

Registration number: 10182074

Performance Cycling Holdings Limited

Annual Report and Financial Statements

for the Period from 2 April 2022 to 31 March 2023



Performance Cycling Holdings Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3 to 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 9
Statement of Profit or Loss and Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 to 17

Performance Cycling Holdings Limited

Company Information

Directors J Hartley
G Stapleton
Company secretary T O' Gorman

Registered office Icknield Street Drive
Washford West
Redditch
Worcestershire
B98 0DE

Auditors BDO LLP
55 Baker Street
London
W1U 7EU

Performance Cycling Holdings Limited

Strategic Report for the Period from 2 April 2022 to 31 March 2023

The Directors present their strategic report on the Company together with the audited financial statements for the 52 week period ended 31 March 2023; comparatives are for the 52 week period ended 1 April 2022.

Principal activities

The Company's principal activity during the period was that of an intermediate holding company.

Review of the business and future developments

The Company's underlying trading entity Performance Cycling Limited is an online retailer of premium bikes and cycling parts, accessories and clothing, which trades UK-wide under the brand Tredz, and the UK's largest provider of bicycle replacement for insurance companies which trades under the brand Wheelies.

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

Results and dividends

During the current and prior period the Company did not trade. Consequently, during the current and prior period the Company made neither a profit or loss and there were no items of other comprehensive income. Net assets for the period ended 31 March 2023 were £24,661,000 (2022: £24,661,000).

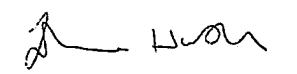
As the company does not trade no KPIs are relied on to monitor performance.

No interim dividend was paid (2022: £nil). The Director does not recommend a final dividend (2022:£nil).

Principal risks and uncertainties

The Director considers the only risk to the Company to be in respect of its investment in subsidiaries. The Director monitors this closely and is confident that its investment is recoverable.

Approved by the board on 28 September 2023 and signed on its behalf by:



.....
J Hartley
Director

Performance Cycling Holdings Limited

Directors' Report for the Period from 2 April 2022 to 31 March 2023

The Directors present their annual report together with the audited financial statements for the 52 week period ended 31 March 2023; comparatives are for the 52 week period ended 1 April 2022.

Directors' of the company

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

J Hartley (appointed 16 June 2022)

G Stapleton

L Woodhouse (Resigned 16 June 2022)

Remuneration of directors

The Directors did not receive any remuneration from the Company during the period (2022: £nil).

Charitable donations and political donations

During the period the Company made no charitable donations or political contributions (2022: £nil).

Staff

The Company does not directly employ any individuals (2022: nil).

Going concern

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The going concern assessment for the Company is therefore linked to that of the wider group headed by Halfords Group plc.

In determining the appropriate basis of preparation of the financial statements for the Company for the period ended 31 March 2023, the Directors are required to consider whether the company can continue in operational existence for at least 12 months from the date of approval of the financial statements.

The Directors have concluded that it is appropriate to adopt the Going Concern basis, having considered the going concern assessment undertaken by Halfords Group plc ("Group"), which included the Company. As detailed in the Group's annual report, in determining the appropriate basis of preparation of the financial statements for the year ended 31 March 2023, the Group Directors reviewed financial forecasts and projections to 30 June 2024. Within these financial projections, management reviewed profit and net cash flow and tested financial covenants in the period. No issues were found. Further details of these reviews can be found in the Going Concern and Viability Statement in the Group's Annual Report, which does not form part of this report. This analysis has then been extended to September 2024 and factors in post year end performance for the purposes of the subsidiary financial statement approvals.

The ultimate parent company, Halfords Group plc, has a revolving credit facility of £180m at the date of approval of these financial statements, which expires on 4 December 2025, and has no other debtor facilities.

Based on the analysis completed, the Group has adequate bank facilities available and the Directors therefore have a reasonable expectation that the Group and the Company will be able to continue in operation and meet their liabilities as they fall due, retain sufficient available cash and not breach any covenants under any drawn facilities for at least 12 months from the date of approval of the financial statements. They do not consider there to be a material uncertainty relating to the Group's and the Company's ability to continue as a going concern.

Performance Cycling Holdings Limited

Directors' Report for the Period from 2 April 2022 to 31 March 2023

Matters covered in the Strategic Report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to the principal risks to which the company is exposed and future developments.

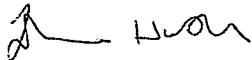
Disclosure of information to the auditors

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

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of BDO LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the board on 28 September 2023 and signed on its behalf by:



.....
J Hartley
Director

Performance Cycling Holdings Limited

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law they 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Performance Cycling Holdings Limited

Independent auditor's report to the members of Performance Cycling Holdings Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its result for the period 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.

We have audited the financial statements of Performance Cycling Holdings Limited (the 'company') for the period ended 31 March 2023, which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Directors' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Performance Cycling Holdings Limited

Independent auditor's report to the members of Performance Cycling Holdings Limited

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Performance Cycling Holdings Limited

Independent auditor's report to the members of Performance Cycling Holdings Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be Companies Act 2006 and the financial reporting standard FRS 101.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Our procedures in respect of the above included:

- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to risks of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Performance Cycling Holdings Limited

Independent auditor's report to the members of Performance Cycling Holdings Limited

Based on our risk assessment, we considered the areas most susceptible to fraud to be:

- Management override of controls - bias in assessing the carrying value of investments and intercompany receivables

Our procedures in respect of the above included:

- Challenging assumptions and judgements made by management in their accounting estimates and judgements, in relation to the point noted above.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, 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. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BDO LLP

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Diane Campbell (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

55 Baker Street
London
W1U 7EU

28 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Performance Cycling Holdings Limited

Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 March 2023

During the current and prior period the Company did not trade. Consequently, during the current and prior period the Company made neither a profit or loss and there were no items of other comprehensive income.

The notes on pages 13 to 17 form an integral part of these financial statements.

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Performance Cycling Holdings Limited

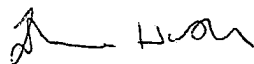
(Registration number: 10182074)

Balance Sheet as at 31 March 2023

	Note	31 March 2023 £ 000	1 April 2022 £ 000
Fixed assets			
Investments	2	24,395	24,395
Current assets			
Debtors	3	266	266
Net assets		<u>24,661</u>	<u>24,661</u>
Capital and reserves			
Called up share capital	4	24,604	24,604
Profit and loss account		<u>57</u>	<u>57</u>
Shareholders' funds		<u>24,661</u>	<u>24,661</u>

The notes on pages 13 to 17 form an integral part of these financial statements.

Approved by the board on 28 September 2023 and signed on its behalf by:



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J Hartley
Director

Performance Cycling Holdings Limited

Statement of Changes in Equity for the Period from 2 April 2022 to 31 March 2023

	Called up share capital £ 000	Profit And Loss Account £ 000	Total Equity £ 000
At 3 April 2021	24,604	57	24,661
Total comprehensive income	-	-	-
At 1 April 2022	24,604	57	24,661
At 2 April 2022	24,604	57	24,661
Total comprehensive income	-	-	-
At 31 March 2023	24,604	57	24,661

The notes on pages 13 to 17 form an integral part of these financial statements.

Performance Cycling Holdings Limited

Notes to the Financial Statements for the Period from 2 April 2022 to 31 March 2023

1 Significant Accounting policies

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

Basis of preparation

Performance Cycling Holdings Limited ("the Company") is a private company incorporated and domiciled in the UK.

The Company's principal activity during the period was that of an intermediate holding company.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

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

The company is a wholly owned subsidiary of Halfords Group Holdings Limited and of its ultimate parent, Halfords Group Plc. It is included in the consolidated financial statements of Halfords Group Plc, which are publicly available. Therefore, the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is Icknield Street Drive, Washford West, Redditch, Worcestershire, B98 0DE.

These financial statements are separate financial statements.

The financial statements are prepared for the period up to the Friday closest to 31 March. Consequently, the financial statements for the current period cover the 52 week period to 31 March 2023 whilst the comparative period covered the 52 weeks to 1 April 2022.

Summary of disclosure exemptions

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

- IFRS 7 - 'Financial instruments: Disclosures'.
- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 111 (cash flow statement information);
 - 134-136 (capital management disclosures)
- IAS 7 - 'Statement of cash flows'.

Notes to the Financial Statements for the Period from 2 April 2022 to 31 March 2023

- Paragraphs 30 and 31 of IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24 - 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' (to disclose related party transactions entered into between two or more members of a group).

Going concern

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

The financial statements have been prepared on the going concern basis, which the Directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Halfords Group plc, the Company's ultimate parent. Halfords Group plc has indicated that for at least 12 months from the date of approval of these financial statements ("going concern assessment period"), it will continue to make available such funds as are needed by the Company, and in particular will not seek repayment of the amounts currently made available unless the company has the means to pay. The Directors consider that this will enable the Company to continue in operational existence for the going concern assessment period by meeting its liabilities as they fall due for payment.

In determining the appropriate basis of preparation of the financial statements for the year ended 31 March 2023, the Group Directors reviewed financial forecasts and projections to 30 June 2024. Within these financial projections, management reviewed profit and net cash flow and tested financial covenants in the period. No issues were found. Further details of these reviews can be found in the Going Concern and Viability Statement in the Group's Annual Report, which does not form part of this report. This analysis has then been extended to September 2024 and factors in post year end performance for the purposes of the subsidiary financial statement approvals.

The ultimate parent company, Halfords Group plc, has a revolving credit facility of £180m at the date of approval of these financial statements, which expires on 4 December 2025, and has no other debt or facilities.

On the basis of the availability of the Group banking facility, the Directors assessment of the Company's financial position and the enquiries made of the Directors of Halfords Group plc, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the for the going concern assessment period.

Investments

Investments in subsidiary undertakings are stated at the original cost of the investment. Provision is made against cost where, in the opinion of the Directors, the carrying value of the investments has been impaired.

Financial assets

Debtors are assets with fixed or determined payments that are not quoted on an active market. These are initially recognised at fair value plus transaction costs, and subsequently quoted at amortised cost.

Performance Cycling Holdings Limited

Notes to the Financial Statements for the Period from 2 April 2022 to 31 March 2023

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2 Investments

Shares in group undertakings £ 000

Cost

At 2 April 2022	24,395
At 31 March 2023	<u>24,395</u>

In the opinion of the Directors the value of the investment in the subsidiary undertakings is not less than the amount shown above.

Details of the subsidiaries as at 31 March 2023 are as follows:

Name of subsidiary	Principal activity	Registered office	% ownership of ordinary equity shares
Performance Cycling Limited*	Retailing of cycles and cycle accessories	Icknield Street Drive, Redditch, Worcestershire, B98 0DE England & Wales	100%
Wheelies Direct Limited*	Dormant	Icknield Street Drive, Redditch, Worcestershire, B98 0DE	100%
Tredz Limited	Dormant	Icknield Street Drive, Redditch, Worcestershire, B98 0DE England & Wales	100%
Giant (Wales) Limited	Dormant	Icknield Street Drive, Redditch, Worcestershire, B98 0DE England & Wales	100%

* indicates direct investment of the company

Performance Cycling Holdings Limited

Notes to the Financial Statements for the Period from 2 April 2022 to 31 March 2023

3 Debtors

	31 March 2023 £ 000	1 April 2022 £ 000
Debtors falling due within one year	266	266
Amounts owed by group undertakings		

All amounts owed by group undertakings are repayable on demand however, these amounts are not expected to be repaid within 12 months of the balance sheet date.

4 Share capital

Allotted, called up and fully paid shares

	31 March 2023 Number of shares	£ 000	1 April 2022 Number of shares	£ 000
Ordinary shares of £1 each of £1 each	24,603,948	24,604	24,603,948	24,604

5 Reserves

Reserve	Description and purpose
Share capital	Nominal value of share capital prescribed for.
Profit and loss account	All other net gains and losses and transactions with owners not recognised elsewhere.

6 Contingent liabilities

The Group's banking arrangements include the facility for the bank to provide a number of guarantees in respect of liabilities owed by the Group during the course of its trading. In the event of any amount being immediately payable under the guarantee, the bank has the right to recover the sum in full from the Group. The total amount of guarantees in place at 31 March 2023 amounted to £0.4m (2022: £1.5m). The company is also a guarantor of the Group's borrowing facility a £180m revolving credit facility which began on 4 December 2020 and expires on 4 December 2025.

Performance Cycling Holdings Limited

Notes to the Financial Statements for the Period from 2 April 2022 to 31 March 2023

7 Parent and ultimate parent undertaking

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

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

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

In the opinion of the Directors there is no ultimate controlling party of the Company.