

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2022
for
Bike Alert Plc

Chelepis Watson Ltd
Chartered Accountants and
Statutory Auditor
67 Westow Street
Upper Norwood
London
SE19 3RW

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

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Consolidated Income Statement	9
Consolidated Other Comprehensive Income	10
Consolidated Balance Sheet	11
Company Balance Sheet	12
Consolidated Statement of Changes in Equity	13
Company Statement of Changes in Equity	14
Consolidated Cash Flow Statement	15
Notes to the Consolidated Financial Statements	16

Bike Alert Plc

Company Information
for the Year Ended 31 December 2022

DIRECTORS:

C Boyiantzeas
S Marsh
C Constantinou

SECRETARY:

S Marsh

REGISTERED OFFICE:

30 Optima Park
Thames Road
Crayford
Kent
DA1 4QX

REGISTERED NUMBER:

02454930 (England and Wales)

AUDITORS:

Chelepis Watson Ltd
Chartered Accountants and
Statutory Auditor
67 Westow Street
Upper Norwood
London
SE19 3RW

Group Strategic Report
for the Year Ended 31 December 2022

The directors present their strategic report of the company and the group for the year ended 31 December 2022.

Bike Alert Plc is the holding company of the Bike Alert group of companies (the 'Group'). The principal activity of the group in the year was that of the manufacture and wholesale distribution of motor cycle parts.

REVIEW OF BUSINESS

The Group's operations have continued to grow for the year under review.

The turnover from continuing activities returned to 2020 levels of £34.87m (2021 - £37.75m) and gross profit was £13.82m (2021- £14.88m).

The gross profit margin for the year of 39.62% (2021 - 39.4%) increased slightly, as towards the end of the year the transport costs began to normalise and slowly and gradually return to pre-pandemic levels. Costs of raw materials and labour continue to increase.

The Group's operating profit was £8.64m (2021 - £10.42m).

Profit before tax was boosted to £10.27m (2021 - £8.5m) by favourable foreign exchange gains (2022 FX gain £1.54m vs 2021 FX loss of £1.91m)

At the year-end date the group's net assets increased to £67.23m (2021 - £61.6m).

Our North American market continued to be impacted by significantly higher transport costs.

The Group is taking action to increase its stock holding in the USA in order to improve product availability in North America for 2023. Turnover in 2023 is expected to return to pre-pandemic levels.

The Group has continued to experience significant growth in its activities in the Greek market throughout 2022. The Greek subsidiary's sales were up by 22% in relation to 2021. The Group expects similar growth in Greece in 2023.

The Group has continued to invest in commercial properties in Greece for expanding its current distribution operations.

Despite the challenges faced and the current events that have affected the global economy since 2020, the directors are satisfied with the Group's results and its strong financial position.

ON BEHALF OF THE BOARD:

C Boyiantzeas - Director

28 July 2023

Report of the Directors
for the Year Ended 31 December 2022

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2022.

DIVIDENDS

An interim dividend of £16.6667 per share was paid on 15 December 2022. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2022 will be £ 3,500,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

C Boyiantzeas
S Marsh
C Constantinou

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group manages its liquidity by maintaining a good balance between the continuity of funding and flexibility through the use of the group's cash resources and the bank overdraft facility if called upon.

CHARITABLE DONATIONS

Charitable donations amounting to £8,470 were made during the year.

EMPLOYMENT POLICY

The group's employment policies are regularly reviewed and updated to ensure they remain effective. Our overall aim is to create and sustain a high-performing organisation by building the commitment of our people.

We aim to provide a common awareness amongst employees of the financial and economic factors affecting the performance of the business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the directors have 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 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 the group and of the profit or loss of the group 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Report of the Directors
for the Year Ended 31 December 2022

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Chelepis Watson Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD:

S Marsh - Secretary

28 July 2023

Report of the Independent Auditors to the Members of Bike Alert Plc

Opinion

We have audited the financial statements of Bike Alert Plc (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 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 profit 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 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 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, 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 Directors 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 Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Bike Alert Plc**

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 Directors.

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 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 three, 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 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 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors to the Members of
Bike Alert Plc**

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.

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.

Based on our understanding of the group and the industry in which it operates, we identified that the principal risks of non-compliance with relevant laws and regulations related to Companies Act 2006, UK tax legislation, health and safety regulations and employment laws. Non-compliance with these laws and regulations might have a material effect on the financial statements.

We evaluated management's incentives and opportunity for fraudulent manipulation of the financial statement (including the risk of override of controls) and determined that the principal risks were posting of unusual journal entries outside the normal course of business. Under ISA 240 (UK) there is a presumed risk that revenue may be misstated due to the improper recognition of revenue to manipulate the group's performance measures and other key performance indicators.

Audit procedures performed included: review of the financial statements and disclosures to underlying supporting documentation, review of compliance with the above laws and regulations, enquiries with management, testing of journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

To address the risk of improper recognition of revenue, we obtained an understanding of the group's revenue recognition policies and compared these to the accounting standard, performed a walkthrough to confirm our understanding of the processes and controls through which the business initiates, records, processes and reports revenue transactions. We tested a sample of revenue transactions to supporting evidence and tested, on a sample basis, revenue related balances in the balance sheet.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, 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 or intentional misrepresentations, or through collusion.

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 Alert Plc**

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.

Georgios Georgiou (Senior Statutory Auditor)
for and on behalf of Chelepis Watson Ltd
Chartered Accountants and
Statutory Auditor
67 Westow Street
Upper Norwood
London
SE19 3RW

28 July 2023

Consolidated Income Statement
for the Year Ended 31 December 2022

	Notes	31.12.22 £	31.12.21 £
TURNOVER	4	34,871,631	37,748,577
Cost of sales		<u>(21,055,070)</u>	<u>(22,866,692)</u>
GROSS PROFIT		13,816,561	14,881,885
Distribution costs		<u>(427,932)</u>	<u>(377,451)</u>
Administrative expenses		<u>(4,874,335)</u>	<u>(4,281,189)</u>
		8,514,294	10,223,245
Other operating income		<u>129,294</u>	<u>200,237</u>
OPERATING PROFIT	7	8,643,588	10,423,482
Profit/(loss) on exchange	8	<u>1,540,400</u>	<u>(1,906,447)</u>
		10,183,988	8,517,035
Interest receivable and similar income	9	<u>90,059</u>	<u>8,873</u>
		10,274,047	8,525,908
Interest payable and similar expenses	10	<u>(2,774)</u>	<u>(26,953)</u>
PROFIT BEFORE TAXATION		10,271,273	8,498,955
Tax on profit	11	<u>(1,943,246)</u>	<u>(1,605,877)</u>
PROFIT FOR THE FINANCIAL YEAR		8,328,027	6,893,078
Profit attributable to:			
Owners of the parent		8,306,801	6,871,809
Non-controlling interests		<u>21,226</u>	<u>21,269</u>
		8,328,027	6,893,078

The notes on pages 16 to 29 form part of these financial statements

Consolidated Other Comprehensive Income
for the Year Ended 31 December 2022

	Notes	31.12.22 £	31.12.21 £
PROFIT FOR THE YEAR		8,328,027	6,893,078
OTHER COMPREHENSIVE INCOME			
Exchange adjustment		808,703	(304,196)
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>808,703</u>	<u>(304,196)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>9,136,730</u>	<u>6,588,882</u>
Total comprehensive income attributable to:			
Owners of the parent		9,086,858	6,642,060
Non-controlling interests		<u>49,872</u>	<u>(53,178)</u>
		<u>9,136,730</u>	<u>6,588,882</u>

Consolidated Balance Sheet
31 December 2022

	Notes	31.12.22 £	£	31.12.21 £	£
FIXED ASSETS					
Intangible assets	14		(275,703)		(211,782)
Tangible assets	15		10,879,794		9,188,023
Investments	16		-		-
Investment property	17		10,684,160		10,130,230
			<u>21,288,251</u>		<u>19,106,471</u>
CURRENT ASSETS					
Stocks	18	15,187,093		11,222,640	
Debtors	19	5,475,114		5,351,254	
Cash at bank and in hand		<u>35,083,030</u>		<u>35,816,784</u>	
		55,745,237		52,390,678	
CREDITORS					
Amounts falling due within one year	20	<u>9,524,463</u>		<u>9,587,019</u>	
NET CURRENT ASSETS			<u>46,220,774</u>		<u>42,803,659</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			67,509,025		61,910,130
CREDITORS					
Amounts falling due after more than one year	21		(34,001)		(26,884)
PROVISIONS FOR LIABILITIES	22		<u>(247,347)</u>		<u>(292,299)</u>
NET ASSETS			<u>67,227,677</u>		<u>61,590,947</u>
CAPITAL AND RESERVES					
Called up share capital	23		210,000		210,000
Share premium	24		40,000		40,000
Fair value reserve	24		(2,699,497)		(2,636,697)
Other reserves	24		9,384		9,384
Retained earnings	24		68,410,854		62,761,196
SHAREHOLDERS' FUNDS			<u>65,970,741</u>		<u>60,383,883</u>
NON-CONTROLLING INTERESTS	25		<u>1,256,936</u>		<u>1,207,064</u>
TOTAL EQUITY			<u>67,227,677</u>		<u>61,590,947</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 July 2023 and were signed on its behalf by:

C Boyiantzeas - Director

Company Balance Sheet
31 December 2022

	Notes	31.12.22 £	£	31.12.21 £	£
FIXED ASSETS					
Intangible assets	14		-		-
Tangible assets	15		4,103,784		4,253,212
Investments	16		2,761,637		2,761,637
Investment property	17		-		-
			6,865,421		7,014,849
CURRENT ASSETS					
Stocks	18	9,859,045		6,624,114	
Debtors	19	19,705,959		17,081,067	
Cash at bank and in hand		31,605,580		32,260,304	
		61,170,584		55,965,485	
CREDITORS					
Amounts falling due within one year	20	7,964,594		8,048,873	
NET CURRENT ASSETS			53,205,990		47,916,612
TOTAL ASSETS LESS CURRENT LIABILITIES			60,071,411		54,931,461
PROVISIONS FOR LIABILITIES	22		19,092		27,980
NET ASSETS			60,052,319		54,903,481
CAPITAL AND RESERVES					
Called up share capital	23		210,000		210,000
Share premium	24		40,000		40,000
Retained earnings	24		59,802,319		54,653,481
SHAREHOLDERS' FUNDS			60,052,319		54,903,481
Company's profit for the financial year			8,648,838		6,289,520

The financial statements were approved by the Board of Directors and authorised for issue on 28 July 2023 and were signed on its behalf by:

C Boyiantzeas - Director

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

	Called up share capital £	Retained earnings £	Share premium £	Fair value reserve £
Balance at 1 January 2021	210,000	61,294,460	40,000	(2,802,637)
Changes in equity				
Dividends	-	(5,000,000)	-	-
Total comprehensive income	-	6,466,736	-	165,940
Balance at 31 December 2021	210,000	62,761,196	40,000	(2,636,697)
Changes in equity				
Dividends	-	(3,500,000)	-	-
Total comprehensive income	-	9,149,658	-	(62,800)
Balance at 31 December 2022	210,000	68,410,854	40,000	(2,699,497)
	Other reserves £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2021	-	58,741,823	1,260,242	60,002,065
Changes in equity				
Dividends	-	(5,000,000)	-	(5,000,000)
Total comprehensive income	9,384	6,642,060	(53,178)	6,588,882
Balance at 31 December 2021	9,384	60,383,883	1,207,064	61,590,947
Changes in equity				
Dividends	-	(3,500,000)	-	(3,500,000)
Total comprehensive income	-	9,086,858	49,872	9,136,730
Balance at 31 December 2022	9,384	65,970,741	1,256,936	67,227,677

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

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2021	210,000	53,363,961	40,000	53,613,961
Changes in equity				
Dividends	-	(5,000,000)	-	(5,000,000)
Total comprehensive income	-	6,289,520	-	6,289,520
Balance at 31 December 2021	<u>210,000</u>	<u>54,653,481</u>	<u>40,000</u>	<u>54,903,481</u>
Changes in equity				
Dividends	-	(3,500,000)	-	(3,500,000)
Total comprehensive income	-	8,648,838	-	8,648,838
Balance at 31 December 2022	<u>210,000</u>	<u>59,802,319</u>	<u>40,000</u>	<u>60,052,319</u>

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	29	6,938,336	6,488,624
Interest paid		(2,774)	(26,953)
Tax paid		(2,542,769)	(1,484,939)
Net cash from operating activities		<u>4,392,793</u>	<u>4,976,732</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(9,785)	(1,990)
Purchase of tangible fixed assets		(1,849,332)	(340,557)
Purchase of investment property		(317,266)	(2,839,014)
Sale of tangible fixed assets		-	3,788
Interest received		90,059	8,873
Net cash from investing activities		<u>(2,086,324)</u>	<u>(3,168,900)</u>
Cash flows from financing activities			
Dividends paid		(3,500,000)	(5,000,000)
Net cash from financing activities		<u>(3,500,000)</u>	<u>(5,000,000)</u>
Decrease in cash and cash equivalents		<u>(1,193,531)</u>	<u>(3,192,168)</u>
Cash and cash equivalents at beginning of year	30	35,816,784	38,568,388
Effect of foreign exchange rate changes		459,777	440,564
Cash and cash equivalents at end of year	30	<u>35,083,030</u>	<u>35,816,784</u>

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

1. STATUTORY INFORMATION

Bike Alert Plc is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. STATEMENT OF COMPLIANCE

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.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value.

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 (see below).

The financial statements are presented in Sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Basis of consolidation

The consolidated financial statements include the results of Bike Alert Plc and its subsidiary undertakings made up to the year end date. The group profit and loss account includes the results of its subsidiary undertakings for the period from the date of their acquisition and up to the date of disposal.

Turnover and profits arising on trading between group companies are excluded.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Turnover

Turnover is measured at the fair value of the consideration receivable and represents the amounts receivable for goods supplied, net of value added tax and other sales taxes.

Goodwill

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life which ranges from 5 to 10 years.

Negative goodwill

Negative goodwill may arise on the acquisition of subsidiary and associated undertakings. It represents the difference between the fair value of the separable net assets and the fair value of the consideration for an acquired undertaking. On 15 June 2009 the company increased its shareholding in D J Demades & Sons Limited to 51%, which gave rise to a negative goodwill of £1,661,769. In accordance with FRS102, negative goodwill has been capitalised and amortised through the income statement in the period in which the non-monetary assets acquired are recovered. In the case of fixed assets this is the period over which they are depreciated or realised, and in the case of current assets, the period over which they are sold or otherwise realised.

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

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Freehold property	- Straight line over 33 to 50 years
Short leasehold	- 33% on cost
Plant and machinery	- 10% - 20% on cost
Fixtures and fittings	- 10% - 33% on cost
Motor vehicles	- 33.33% on cost

No depreciation is provided on freehold land.

Investment properties

Investment properties are shown at fair value, based on valuations by external independent valuers. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any aggregate surplus on revaluation is credited to the income statement.

Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

Stocks

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

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.

Deferred tax

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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

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

3. ACCOUNTING POLICIES - continued

Foreign currencies

Company

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.

Group

The assets and liabilities in the financial statements of the overseas subsidiary undertakings are translated at the closing rate of exchange ruling at the balance sheet date. The profit and loss transactions are translated at the average rate for the year. The exchange differences arising on the re-translation of opening net assets are taken directly to reserves.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the income statement 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.

Going concern

The financial statements have been prepared on the going concern basis. The directors have considered the company's and group's cash flow requirements for the 12 month period from the date of approval of these financial statements and have concluded that the company and group will be able to meet their liabilities as when they fall due for the period.

Financial instruments

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

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances and intra-group balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at cost and amortised cost are assessed for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised costs, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated cash flow discounted at the asset's original effective interest rate.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank overdraft and intra-group balances, 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.

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

4. TURNOVER

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

The whole of the turnover and profit before taxation from continuing activities is attributable to the manufacture and wholesale distribution of motor cycle parts.

Geographical analysis

Segmental analysis has not been provided on the bases that in the directors' opinion such information would be seriously prejudicial to the group's interest.

5. EMPLOYEES AND DIRECTORS

	31.12.22	31.12.21
	£	£
Wages and salaries	1,855,179	1,678,448
Social security costs	161,182	148,380
Other pension costs	21,247	18,961
	<u>2,037,608</u>	<u>1,845,789</u>

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

	31.12.22	31.12.21
Management and administration	55	53
Warehousing	<u>34</u>	<u>29</u>
	<u>89</u>	<u>82</u>

6. DIRECTORS' EMOLUMENTS

	31.12.22	31.12.21
	£	£
Directors' remuneration	<u>188,454</u>	<u>186,801</u>

7. OPERATING PROFIT

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

	31.12.22	31.12.21
	£	£
Other operating leases	260,125	236,321
Depreciation - owned assets	278,181	298,402
Goodwill amortisation	120,557	126,221
Negative goodwill amortisation	(54,172)	(54,172)
Computer software amortisation	7,758	6,591
Auditors' remuneration	<u>27,798</u>	<u>20,784</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022****8. EXCEPTIONAL ITEMS****Foreign exchange**

The group holds significant amounts of bank deposits in foreign currency denomination. In addition, the group has significant trading activity undertaken in foreign currency denomination. These can result in material fluctuations from one year to the next in profits or losses on exchange. The directors consider it appropriate and relevant to the understanding of the financial position of the company, that the profits and losses on exchange amount is shown as a separate item on the income statement, as it does not relate to the operating expenditure by nature. The loss/ profit on exchange during the year was £1,540,400 profit (2021 - £1,906,447 loss).

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.12.22	31.12.21
	£	£
Deposit account interest	76,936	8,209
Other interest	13,123	664
	<u>90,059</u>	<u>8,873</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.22	31.12.21
	£	£
Bank interest	457	14,938
Interest on overdue taxation	2,317	12,015
	<u>2,774</u>	<u>26,953</u>

11. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.12.22	31.12.21
	£	£
Current tax:		
UK corporation tax	1,645,879	1,129,553
Overseas tax	347,905	519,900
Total current tax	<u>1,993,784</u>	<u>1,649,453</u>
Deferred tax	(50,538)	(43,576)
Tax on profit	<u>1,943,246</u>	<u>1,605,877</u>

UK corporation tax has been charged at 19 % (2021 - 19 %).

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022****11. TAXATION - continued****Reconciliation of total tax charge 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 £
Profit before tax	<u>10,271,273</u>	<u>8,498,955</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	<u>1,951,542</u>	1,614,801
Effects of:		
Expenses not deductible for tax purposes	19,393	17,163
Income not taxable for tax purposes	(8,578)	(17,250)
Depreciation in excess of capital allowances	24,047	33,505
Utilisation of tax losses	-	(7,717)
Adjustments to tax charge in respect of previous periods	(2,813)	(7,308)
Goodwill and negative goodwill arising on consolidation	12,613	13,689
Overseas taxation losses carried forward	104	-
Other timing and taxation differences	9,335	9,181
Different tax rates on overseas earnings	(11,859)	(6,611)
Deferred tax	(50,538)	(43,576)
Total tax charge	<u>1,943,246</u>	<u>1,605,877</u>

Tax effects relating to effects of other comprehensive income

	31.12.22 Gross £	Tax £	Net £
Exchange adjustment	<u>808,703</u>	<u>-</u>	<u>808,703</u>
	31.12.21 Gross £	Tax £	Net £
Exchange adjustment	<u>(304,196)</u>	<u>-</u>	<u>(304,196)</u>

12. 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.

13. DIVIDENDS

	31.12.22 £	31.12.21 £
Ordinary shares of £1 each		
Interim	<u>3,500,000</u>	<u>5,000,000</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022****14. INTANGIBLE FIXED ASSETS****Group**

	Goodwill £	Negative goodwill £	Computer software £	Totals £
COST				
At 1 January 2022	631,114	(1,661,769)	45,521	(985,134)
Additions	-	-	9,785	9,785
Exchange differences	-	-	1,084	1,084
At 31 December 2022	<u>631,114</u>	<u>(1,661,769)</u>	<u>56,390</u>	<u>(974,265)</u>
AMORTISATION				
At 1 January 2022	510,556	(1,311,089)	27,181	(773,352)
Amortisation for year	120,557	(54,172)	7,758	74,143
Exchange differences	-	-	647	647
At 31 December 2022	<u>631,113</u>	<u>(1,365,261)</u>	<u>35,586</u>	<u>(698,562)</u>
NET BOOK VALUE				
At 31 December 2022	<u>1</u>	<u>(296,508)</u>	<u>20,804</u>	<u>(275,703)</u>
At 31 December 2021	<u>120,558</u>	<u>(350,680)</u>	<u>18,340</u>	<u>(211,782)</u>

On 15 June 2009 the group increased its shareholding in D J Demades & Son Limited from 40.21% to 51% which gave rise to a negative goodwill of £1,661,179. In accordance with FRS 102 the negative goodwill has been capitalised and amortised through the income statement in the period in which the non monetary assets acquired are recovered.

On 3 March 2017 the group acquired the entire share capital of Bike Alert Limited, a company incorporated in Cyprus. The goodwill arising on the acquisition amounted to £28,328. This has been capitalised and will be amortised through the income statement over 5 years.

On 4 January 2018 the group acquired the entire share capital of Bike Alert Alexopoulos EPE (now named Bike Alert Hellas S.A.), a company incorporated in Greece. The goodwill arising on the acquisition amounted to £602,786. This has been capitalised and will be amortised through the income statement over 5 years.

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

15. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Long leasehold £
COST			
At 1 January 2022	7,658,811	89,098	2,133,199
Additions	1,770,481	-	-
Disposals	-	-	-
Exchange differences	69,241	10,339	50,808
At 31 December 2022	9,498,533	99,437	2,184,007
DEPRECIATION			
At 1 January 2022	892,485	89,098	100,114
Charge for year	107,824	-	34,666
Eliminated on disposal	-	-	-
Exchange differences	5,217	10,339	2,385
At 31 December 2022	1,005,526	99,437	137,165
NET BOOK VALUE			
At 31 December 2022	8,493,007	-	2,046,842
At 31 December 2021	6,766,326	-	2,033,085

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2022	1,646,277	1,139,687	523,266	13,190,338
Additions	39,513	25,429	13,909	1,849,332
Disposals	(906)	(3,702)	-	(4,608)
Exchange differences	25,340	25,800	17,773	199,301
At 31 December 2022	1,710,224	1,187,214	554,948	15,234,363
DEPRECIATION				
At 1 January 2022	1,442,741	1,062,296	415,581	4,002,315
Charge for year	90,330	20,903	24,458	278,181
Eliminated on disposal	(906)	(3,702)	-	(4,608)
Exchange differences	22,617	23,267	14,856	78,681
At 31 December 2022	1,554,782	1,102,764	454,895	4,354,569
NET BOOK VALUE				
At 31 December 2022	155,442	84,450	100,053	10,879,794
At 31 December 2021	203,536	77,391	107,685	9,188,023

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022****15. TANGIBLE FIXED ASSETS - continued****Company**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2022	4,751,679	871,333	261,565	53,744	5,938,321
Additions	-	3,749	5,210	-	8,959
At 31 December 2022	4,751,679	875,082	266,775	53,744	5,947,280
DEPRECIATION					
At 1 January 2022	673,440	709,562	257,438	44,669	1,685,109
Charge for year	75,034	77,042	4,042	2,269	158,387
At 31 December 2022	748,474	786,604	261,480	46,938	1,843,496
NET BOOK VALUE					
At 31 December 2022	4,003,205	88,478	5,295	6,806	4,103,784
At 31 December 2021	4,078,239	161,771	4,127	9,075	4,253,212

16. FIXED ASSET INVESTMENTS**Company**

	Shares in group undertakings £
COST	
At 1 January 2022 and 31 December 2022	2,761,637
NET BOOK VALUE	
At 31 December 2022	2,761,637
At 31 December 2021	2,761,637

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

Name of company	Country of incorporation	Proportion of shares held	Principal activity
Bike Alert Inc	USA	100%	Motor cycle parts
D J Demades & Sons Limited	Cyprus	51%	Property investments
Bike Alert Limited	Cyprus	100%	Motor cycle parts
Bike Alert Hellas S.A.	Greece	100%	Motor cycle parts
Bike Alert Investments Limited *	Cyprus	100%	Property investments

* Held by a subsidiary undertaking

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022****17. INVESTMENT PROPERTY****Group**

	Total £
FAIR VALUE	
At 1 January 2022	10,125,722
Additions	317,266
Exchange differences	241,172
At 31 December 2022	<u>10,684,160</u>
DEPRECIATION	
At 1 January 2022	(4,508)
Exchange differences	4,508
At 31 December 2022	<u>-</u>
NET BOOK VALUE	
At 31 December 2022	<u>10,684,160</u>
At 31 December 2021	<u>10,130,230</u>

The investment properties are valued annually by the directors on an open market existing use basis. The carrying value of the investment properties have also been confirmed with the valuations carried out by the Cyprus Land Registry.

18. STOCKS

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Finished goods	<u>15,187,093</u>	11,222,640	<u>9,859,045</u>	6,624,114

19. DEBTORS

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,505,771	4,442,083	2,277,498	2,134,642
Amounts owed by group undertakings	-	-	16,385,601	14,444,663
Other debtors	434,701	159,336	1,348	1,096
Tax	610,914	61,929	417,684	-
VAT	744,790	562,349	535,884	421,572
Prepayments and accrued income	159,375	116,486	87,944	79,094
	<u>5,455,551</u>	5,342,183	<u>19,705,959</u>	17,081,067

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

19. DEBTORS - continued

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Amounts falling due after more than one year:				
Other debtors	<u>19,563</u>	<u>9,071</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>5,475,114</u>	<u>5,351,254</u>	<u>19,705,959</u>	<u>17,081,067</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Trade creditors	2,192,634	1,341,627	1,512,264	511,036
Tax	-	-	-	4,553
Social security and other taxes	125,104	114,350	74,930	79,764
Other creditors	57,524	89,296	28	2,641
Directors' current accounts	6,966,792	7,690,222	6,234,316	7,111,821
Accruals and deferred income	<u>182,409</u>	<u>351,524</u>	<u>143,056</u>	<u>339,058</u>
	<u>9,524,463</u>	<u>9,587,019</u>	<u>7,964,594</u>	<u>8,048,873</u>

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

	Group	
	31.12.22	31.12.21
	£	£
Other creditors	<u>34,001</u>	<u>26,884</u>

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Deferred tax	<u>247,347</u>	<u>292,299</u>	<u>19,092</u>	<u>27,980</u>

Group

	Deferred tax
	£
Balance at 1 January 2022	292,299
Credit to Income Statement during year	(50,538)
Exchange adjustments	5,207
Adjustment to prior year	379
Balance at 31 December 2022	<u>247,347</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022****22. PROVISIONS FOR LIABILITIES - continued****Company**

	Deferred tax £
Balance at 1 January 2022	27,980
Credit to Income Statement during year	(8,888)
Balance at 31 December 2022	<u>19,092</u>

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	31.12.22 £	31.12.21 £
210,000	Ordinary		<u>210,000</u>	<u>210,000</u>

24. RESERVES**Group**

	Retained earnings £	Share premium £	Fair value reserve £	Other reserves £	Totals £
At 1 January 2022	62,761,196	40,000	(2,636,697)	9,384	60,173,883
Profit for the year	8,306,801	-	-	-	8,306,801
Dividends	(3,500,000)	-	-	-	(3,500,000)
Exchange adjustments	842,857	-	(62,800)	-	780,057
At 31 December 2022	<u>68,410,854</u>	<u>40,000</u>	<u>(2,699,497)</u>	<u>9,384</u>	<u>65,760,741</u>

Company

	Retained earnings £	Share premium £	Totals £
At 1 January 2022	54,653,481	40,000	54,693,481
Profit for the year	8,648,838	-	8,648,838
Dividends	(3,500,000)	-	(3,500,000)
At 31 December 2022	<u>59,802,319</u>	<u>40,000</u>	<u>59,842,319</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022****25. NON-CONTROLLING INTERESTS**

	31.12.22	31.12.21
	£	£
Balance at 1 January 2021	1,207,064	1,260,242
Share of profit/(loss) in the year	21,226	21,269
Share of exchange adjustment	28,646	(74,447)
Balance at 31 December 2021	<u>1,256,936</u>	<u>1,207,064</u>

The non-controlling interest represents 49% of the issued share capital in D J Demades & Sons Limited.

26. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Included in creditors falling due within one year are the following interest free loans from the directors;

	31.12.22	31.12.21
	£	£
Group		
C Boyiantzeas	5,636,573	5,583,981
S Marsh	1,315,819	2,091,841
C Constantinou	14,400	14,400
	<u>6,966,792</u>	<u>7,690,222</u>
Company		
C Boyiantzeas	4,939,055	5,039,267
S Marsh	1,280,861	2,058,154
C Constantinou	14,400	14,400
	<u>6,234,316</u>	<u>7,111,821</u>

27. RELATED PARTY DISCLOSURES**Entities over which the entity has control, joint control or significant influence**

1) Bike Alert Plc owns 51% of the share capital of DJ Demades & Sons Limited. There is an interest free loan payable to Bike Alert Plc and as at 31 December 2022 the balance was £3,701,031 (2021 - £3,614,942).

The loan is secured by mortgage on the company's immovable property based in Nicosia and Limassol, Cyprus.

The loan is repayable to Bike Alert Plc at the earliest of:

- the sale of one, two or all of the company's immovable property on the condition that the total proceeds less any costs and taxes will be used for the repayment of the outstanding loan.

- the company's financial ability to repay the outstanding loan balance.

2) Bike Alert MCA Limited is a company that shares common ownership with the group. During the year sales of £125,034 were made to Bike Alert MCA Limited. The balance receivable as at 31 December 2022 was £205,396 (2021 - £146,765) and is included within trade debtors.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022****28. ULTIMATE CONTROLLING PARTY**

Throughout the year the company was under the control of Mr C Boyiantzeas, the major shareholder and managing director of the company.

29. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.22	31.12.21
	£	£
Profit before taxation	10,271,273	8,498,955
Depreciation charges	349,115	380,107
Finance costs	2,774	26,953
Finance income	(90,059)	(8,873)
	10,533,103	8,897,142
Increase in stocks	(3,964,453)	(1,862,636)
Decrease/(increase) in trade and other debtors	425,125	(312,767)
Decrease in trade and other creditors	(55,439)	(233,115)
Cash generated from operations	6,938,336	6,488,624

30. 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	35,083,030	35,816,784

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	35,816,784	38,568,388

31. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank and in hand	35,816,784	(733,754)	35,083,030
	35,816,784	(733,754)	35,083,030
Total	35,816,784	(733,754)	35,083,030

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.