure in the Far East in particular as well as currency changes against the dollar and Euro. Exchange variances can be managed somewhat as significant sales are made in Euro's. One of the encouraging aspects in 2022 was the fall in freight costs. Although 2022 was still affected, the general trend was downward and a return to pre pandemic costs was reached toward the end of 2022.

Sales are made on a variety of different terms so a credit risk will always arise but this is well managed with credit terms only being given to customers who demonstrate an appropriate payment history and credit limits have been well controlled. Sales are made to a wide range of customers so no one customer makes up a significant portion of total trade debtors. Group undertakings and other debtors principally relate to loans made. A full list of debtors is shown in note 15.

Bike It has been a profitable company for many years and has built up surplus cash reserves so no liquidity risk arises. There are some pinch points in liquidity as cash has been invested with Group companies but this risk is noted and well managed.

FUTURE DEVELOPMENTS

The motorcycle market continues to be a challenging environment but Bike It is confident that its position in the market will help it thrive long term. New brands are still being sought for the UK market and new agency opportunities for the European market being considered. The sales force is highly regarded and this supported by a new B2B website will enable Bike It to return to profitability in the near future.

The motorcycle industry is still a challenging market but as a market leader and strong innovator, Bike It is confident it can continue to grow and find new opportunities.

ON BEHALF OF THE BOARD:

M Mansbridge - Director

25 September 2023

Report of the Director
for the Year Ended 31 December 2022

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the sale and distribution of motorcycle spare parts and accessories and property development.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022.

DIRECTOR

M Mansbridge has held office during the whole period from 1 January 2020 to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

The directors have prepared the Strategic Report in accordance with the Companies Act and the information that would have been included in the directors report has been included in the Strategic Report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, JWR Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M Mansbridge - Director

25 September 2023

Report of the Independent Auditors to the Members of
Bike It International Holdings Limited

Opinion

We have audited the financial statements of Bike It International Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 group's and the parent 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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.

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 Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Bike It International Holdings Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is responsible for assessing the group's and the parent 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

We designed audit procedures to respond to the risk, 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.

Procedures performed by the audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Evaluation of controls designed to prevent and detect irregularities; and
- Assessing journals entries as part of our planned audit approach.

There are inherent limitations in the audit procedures described above 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 would become aware of it.

As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 Report of the Auditors.

Report of the Independent Auditors to the Members of
Bike It International Holdings Limited

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 a Report of the Auditors 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.

K S Wood (Senior Statutory Auditor)
for and on behalf of JWR Audit Limited
Statutory Auditor
24 Picton House
Hussar Court
Waterlooville
Hampshire
PO7 7SQ

25 September 2023

Consolidated
Income Statement
for the Year Ended 31 December 2022

	Notes	31.12.22 £	£	31.12.21 £	£
TURNOVER	4		6,750,025		7,543,030
Cost of sales			<u>4,583,443</u>		<u>5,065,412</u>
GROSS PROFIT			2,166,582		2,477,618
Distribution costs		164,750		194,155	
Administrative expenses		<u>2,336,752</u>		<u>2,880,739</u>	
			<u>2,501,502</u>		<u>3,074,894</u>
			(334,920)		(597,276)
Other operating income			<u>35,563</u>		<u>172,406</u>
OPERATING LOSS	6		(299,357)		(424,870)
Amounts written off investments	7		<u>8,655</u>		<u>-</u>
			(308,012)		(424,870)
Interest payable and similar expenses	8		<u>17,922</u>		<u>-</u>
LOSS BEFORE TAXATION			(325,934)		(424,870)
Tax on loss	9		<u>(109,379)</u>		<u>(82,958)</u>
LOSS FOR THE FINANCIAL YEAR			<u>(216,555)</u>		<u>(341,912)</u>
Loss attributable to:					
Owners of the parent			(232,592)		(263,522)
Non-controlling interests			<u>16,037</u>		<u>(78,390)</u>
			<u>(216,555)</u>		<u>(341,912)</u>

The notes form part of these financial statements

Consolidated
Other Comprehensive Income
for the Year Ended 31 December 2022

Notes	31.12.22 £	31.12.21 £
LOSS FOR THE YEAR	(216,555)	(341,912)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(216,555)</u>	<u>(341,912)</u>
Total comprehensive income attributable to:		
Owners of the parent	(183,943)	(263,522)
Non-controlling interests	<u>(32,612)</u>	<u>(78,390)</u>
	<u>(216,555)</u>	<u>(341,912)</u>

The notes form part of these financial statements

Consolidated Balance Sheet
31 December 2022

	Notes	31.12.22 £	£	31.12.21 £	£
FIXED ASSETS					
Intangible assets	11		70,286		104,183
Tangible assets	12		302,634		431,395
Investments	13		-		-
			<u>372,920</u>		<u>535,578</u>
CURRENT ASSETS					
Stocks	14	4,081,444		4,930,977	
Debtors	15	1,200,739		1,858,470	
Cash at bank and in hand		<u>1,665,673</u>		<u>565,610</u>	
		6,947,856		7,355,057	
CREDITORS					
Amounts falling due within one year	16	<u>771,842</u>		<u>903,785</u>	
NET CURRENT ASSETS			<u>6,176,014</u>		<u>6,451,272</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,548,934		6,986,850
CREDITORS					
Amounts falling due after more than one year	17		-		218,420
NET ASSETS			<u>6,548,934</u>		<u>6,768,430</u>
CAPITAL AND RESERVES					
Called up share capital	21		100,000		100,000
Retained earnings	22		<u>6,571,078</u>		<u>6,803,670</u>
SHAREHOLDERS' FUNDS			6,671,078		6,903,670
NON-CONTROLLING INTERESTS	23		<u>(122,144)</u>		<u>(135,240)</u>
TOTAL EQUITY			<u>6,548,934</u>		<u>6,768,430</u>

The financial statements were approved by the director and authorised for issue on 25 September 2023 and were signed by:

M Mansbridge - Director

Company Balance Sheet
31 December 2022

	Notes	31.12.22 £	£	31.12.21 £	£
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		-		-
Investments	13		<u>100,001</u>		<u>100,001</u>
			100,001		100,001
CURRENT ASSETS					
Debtors	15	182,122		824,601	
Cash at bank		<u>327,873</u>		-	
		509,995		824,601	
CREDITORS					
Amounts falling due within one year	16	<u>31,821</u>		<u>619,514</u>	
NET CURRENT ASSETS			<u>478,174</u>		<u>205,087</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>578,175</u>		<u>305,088</u>
CAPITAL AND RESERVES					
Called up share capital	21		100,000		100,000
Retained earnings	22		<u>478,175</u>		<u>205,088</u>
SHAREHOLDERS' FUNDS			<u>578,175</u>		<u>305,088</u>
Company's profit for the financial year			<u>273,087</u>		-

The financial statements were approved by the director and authorised for issue on 25 September 2023 and were signed by:

M Mansbridge - Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2021	100,000	7,067,192	7,167,192	(56,850)	7,110,342
Changes in equity					
Total comprehensive income	-	(263,522)	(263,522)	(78,390)	(341,912)
Balance at 31 December 2021	100,000	6,803,670	6,903,670	(135,240)	6,768,430
Prior year adjustment	-	-	-	48,649	48,649
As restated	100,000	6,803,670	6,903,670	(86,591)	6,817,079
Changes in equity					
Total comprehensive income	-	(232,592)	(232,592)	(32,612)	(265,204)
Balance at 31 December 2022	100,000	6,571,078	6,671,078	(119,203)	6,551,875

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	100,000	205,088	305,088
Changes in equity			
Balance at 31 December 2021	100,000	205,088	305,088
Changes in equity			
Total comprehensive income	-	273,087	273,087
Balance at 31 December 2022	100,000	478,175	578,175

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the Year Ended 31 December 2022

	Notes	31.12.22 £	31.12.21 £
Cash flows from operating activities			
Cash generated from operations	1	792,629	(1,283,193)
Interest paid		(17,922)	-
Tax paid		153,921	(154,238)
Net cash from operating activities		<u>928,628</u>	<u>(1,437,431)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(17,958)
Purchase of tangible fixed assets		(9,499)	(321,224)
Sale of tangible fixed assets		59,166	-
Net cash from investing activities		<u>49,667</u>	<u>(339,182)</u>
Cash flows from financing activities			
New loans in year		-	250,000
Loan repayments in year		(250,001)	-
Amount introduced by directors		-	1,078,400
Amount withdrawn by directors		(173,449)	(289,517)
Loans to related/third parties		(126,275)	(2,984)
Loans repaid by related/third parties		671,493	463,963
Net cash from financing activities		<u>121,768</u>	<u>1,499,862</u>
Increase/(decrease) in cash and cash equivalents		<u>1,100,063</u>	<u>(276,751)</u>
Cash and cash equivalents at beginning of year	2	565,610	842,361
Cash and cash equivalents at end of year	2	<u>1,665,673</u>	<u>565,610</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2022

1. **RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.22	31.12.21
	£	£
Loss before taxation	(325,934)	(424,870)
Depreciation charges	112,667	120,947
Loss on disposal of fixed assets	324	684
Finance costs	17,922	-
	<u>(195,021)</u>	<u>(303,239)</u>
Decrease/(increase) in stocks	849,533	(882,447)
Decrease in trade and other debtors	97,965	152,948
Increase/(decrease) in trade and other creditors	40,152	(250,455)
Cash generated from operations	<u>792,629</u>	<u>(1,283,193)</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	<u>1,665,673</u>	<u>565,610</u>

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u>565,610</u>	<u>842,361</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>565,610</u>	<u>1,100,063</u>	<u>1,665,673</u>
	<u>565,610</u>	<u>1,100,063</u>	<u>1,665,673</u>
Debt			
Debts falling due within 1 year	(31,581)	31,581	-
Debts falling due after 1 year	<u>(218,420)</u>	<u>218,420</u>	<u>-</u>
	<u>(250,001)</u>	<u>250,001</u>	<u>-</u>
Total	<u>315,609</u>	<u>1,350,064</u>	<u>1,665,673</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2022

1. **COMPANY INFORMATION**

The company is incorporated and domiciled in the UK and its principal place of business is its registered office.

2. **STATUTORY INFORMATION**

Bike It International Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in the profit or loss and in other comprehensive income.

Basis of consolidation

The group financial statements consolidate the financial statements of Bike It International Holdings Limited and all its subsidiary undertakings drawn up to 31 December each year. Entities over which the group has the ability to exercise control are accounted for as subsidiaries.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

3. ACCOUNTING POLICIES - continued

Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions

Slow Moving Stock

The company holds a large amount of stock, some of which are classed as slow moving stock. Slow moving stock is identified as stock of which the company holds more than 78 weeks stock, by comparison to sales in the year under review. Provision is made against slow moving stock as a percentage of the total identified slow moving stock.

Bad Debt Provision

The directors carry out a review of balances at the year end that still remain unpaid post year end, and provide for bad debts where the recovery of overdue balances are considered unlikely.

Turnover

Turnover of continuing operations shown in the profit and loss account represents amounts receivable during the year in respect of sales and is recognised on a receivable basis, exclusive of Value Added Tax.

Intangible fixed assets

Depreciation is provided to write off intangible assets over its estimated useful life as follows: -

Website development - 5 years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 20% on reducing balance

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

3. **ACCOUNTING POLICIES - continued**

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The cost of stock is determined on a first-in-first-out (FIFO) basis.

Work in Progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the Company.

Foreign currencies

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

3. **ACCOUNTING POLICIES - continued**

Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

3. ACCOUNTING POLICIES - continued

Going concern accounting policy

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the company and the Group which Bike It International is part of is expected to be able to meet all its liabilities as they fall due. However, it is acknowledged that the global and UK outbreak of COVID-19 has had a profound impact on the global and UK economy and businesses.

At year end the Group in which the company is part of reported a loss after tax of £216,555 and net cash reserves of £1,665,673. The loss was expected, and the directors are optimistic trading in 2023 will improve.

The directors have produced a detailed going concern assessment for the group. The conclusion of the directors' assessment for the Group is that the business will be able to meet all its liabilities as they fall due. The group has managed to deal with the COVID-19 pandemic well, continuing to trade strongly.

Based on the trading results achieved post year end, the finance facilities in place and available to the Group and the management accounts to 31st August 2023 the directors conclude that the group will be able to trade for a period of at least 12 months from the approval of the financial statements and have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	31.12.22	31.12.21
	£	£
United Kingdom	5,929,632	6,431,979
Overseas Sales (EU)	820,393	1,086,169
Overseas Sales (non EU)	-	24,882
	<u>6,750,025</u>	<u>7,543,030</u>

5. EMPLOYEES AND DIRECTORS

	31.12.22	31.12.21
	£	£
Wages and salaries	1,208,296	1,489,679
Social security costs	120,634	150,218
Other pension costs	99,984	112,637
	<u>1,428,914</u>	<u>1,752,534</u>

The average number of employees during the year was as follows:

	31.12.22	31.12.21
Distribution Staff	16	24
Administrative Staff including directors	26	35
	<u>42</u>	<u>59</u>

	31.12.22	31.12.21
	£	£
Director's remuneration	<u>72,493</u>	<u>122,490</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

6. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	31.12.22	31.12.21
	£	£
Hire of plant and machinery	9,906	17,857
Other operating leases	443,449	376,665
Depreciation - owned assets	78,770	89,470
Loss on disposal of fixed assets	324	684
Computer software amortisation	33,897	31,476
Auditors' remuneration	7,400	6,250
Foreign exchange differences	<u>(12,505)</u>	<u>42,458</u>

7. AMOUNTS WRITTEN OFF INVESTMENTS

	31.12.22	31.12.21
	£	£
Amounts w/o invs	<u>8,655</u>	<u>-</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.22	31.12.21
	£	£
Bank loan interest	15,433	-
HMRC Interest	<u>2,489</u>	<u>-</u>
	<u>17,922</u>	<u>-</u>

9. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	31.12.22	31.12.21
	£	£
Deferred tax	<u>(109,379)</u>	<u>(82,958)</u>
Tax on loss	<u>(109,379)</u>	<u>(82,958)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

9. **TAXATION - continued**

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.22	31.12.21
	£	£
Loss before tax	<u>(325,934)</u>	<u>(424,870)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	(61,927)	(80,725)
Effects of:		
Expenses not deductible for tax purposes	1,590	2,074
Capital allowances in excess of depreciation	-	(36,280)
Depreciation in excess of capital allowances	12,401	-
Deferred tax movement - accelerated capital allowances	1,244	31,973
Taxable losses carried forward	(203,466)	(160,107)
Deferred tax asset on 2021 loss	-	114,931
Reversal of deferred tax asset on 2020 losses	-	45,176
Deferred tax asset on losses	<u>140,779</u>	<u>-</u>
Total tax credit	<u>(109,379)</u>	<u>(82,958)</u>

10. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

11. **INTANGIBLE FIXED ASSETS**

Group

	Patents and licences £	Computer software £	Totals £
COST			
At 1 January 2022 and 31 December 2022	<u>3,845</u>	<u>263,629</u>	<u>267,474</u>
AMORTISATION			
At 1 January 2022	-	163,291	163,291
Amortisation for year	<u>-</u>	<u>33,897</u>	<u>33,897</u>
At 31 December 2022	<u>-</u>	<u>197,188</u>	<u>197,188</u>
NET BOOK VALUE			
At 31 December 2022	<u>3,845</u>	<u>66,441</u>	<u>70,286</u>
At 31 December 2021	<u>3,845</u>	<u>100,338</u>	<u>104,183</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

12. **TANGIBLE FIXED ASSETS**

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2022	321,587	238,749	489,857	1,050,193
Additions	-	-	9,499	9,499
Disposals	-	-	(109,101)	(109,101)
At 31 December 2022	<u>321,587</u>	<u>238,749</u>	<u>390,255</u>	<u>950,591</u>
DEPRECIATION				
At 1 January 2022	273,555	159,176	186,067	618,798
Charge for year	9,607	11,936	57,227	78,770
Eliminated on disposal	-	-	(49,611)	(49,611)
At 31 December 2022	<u>283,162</u>	<u>171,112</u>	<u>193,683</u>	<u>647,957</u>
NET BOOK VALUE				
At 31 December 2022	<u>38,425</u>	<u>67,637</u>	<u>196,572</u>	<u>302,634</u>
At 31 December 2021	<u>48,032</u>	<u>79,573</u>	<u>303,790</u>	<u>431,395</u>

13. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 1 January 2022 and 31 December 2022	<u>100,001</u>
NET BOOK VALUE	
At 31 December 2022	<u>100,001</u>
At 31 December 2021	<u>100,001</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

13. **FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Bike IT International Limited

Registered office:

Nature of business: Sale & distribution

	% holding		
Class of shares:			
Ordinary	100.00		
		31.12.22	31.12.21
		£	£
Aggregate capital and reserves		6,070,761	6,275,721
Loss for the year		<u>(202,019)</u>	<u>(344,931)</u>

Southcott Mansbridge Homes Limited

Registered office:

Nature of business: property development

	% holding		
Class of shares:			
Ordinary	100.00		
		31.12.22	31.12.21
		£	£
Aggregate capital and reserves		-	275,534
Profit/(loss) for the year		<u>71</u>	<u>(143)</u>

Bike It Europa SRL

Registered office:

Nature of business: Sale & distribution

	% holding		
Class of shares:			
Ordinary	100.00		
		31.12.22	31.12.21
		£	£
Aggregate capital and reserves		-	12,089
Loss for the year		<u>(12,089)</u>	<u>(5,458)</u>

14. **STOCKS**

	Group	
	31.12.22	31.12.21
	£	£
Stocks	<u>4,081,444</u>	<u>4,930,977</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Trade debtors	632,276	711,024	-	-
Other debtors	190,453	723,619	164,000	670,500
Directors' loan accounts	18,122	-	18,122	-
Tax	-	154,101	-	154,101
Deferred tax asset	199,493	90,114	-	-
Prepayments	160,395	179,612	-	-
	<u>1,200,739</u>	<u>1,858,470</u>	<u>182,122</u>	<u>824,601</u>

Deferred tax asset

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Accelerated capital allowances	(71,237)	(69,993)	-	-
Tax losses carried forward	270,730	160,107	-	-
	<u>199,493</u>	<u>90,114</u>	<u>-</u>	<u>-</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Other loans (see note 18)	-	31,581	-	-
Trade creditors	236,227	282,018	1	-
Amounts owed to group undertakings	-	-	9,521	461,648
Tax	-	180	-	-
Social security and other taxes	19,751	38,111	-	-
VAT	134,759	139,577	-	-
Other creditors	22,199	7,206	22,299	2,539
Directors' loan accounts	-	155,327	-	155,327
Accrued expenses	358,906	249,785	-	-
	<u>771,842</u>	<u>903,785</u>	<u>31,821</u>	<u>619,514</u>

At the year end date there is a balance of £550 (2021 - £13,282) due to HM Revenue & Customs included in trade creditors. The HM Revenue & Customs liability balance for duty at any time is secured on a bond of £20,000.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	31.12.22	31.12.21
	£	£
Other loans (see note 18)	<u>-</u>	<u>218,420</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

18. LOANS

An analysis of the maturity of loans is given below:

		Group	
		31.12.22	31.12.21
		£	£
Amounts falling due within one year or on demand:			
Other loans		-	31,581
Amounts falling due between one and two years:			
Other loans - 1-2 years		-	40,498
Amounts falling due between two and five years:			
Other loans - 2-5 years		-	171,799
Amounts falling due in more than five years:			
Repayable by instalments			
Other loans more 5yrs instal		-	6,123

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

		Group	
		Non-cancellable operating leases	
		31.12.22	31.12.21
		£	£
Within one year		350,000	350,000
Between one and five years		650,736	1,000,736
		<u>1,000,736</u>	<u>1,350,736</u>

20. DEFERRED TAX

		Group	
			£
Balance at 1 January 2022			(90,114)
Accelerated capital allowances			1,244
Use of losses b/fwd			
Loss c/fwd increase			(110,623)
Balance at 31 December 2022			<u>(199,493)</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.22	31.12.21
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

22. **RESERVES**

Retained reserves

Profit and loss account - includes all current and prior period retained profits and losses.

23. **NON-CONTROLLING INTERESTS**

The note gives details of the Group's minority interests and movements during the year.

	31.12.22	31.12.21
	£	£
Minority Interests at the year end comprised:		
Shares in subsidiaries	26,469	29,410
Share of earnings	<u>(148,612)</u>	<u>(164,649)</u>
	<u>(122,143)</u>	<u>(135,239)</u>
Movements in the year comprised:		
Balance brought forward	(135,239)	(56,849)
Shares buyback during the period	(2,941)	-
(Loss)/Profit for the year attributable to minority interests	(32,612)	(78,390)
Adjustment to (Loss)/Profit for the prior year attributable to minority interests	<u>48,649</u>	<u>-</u>
Balance carried forward	<u>(122,143)</u>	<u>(135,239)</u>

24. **DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 31 December 2022 and 31 December 2021:

	31.12.22	31.12.21
	£	£
M Mansbridge		
Balance outstanding at start of year	(155,328)	633,555
Amounts advanced	177,212	289,517
Amounts repaid	(3,763)	(1,078,400)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>18,121</u>	<u>(155,328)</u>

At the year end the director owed the company £18,121 (2021: company owed the director £155,328).

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