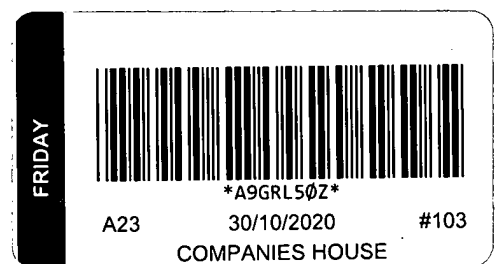


Registered number: 01815263

BPW LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



BPW LIMITED

COMPANY INFORMATION

Directors	N Groves A Kotz F M Pfeiffer S B Turton
Company secretary	D J Smith
Registered number	01815263
Registered office	Legion Way Meridian Business Park Leicester LE19 1UZ
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 11 Merus Court Meridian Business Park Leicester LE19 1RJ
Bankers	HSBC Bank Plc 2-6 Gallowtree Gate Leicester LE1 1DA

BPW LIMITED

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BPW LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2019.

Principal Activity

The Company's principal activity is that of importation, assembly and distribution of axles, suspensions and transport equipment.

Business review

The directors are satisfied with the trading performance during the year, in what was challenging market conditions. The revenue in 2019 was £72,946,891 which represents a decrease of £3,973,480 (5%) over 2018.

Exceptional costs of £Nil (2018 - £2,500,000) have been recognised in respect of an impairment in the intercompany debtor owed by EMS-FP&S Limited upon assessment of its value in use as part of assessing the recoverable amount.

The balance sheet remains healthy with net current assets of £7,458,190 (2018 - £11,807,388) and net assets of £23,219,073 (2018 - £21,878,592).

The directors consider that the Company's market place remains very competitive. The Company's strategy continues to be to supply quality products and ensure those products are supported by responsive service. The directors are content that the strategy remains deliverable and is being delivered effectively.

The key performance indicators used by the Board to judge the success of the business are the key financial numbers being net assets, turnover and profitability. Profitability has continued to be affected by the weakening of sterling against the Euro.

The directors believe that the market place will remain competitive for the foreseeable future. They intend to maintain the Company's position in the market place and consider that the strength of their balance sheet makes them ideally placed to achieve this.

BPW LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the Company are in the following categories:

Economic risk

The risk of increased interest rates and inflation having an adverse impact on the market place.

The risk of increases in labour and other costs impacting adversely on the competitiveness of the company and its major customers. These are managed by strict control of costs.

Competitor risk

The directors manage competition risk through close attention to customer service levels.

Financial risk

The Company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk.

Foreign exchange risk

The Company imports a significant amount of goods from overseas, specifically from within the Eurozone. The company manages its foreign exchange risk via hedging its Euro exposure using forward currency contracts.

COVID-19

The world is presently experiencing unprecedented times with the COVID-19 outbreak. All businesses will undoubtedly experience a variety of difficulties as a result of the pandemic. However, the Company has a strong Balance Sheet and with correct management of cash flow we do not expect there to be any permanent damage to the long term future of the business. We fully expect the Company to continue as a going concern.

Please refer to the basis of preparation of financial statements accounting policy at 2.1.

No known additional bad debts have been identified as a result of COVID-19.

People in our business

The continued success of the Company has been achieved by the people working in it. There are many long serving members of staff and the relatively low turnover of personnel reflects the general policy of providing good terms and conditions of employment while dealing with staff as well as the other stakeholders in the business, in a fair and consistent manner. Their continued loyalty and hard work is much appreciated.

BPW LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Financial instruments

The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

Its financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency risks. It aims to pay suppliers in accordance with their stated terms, matching the maturity of the currency purchases.

The Company is exposed to interest rate fluctuations on its bank loan but does not consider this to be material to an assessment of its financial position or profit.

Directors' statement of compliance with duty to promote the success of the Group**Section S172 (1) Statement**

During the year, the directors have had regard to the matters set out in S172 (1) (a) to (f) of the Companies Act 2006 whilst performing their duties. Whilst making decisions the directors ensure that they have acted in good faith, in a way they believe would promote the success of the Company for the benefit of its members as a whole.

Specifically, the directors have considered the following:-

- a. The likely consequences of any decision in the long term;
- b. The interests of the Company's employees;
- c. The need to foster the Company's business relationships with suppliers, customers and others;
- d. The impact of the Company's operations on the community and the environment;
- e. The desirability of the Company maintaining a reputation for high standards of business conduct; and
- f. The need to act fairly between members of the company.

S172 (1) (a) The likely consequences of any decision in the long term

The directors understand the business and the environment in which it operates. This is key to understanding the likely consequences of any long term decisions. There is a clear plan for growth which ensures they continue to sell quality products, satisfying customer and shareholder needs, amongst other stakeholders.

Continually improving environmental performance and operating methods are integral and fundamental parts of the business strategy. This strategy is key to ensuring the Company is delivering on their duty of care for the benefit of future generations.

S172 (1) (b) The interests of the Company's employees

The directors recognise that the employees are key to the business and its success. What makes them different is their approach to relationships, which extends past the expected customer focus, to all their employees. Employee welfare and wellbeing is of utmost importance and they ensure all employees work in a safe and healthy environment and this is supported through regular external health and safety compliance checks. The directors regularly engage with employees through internal communication methods. When making decisions, the directors consider which course of action best delivers the company strategy in the long term, taking into consideration all stakeholders of the Company, including the employees.

S172 (1) (c) The need to foster the Company's business relationships with suppliers, customers and others

The directors recognise that building relationships with suppliers and customers is also key to the success of the business. Their objective is to become a key partner, delivering quality products each time. This can only be achieved if they are also building relationships with their key suppliers. The directors recognise that working with

BPW LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

suppliers and customers is also key to ensuring the impact to the environment is minimised.

S172 (1) (d) The impact of the Company's operations on the community and the environment

BPW Limited recognise the importance of minimising the impact of their operations on the community and environment.

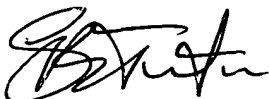
S172 (1) (e) The desirability of the Company maintaining a reputation for high standards of business conduct

The Company is committed to improving quality and reducing any environmental impact, as noted above. This ensures that their reputation within the local community is maintained.

S172 (1) (f) The need to act fairly between members of the Company

When making decisions, the directors consider which course of action best delivers the Company strategy in the long term, taking into consideration all stakeholders of the Company.

This report was approved by the board and signed on its behalf.



.....
S B Turton
Director

Date: 29.10.2020

BPW LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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;
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,340,487 (2018 - loss £1,543,971).

The directors do not propose a dividend for the year (2018 - £Nil).

Directors

The directors who served during the year were:

N Groves
A Kotz
F M Pfeiffer
S B Turton

BPW LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Engagement with employees

During the year, the policy of providing employees with information about the Company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Engagement with suppliers, customers and others

How we engage with customers and suppliers is covered in our Strategic Report on page 2.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development to disabled employees wherever appropriate.

Qualifying third party indemnity provisions

During the year and up to the date of this report directors' indemnity insurance was in place. This covers all qualifying directors.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

The only significant event that has been noted post balance sheet is the outbreak of COVID-19. Please refer to the Strategic Report and the basis of preparation of financial statements accounting policy at 2.1 for further information. There have been no other significant events affecting the Company since the year end.

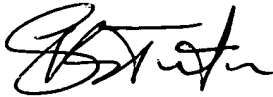
Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

BPW LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board and signed on its behalf.



.....
S B Turton
Director

Date: 29-10-2020

Legion Way
Meridian Business Park
Leicester
LE19 1UZ

BPW LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BPW LIMITED

Opinion

We have audited the financial statements of BPW Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, 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 Company's affairs as at 31 December 2019 and of its 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report 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 there is a material

BPW LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BPW LIMITED (CONTINUED)

misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 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.

Matters on which we are required to report by exception

In the 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 or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

BPW LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BPW LIMITED (CONTINUED)

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

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

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Shiran Wynter ACA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 29/10/20

BPW LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	72,946,891	76,920,371
Cost of sales		(66,174,209)	(70,216,186)
Gross profit		6,772,682	6,704,185
Distribution costs		(278,092)	(322,636)
Administrative expenses		(5,164,098)	(5,260,634)
Exceptional administrative expenses		-	(2,500,000)
Other operating income	5	49,431	15,356
Operating profit/(loss)	6	1,379,923	(1,363,729)
Interest receivable and similar income	10	364	837
Interest payable and similar expenses	11	(105,979)	(209,727)
Profit/(loss) before tax		1,274,308	(1,572,619)
Tax on profit/(loss)	12	66,179	28,648
Profit/(loss) for the financial year		1,340,487	(1,543,971)

There were no recognised gains and losses for 2019 or 2018 other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for 2019 (2018 - £Nil).

The notes on pages 15 to 34 form part of these financial statements.

BPW LIMITED
REGISTERED NUMBER: 01815263

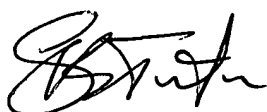
BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	14		5,478,344		5,625,943
Investments	15		12,180,224		6,180,224
			<u>17,658,568</u>		<u>11,806,167</u>
Current assets					
Stocks	16	6,325,569		5,611,114	
Debtors: amounts falling due within one year	17	28,324,433		36,239,704	
Cash at bank and in hand	18	1,517,119		-	
			<u>36,167,121</u>	<u>41,850,818</u>	
Current Liabilities					
Creditors: amounts falling due within one year	19	(28,708,931)		(30,043,430)	
			<u>7,458,190</u>		<u>11,807,388</u>
Net current assets					
			<u>25,116,758</u>		<u>23,613,555</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	20		(665,466)		(726,260)
Provisions for liabilities					
Other provisions	23	(1,232,213)		(1,008,703)	
			<u>(1,232,213)</u>		<u>(1,008,703)</u>
Net assets			<u>23,219,079</u>		<u>21,878,592</u>
Capital and reserves					
Called up share capital	24		10,000,000		10,000,000
Share premium account	25		4,970,700		4,970,700
Profit and loss account	25		8,248,379		6,907,892
			<u>23,219,079</u>		<u>21,878,592</u>

BPW LIMITED
REGISTERED NUMBER: 01815263

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

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



.....
S B Turton
Director

Date: 29.10.2020

The notes on pages 15 to 34 form part of these financial statements.

BPW LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	10,000,000	4,970,700	6,907,892	21,878,592
Comprehensive income for the year				
Profit for the year	-	-	1,340,487	1,340,487
At 31 December 2019	10,000,000	4,970,700	8,248,379	23,219,079

The notes on pages 15 to 34 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	5,000,000	-	8,451,863	13,451,863
Comprehensive income for the year				
Loss for the year	-	-	(1,543,971)	(1,543,971)
Shares issued during the year	5,000,000	4,970,700	-	9,970,700
At 31 December 2018	10,000,000	4,970,700	6,907,892	21,878,592

The notes on pages 15 to 34 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

BPW Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is Legion Way, Meridian Business Park, Leicester, LE19 1UZ.

The principal activity of the Company is that of importation, assembly and distribution of axles, suspensions and transport equipment.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

After reviewing the Company's projections, taking into account the effects of the global pandemic and lockdown measures, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial information. Post year end, the Company has continued to be profitable despite the impact of COVID-19 and has continued to strengthen their cash position. The strong Balance Sheet held at the year end would enable the Company to access borrowing should they require it and they have an agreed overdraft in place to support their short-term financing needs.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company's functional and presentational currency is British Pound Sterling (£).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of BPW Finans A/S as at 31 December 2019 and these financial statements may be obtained from Vrandrupvej 2, DK-6000 Kolding, Denmark.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 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.

All foreign exchange gains and losses are recognised in the statement of comprehensive income within administrative expenses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.5 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income 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.

2.7 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.9 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.10 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 comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)**2.13 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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method or reducing balance method.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance
Office equipment	-	25% straight line
Computer equipment	-	25% straight line
Assembly jig	-	13% 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 comprehensive income.

For the purposes of disclosure in note 14, motor vehicles are included within the plant & machinery category and assembly jigs, office and computer equipment are included within the fixtures and fittings category.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 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 first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

2.16 Debtors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice. 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.

2.18 Creditors

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

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.20 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 ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.20 Financial instruments (continued)

contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in administrative expenses. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgments:

Determining whether leases entered into by the company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Determining whether there are indicators of impairment of the company's investments and tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cashgenerating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

Tangible fixed assets

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Investments

Determining whether a fixed asset investment is impaired requires a comparison of the carrying value of the related investment to its reported net assets at the balance sheet date together with consideration of its future expected financial performance. An impairment charge is made if the net assets are less than the carrying value of the related investment and there is no reasonably foreseeable reversal of these circumstances.

Recoverability of intercompany receivables

Determining whether intercompany receivables are impaired requires a comparison of the carrying value of the amounts owed by individual group companies to the reported net assets at the balance sheet date together with a consideration of its future expected financial performance to assess the amounts that are expected to be recoverable. An impairment charge is made if the net assets are less than the carrying value of the receivables and there is no reasonably foreseeable reversal of these circumstances.

Provisions

The critical estimates, assumptions and judgments relate to the determination of the level of claims for remedial work that will be received, and the expected costs incurred to correct any defect with products which are covered under warranties. In determining these amounts, the company considers the repair/remedial process involved based on experience as well as considering the historical position of such claims to assess the potential for future claims.

BPW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Turnover

The whole of the turnover is attributable to one class of business.

In the opinion of the directors, the disclosure of geographical analysis would be seriously prejudicial to the interests of the company. Therefore, this information has been omitted.

5. Other operating income

	2019 £	2018 £
Commissions receivable	49,431	15,356
	<u>49,431</u>	<u>15,356</u>

6. Operating profit/(loss)

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

	2019 £	2018 £
Depreciation of tangible fixed assets	396,324	422,923
Exchange differences	(481,901)	131,155
Other operating lease rentals	4,005	6,836
Loss/(profit) on disposal of fixed assets	900	(6,024)
	<u>900</u>	<u>(6,024)</u>

7. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	25,000	18,280
	<u>25,000</u>	<u>18,280</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

BPW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	3,265,424	3,123,660
Social security costs	351,582	298,824
Cost of defined contribution scheme	402,554	403,352
	<u>4,019,560</u>	<u>3,825,836</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Office and management	34	30
Selling and distribution	27	28
Assembly and production	17	16
	<u>78</u>	<u>74</u>

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	494,910	483,940
Company contributions to defined contribution pension schemes	37,125	44,620
	<u>532,035</u>	<u>528,560</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £205,733 (2018 - £228,669).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20,250 (2018 - £25,498).

BPW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Interest receivable

	2019 £	2018 £
Other interest receivable	364	837
	<u>364</u>	<u>837</u>

11. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	22,974	15,189
Loans from group undertakings	83,005	194,538
	<u>105,979</u>	<u>209,727</u>

12. Taxation

	2019 £	2018 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(66,179)	(28,648)
Total deferred tax	<u>(66,179)</u>	<u>(28,648)</u>
Taxation on loss on ordinary activities	<u>(66,179)</u>	<u>(28,648)</u>

BPW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	<u>1,274,308</u>	<u>(1,572,619)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	242,119	(298,798)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(39,742)	439,317
Other differences leading to an increase (decrease) in the tax charge	-	5,796
Group relief	<u>(268,556)</u>	<u>(174,963)</u>
Total tax charge for the year	<u>(66,179)</u>	<u>(28,648)</u>

13. Exceptional items

	2019 £	2018 £
Impairment of amounts owed to group undertakings	-	2,500,000
	<u>-</u>	<u>2,500,000</u>

The impairment of amounts owed to group undertakings is in relation to adjustments to the carrying value of the debtor owed by EMS-FP&S Limited upon assessment of its value in use as part of assessing the recoverable amount.

BPW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 January 2019	5,519,387	2,357,435	1,543,847	9,420,669
Additions	-	233,696	18,671	252,367
Disposals	-	(20,899)	-	(20,899)
At 31 December 2019	5,519,387	2,570,232	1,562,518	9,652,137
Depreciation				
At 1 January 2019	992,350	1,686,519	1,115,857	3,794,726
Charge for the year	81,447	209,717	105,160	396,324
Disposals	-	(17,257)	-	(17,257)
At 31 December 2019	1,073,797	1,878,979	1,221,017	4,173,793
Net book value				
At 31 December 2019	4,445,590	691,253	341,501	5,478,344
At 31 December 2018	4,527,037	670,916	427,990	5,625,943

The total value of land not depreciated within freehold property is £1,447,000 (2018: £1,447,000).

BPW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	6,180,224
Additions	6,000,000
At 31 December 2019	<u>12,180,224</u>

During the prior year, the trade of EMS (Truck and Trailer Parts) Limited was hived across to FP&S Parts and Service Limited, which subsequently changed its name to EMS-FP&S Limited. After paying a dividend equivalent to the net assets of £1,238,019 at the date of the hive across, EMS (Truck and Trailer Parts) Limited became dormant.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Transpec Limited	Distribution of spare parts for commercial vehicles	Ordinary	100%
EMS-FP&S Limited	Distribution of spare parts of commercial vehicles	Ordinary	100%
EMS (Truck and Trailer Parts) Limited	Dormant	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Transpec Limited	-	-
EMS-FP&S Limited	1,392,738	(2,950,426)
EMS (Truck and Trailer Parts) Limited	-	-

BPW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Stocks

	2019 £	2018 £
Raw materials and consumables	3,730,467	3,513,675
Finished goods and goods for resale	2,595,102	2,097,439
	<u>6,325,569</u>	<u>5,611,114</u>

An impairment loss of £177,932 (2018 - £2,625) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

17. Debtors

	2019 £	2018 £
Trade debtors	21,936,517	27,330,777
Amounts owed by group undertakings	5,594,817	8,514,048
Other debtors	186,665	36,987
Prepayments and accrued income	535,982	353,619
Deferred taxation	70,452	4,273
	<u>28,324,433</u>	<u>36,239,704</u>

As at the year-end the Company was owed £5,019,734 (2018 - £8,381,977) by EMS-FP&S Limited (formerly FP&S Parts and Service Limited) against which a bad debt provision of £1,700,000 (2018 - £1,700,000) is held.

18. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,517,119	-
Less: bank overdrafts	(11,637,323)	(3,500,473)
	<u>(10,120,204)</u>	<u>(3,500,473)</u>

BPW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	11,637,323	3,500,473
Bank loans	94,521	92,163
Trade creditors	1,595,989	1,503,657
Amounts owed to group undertakings	11,041,764	20,397,642
Other taxation and social security	1,514,128	2,777,490
Other creditors	602,016	-
Accruals and deferred income	2,223,190	1,772,005
	<u>28,708,931</u>	<u>30,043,430</u>

20. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	665,466	726,260
	<u>665,466</u>	<u>726,260</u>

The bank loans and overdraft are secured by fixed and floating charges over the freehold property of the company.

BPW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	94,521	92,163
	<u>94,521</u>	<u>92,163</u>
Amounts falling due 1-2 years		
Bank loans	189,041	94,759
	<u>189,041</u>	<u>94,759</u>
Amounts falling due 2-5 years		
Bank loans	283,561	300,588
	<u>283,561</u>	<u>300,588</u>
Amounts falling due after more than 5 years		
Bank loans	192,864	330,913
	<u>192,864</u>	<u>330,913</u>
	<u>759,987</u>	<u>818,423</u>

A bank loan secured by a legal charge over the freehold property of the company amounting to £759,987 (2018 - £818,423). The loan is for a period of 10 years and attracts interest of 2.78% over the Bank of England base rate.

22. Deferred taxation

	2019 £
At beginning of year	4,273
Charged to profit or loss	66,179
At end of year	<u><u>70,452</u></u>

BPW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

22. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	59,003	(80,727)
Other timing differences	11,449	85,000
	<u>70,452</u>	<u>4,273</u>

23. Provisions

	Provision for remedial work £
At 1 January 2019	1,008,703
Charged to profit or loss	489,069
Charged to other comprehensive income	(25,125)
Utilised in year	(240,434)
At 31 December 2019	<u>1,232,213</u>

The provision for remedial work is recognised in respect of labour and certain material costs, arising on past product sales. The provision is expected to be utilised over the next 5 years. The provision is not discounted as the directors do not consider the effect to be significant. The amounts reversed in the year are largely in relation to provisions held in 2018 for which the warranty period is now expired.

24. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
10,000,000 Ordinary shares of £1.00 each	<u>10,000,000</u>	<u>10,000,000</u>

BPW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

25. Reserves**Share premium account**

The share premium account includes any premium received on issue of share capital.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid.

26. Capital commitments

At 31 December 2019 the Company had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	426,026	-
	<u>426,026</u>	<u>-</u>

27. Pension commitments

The company contributes to money purchase pension schemes, the assets of which are held separately from those of the company in independently administered funds. The pension cost charge for the year is shown in note 8. Unpaid contributions at the year end amounted to £Nil (2018 - £Nil).

28. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	11,314	6,836
Later than 1 year and not later than 5 years	45,098	-
Later than 5 years	50,735	-
	<u>107,147</u>	<u>6,836</u>

29. Related party transactions

The company has taken advantage of the exemption set out in FRS 102 section 33.1A. This means that related party disclosure need not be given of transactions entered into between two or more members of a group, provided that any subsidiary involved in those transactions is wholly owned.

BPW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

30. Ultimate parent undertaking and controlling party

The company is controlled by BPW Finans A/S, a company incorporated in Denmark. The parent undertaking of the smallest group for which consolidated accounts are prepared is BPW Finans A/S.

Consolidated accounts are available from:

BPW Finans A/S
Vranderupvej 2,
DK-6000 Kolding,
Denmark.

BPW Finans A/S is ultimately controlled by BPW Bergische Achsen KG, the parent undertaking of the largest group for which consolidated accounts are prepared. In the opinion of the directors this is the company's ultimate parent company.

The directors do not consider there to be one ultimate controlling party of the group due to the shareholding structure.