

BETD COMPONENTS LIMITED

UNAUDITED  
FINANCIAL STATEMENTS

31 MARCH 2019



**ArmstrongWatson<sup>®</sup>**  
Accountants, Business & Financial Advisers

## **BETD COMPONENTS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	K J Lewis J Eeles (appointed 28 August 2018)
<b>Registered number</b>	09944217
<b>Registered office</b>	Millennium Way High Carr Business Park Newcastle Under Lyme Staffordshire ST5 7UF
<b>Accountants</b>	Armstrong Watson LLP Chartered Accountants Number 3 Acorn Business Park Airedale Business Centre Skipton North Yorkshire BD23 2UE
<b>Bankers</b>	HSBC Bank plc Hanley Stoke on Trent Staffordshire ST1 1DA

# **BETD COMPONENTS LIMITED**

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**BETD COMPONENTS LIMITED**  
**REGISTERED NUMBER: 09944217**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	4	4,812	6,250
Tangible assets	5	51,347	63,114
		<u>56,159</u>	<u>69,364</u>
<b>Current assets</b>			
Stocks		105,753	105,501
Debtors: amounts falling due within one year	6	29,733	20,177
Cash at bank and in hand		15,410	6,558
		<u>150,896</u>	<u>132,236</u>
Creditors: amounts falling due within one year	7	(182,669)	(175,252)
<b>Net current liabilities</b>		<u>(31,773)</u>	<u>(43,016)</u>
<b>Total assets less current liabilities</b>		<u>24,386</u>	<u>26,348</u>
Creditors: amounts falling due after more than one year	8	-	(1,557)
<b>Net assets</b>		<u><u>24,386</u></u>	<u><u>24,791</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		24,286	24,691
		<u><u>24,386</u></u>	<u><u>24,791</u></u>

**BETD COMPONENTS LIMITED**  
**REGISTERED NUMBER: 09944217**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2019**

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the Period in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**J Eeles**  
Director  
Date: 6 August 2019

The notes on pages 3 to 10 form part of these financial statements.

## **BETD COMPONENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019**

#### **1. General information**

The company is a limited liability by shares company incorporated and domiciled in the United Kingdom. The company is a tax resident in the United Kingdom. It trades from its registered office address at Millennium Way, High Carr Business Park, Newcastle Under Lyme, Staffordshire, ST5 7UF.

The principal activity of the company is the design, manufacture and sale of bicycle components.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## BETD COMPONENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

#### 2. Accounting policies (continued)

##### 2.3 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

###### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
Website	-	5	years

##### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 12.5% straight line
Fixtures and fittings	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

##### 2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

## **BETD COMPONENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019**

#### **2. Accounting policies (continued)**

##### **2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **2.8 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

##### **2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.10 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.



## **BETD COMPONENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019**

#### **2. Accounting policies (continued)**

##### **2.11 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the *carrying amount*. *Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.*

##### **2.12 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### **2.13 Pensions**

###### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

##### **2.14 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

##### **2.15 Taxation**

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

#### **3. Employees**

The average monthly number of employees, including directors, during the period was 2 (2018 - 2).

**BETD COMPONENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

**4. Intangible assets**

	Website £	Goodwill £	Total £
<b>Cost</b>			
At 1 April 2018	6,688	1,000	7,688
At 31 March 2019	6,688	1,000	7,688
<b>Amortisation</b>			
At 1 April 2018	1,338	100	1,438
Charge for the year	1,338	100	1,438
At 31 March 2019	2,676	200	2,876
<b>Net book value</b>			
At 31 March 2019	4,012	800	4,812
At 31 March 2018	5,350	900	6,250

**BETD COMPONENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

**5. Tangible fixed assets**

	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2018	73,476	10,327	83,803
At 31 March 2019	<u>73,476</u>	<u>10,327</u>	<u>83,803</u>
<b>Depreciation</b>			
At 1 April 2018	15,947	4,742	20,689
Charge for the Period on owned assets	2,185	2,582	4,767
Charge for the Period on financed assets	7,000	-	7,000
At 31 March 2019	<u>25,132</u>	<u>7,324</u>	<u>32,456</u>
<b>Net book value</b>			
At 31 March 2019	<u>48,344</u>	<u>3,003</u>	<u>51,347</u>
At 31 March 2018	<u>57,529</u>	<u>5,585</u>	<u>63,114</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Plant and machinery	<u>35,583</u>	42,583
	<u>35,583</u>	<u>42,583</u>

# **BETD COMPONENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019**

### **6. Debtors**

	2019 £	2018 £
Trade debtors	7,064	10,484
Other debtors	21,387	7,970
Prepayments and accrued income	1,282	1,723
	<u>29,733</u>	<u>20,177</u>

### **7. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	7,325	-
Amounts owed to group undertakings	165,653	148,501
Other taxation and social security	1,780	2,279
Obligations under finance lease and hire purchase contracts	1,556	18,666
Other creditors	179	56
Accruals and deferred income	6,176	5,750
	<u>182,669</u>	<u>175,252</u>

### **8. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Obligations under finance leases and hire purchase contracts	-	1,557
	<u>-</u>	<u>1,557</u>

### **Secured loans**

The obligations under finance lease and hire purchase contracts are secured by charges over the assets acquired under relevant agreements.

## BETD COMPONENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

#### 9. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	1,557	18,666
Between 2-5 years	-	1,557
	<u>1,557</u>	<u>20,223</u>

#### 10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £877 (2018 - £156) . Contributions totalling £180 (2018 - £56) were payable to the fund at the reporting date and are included in creditors.

#### 11. Related party transactions

Included within creditors, amounts due within one year is an amount owed to KMF Precision Engineering Limited, a fellow subsidiary undertaking, of £55,058 (2018 - £46,862). The balance is interest free and repayable on demand.

The company has taken advantage of the exemption contained in Section 33 of Financial Reporting Standard 102 'Related Party Disclosures' from disclosing transactions with entities which are part of the group, since 100% of the voting rights in the company are controlled within the group, and the company is included within the group accounts which are publicly available.

#### 12. Controlling party

The company is a wholly owned subsidiary undertaking of KMF Group Limited, a company registered in England and Wales.

KMF Group Limited is a wholly owned subsidiary undertaking of KMF Group Holdings Limited, a company registered in England and Wales.

KMF Group Holdings Limited is under the control of G M Higgins and his close family members who are interested in 100% of the issued share capital. .

The consolidated financial statements of KMF Group Holdings Limited are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.