Superbike Factory Holdings Limited
Annual Report and Financial Statements
Period Ended
31 December 2022

Company Number 10827720

Company Information

Directors	S A H Behrens P Clarke L E W Vaughan
Registered number	10827720
Registered office	Snape Road Macclesfield Cheshire United Kingdom SK10 2NZ
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Contents

Group Strategic Report
For the Period Ended 31 December 2022

The directors present their strategic report and the financial statements for the Period Ended 31 December 2022. The directors have taken the decision to change the financial year end from the 30th April to the 31st December to better align the reporting with the commercial trading of the business. The results presented herein are for the 8 months ended 31st December 2022.

Business review

Superbike Factory Holdings Limited has three principal trading entities, Superbike Factory Limited, Superbike Loans Limited, and M A M Automotive Limited.

Superbike Factory Limited is the leading online re-commerce platform for motorbikes in the UK, measured by market share. Founded in 2010 as a digital first business, it combines both retailing and sourcing online with an operational hub and physical showroom in Cheshire and Donington Park, with additional D to C retail facilities in Bradford, Milton Keynes and Bristol.

Superbike Loans Limited offers an extensive range of financing for its customers purchasing motorbikes through its platform Superbikeloans.co.uk.

In the 8 month period to December 2022, which saw the continued cost of living related issues, the group retailed 8,659 bikes representing growth of 44% on the 8 month period to December 2021 (6,012 bikes). Additional D to C retail sites were opened in January and March 2023 in Bristol and Milton Keynes respectively, in time for the 2023 season. The site at Bradford was rebranded Superbike Factory in the spring of 2023.

The additional sites offer increased capacity to manage the growing volumes of motorbikes and continue to provide an exceptional customer experience, evidenced by the current Trust Pilot score of 4.8 for Superbike Factory. With our continued growth in online presence backed up by the additional D to C sites recently opened and those planned for the future the management team are very confident about the growth prospects of the business.

Financial key performance indicators

Revenue for the Period Ended 31 December 2022 is £56,295,000 (30 April 2022: £61,080,000) representing a reduction of £4,785,000 (7.8%) due to the shortening of the accounting period from 12 months to 30 April, to 8 months to 31 December. The Company incurred a loss after tax and non-cash interest of £6,323,000 in the period (30 April 2022: £4,622,000).

Principal risks and uncertainties

A key risk for Superbike Factory is the cost of living crisis; increased inflation levels also pose a risk to the business in terms of denting customer confidence. As a market leader we have worked hard to ensure that our customer proposition remains best in class, thereby ensuring we attract customers to our brand whilst encouraging them to return in the future. Rising inflation also poses a risk in terms of, wages, borrowing and overhead cost inflation. To mitigate the effect of rising prices, we have worked hard to negotiate prices with our key suppliers. We have also budgeted to take account of the risk of such price rises in our financial forecasts.

A key risk for Superbike Loans is the continued availability of finance providers for which it can in turn introduce customers to. Superbike Loans has established a panel approach and has strong relations with a number of the UK's leading finance providers. On occasion, the terms of business with a finance provider may include a provision for the repayment of commission received should the agreement end earlier than anticipated. Superbike Loans actively monitors this risk and provides for this in the accounts.

Group Strategic Report (continued)
For the Period Ended 31 December 2022

A further risk for the wider group is the continued demand for used motorcycles within the UK. The wider marketplace remains healthy with a consistent number of motorcycles bought and sold within the UK and an increasing number of new riders each year. These volumes have been consistent for more than ten years.

A further risk of Superbike Loans is the regulatory risk of arranging finance for customers. Failure to comply with applicable laws and regulations could result in financial loss or restriction of regulatory permissions. To mitigate this risk, we have ensured that fair customer outcomes are embedded into our strategic values and that our compliance risk assessment, policies and procedures are kept up to date and active.

Section 172 Statement

In line with section 172(1) (A) to (F) of the Companies Act 2006 and the 2018 Miscellaneous Reporting Regulations, the directors are tasked with ensuring that the interests of key stakeholders are taken into account for the company's long-term success. This statement outlines how the directors have engaged with stakeholders and considered their interests in the company's major decisions over the past fiscal year.

The directors have focused on strategic issues and have shared information relevant to the company's scope and operations. This includes preparing and reviewing investment cases with a focus on stakeholder impact, overseeing strategic progress and business portfolio changes, monitoring board decisions and performance against strategy, identifying and managing risks, and ensuring the company's values are reflected in the expected conduct of business and employees.

The directors make decisions in good faith, prioritising the company's success for the benefit of all members. They consider the long-term consequences of their decisions, stakeholder engagement, employee interests, fostering business relationships, the impact of operations on the community and environment, maintaining a high standard of business conduct, and acting fairly among company members.

The board understands the importance of stakeholder engagement and recognises the aligned priorities of the company's employees, customers, and suppliers. They've taken steps to meet stakeholder expectations through a materiality assessment on a range of environmental, social, and governance (ESG) topics, and the establishment of a People Champion group to provide input on employee-related issues. Employee career development and corporate social responsibility are key components of the company's strategy.

Employees

The Company highly values its employees and their contribution to the company's success. The directors consider employee interests when making decisions about benefits, wages, and working conditions. The Company strives to create an inclusive working environment and supports employee development through training, apprenticeships, and career progression opportunities. The Company regularly communicates with employees to ensure their views are considered in decision-making.

Relationship with our Supplies, Customers and others

The Company also prioritises fostering strong relationships with suppliers, customers, the government, regulators, and delivery partners. The directors are mindful of the potential impact of the company's actions on its supply chain and have implemented a prompt payment policy. They interact with businesses on issues related to these relationships and continually evaluate customer priorities.

Our Community Engagement

The Company is committed to positively impacting the community and environment. The Company raises funds for community charities, encourages employee participation in fundraising, and is considering the establishment of an Environment and Social Impact Committee to achieve a high ESG rating. The company is also dedicated to maintaining a high standard of business conduct by upholding its values and implementing governance policies.

Group Strategic Report (continued)
For the Period Ended 31 December 2022

Health and Safety

Health and safety is a significant priority for the Company, given the potential risks associated with the motorcycle industry. The company has developed health and safety training for employees and implemented a comprehensive system for incident and near-miss reporting. The directors are also considering the introduction of additional health and safety roles.

The directors strive to act fairly among all company members, making decisions that best support the company's long-term strategy and considering the impact on all stakeholders. Employees contribute to board decisions through the People Champion group, and the board is currently reviewing topics such as working hours and maternity/paternity benefits.

The board is committed to fostering a positive company culture, exemplified by the company's core values of honesty, integrity, and respect for people. The recent decision to expand the business to Bristol and Milton Keynes was made with careful consideration of the impact on stakeholders, reflecting the company's *commitment to promoting its long-term success while considering the interests of key stakeholders.*

Environmental

The Company is committed to becoming more sustainable by reducing energy and carbon emissions. During the reporting period, capital investment has been made to improve the energy efficiency at the Bradford site in particular. This includes installation of LED lights within the showroom at Unit 2 and also in the office blocks, as part of a refurbishment programme. We've also installed more efficient heating and added suspended ceilings within the showroom to improve energy efficiency and reduce heat loss.

For transport, the Company achieved more efficient fuel use through training for all drivers with inhouse instructors. This training aims to increase the miles per gallon achieved by each driver. If a driver drops below the 95% "cleaner driving" threshold, they are reassessed so that the Company achieves continual improvement.

The Streamline Energy and Carbon Report (SECR) will be completed in future for the period 1 January to 31 December. The accounting period May to December 22 is the Company's first year of reporting under this period, and the energy and carbon emissions summary below represent this period.

		1 May 2021 - 30 April 2022			1 May 2022 - 31 Dec 2022		
Consumption (kWh) and Emission (tCO2e) Totals							
Emission Type	Activity	kWh	tCO2e	% of emissions total	kWh	tCO2e	% of emissions total
Scope 1 direct emissions	Gas combustion	No previous reporting			[illegible]	[illegible]	[illegible]
	Vehicle fuel				[illegible]	[illegible]	[illegible]
Scope 2 indirect emissions	Electricity purchased				[illegible]	[illegible]	[illegible]
Scope 3 other indirect emissions	Grey Fleet				[illegible]	[illegible]	[illegible]
TOTALS					3,193,182	722.9	100%

Group Strategic Report (continued)
For the Period Ended 31 December 2022

The intensity ratios used are tCO2e per employee and tCO2e per Million pounds of turnover. These two measures are considered as being most representative of the size of the organisation. The resulting intensity ratio best reflects changes in operations and energy consumption over time.

Because the current accounting period is for eight months only, tCO2e per employee has been pro-rated to 12 months to provide a level comparison with future accounting periods.

	1 May 2021 - 30 April 2022	1 May 2022 - 31 Dec 2022
Intensity Ratio		
Group average headcount	No previous reporting	288 employees
Pro-rated to 12 months		**3.8 tCO2e per employee**
Turnover		56.29 Million
		12.8 tCO2e per £million Turnover

Future developments

A continuous focus for the group is the further development of proprietary data and technology to enhance customer experience and to grow sales volumes and profitability. Efficiencies are now being driven through enhanced route planning and the adoption of SMS AI.

Since opening in early 2023 the new D to C sites at Milton Keynes and Bristol together with the relaunched site at Bradford have performed well.

The key focus of Superbike Loans is to continue to improve the service to all customers through a more streamlined application and follow up communication process. Furthermore, Superbike Loans intends to continue to develop its relationships with finance providers to offer the best choice of finance options to its customers.

Strategic M&A, the further development of the value added product range, and the expansion of the footprint into Europe are part of our ambitions for the future.

This report was approved by the board on 20 June 2023 and signed on its behalf.

S A H Behrens
Director

Directors' Report
For the Period Ended 31 December 2022

The directors present their report and the audited financial statements for the Period Ended 31 December 2022.

Principal activity

The principal activity of the Company is that of a holding company. The principal activity of the Group is the purchase, refurbishment and retail of motorbikes.

Results and dividends

The loss for the period, after taxation, amounted to £6,323,000 (30 April 2022: £4,622,000).

There were £nil dividends paid in the period (30 April 2022: £Nil). The directors do not recommend the payment of a final dividend

Directors

The directors who served during the year were:

S A H Behrens
P Clarke
L E W Vaughan

Going concern

Based on forecasts and projections, together with available market information and the directors' knowledge and experience of the Group's developments and matters, the directors have a reasonable expectation that the Group and parent company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Further detail regarding the going concern of the business has been included in Note 2.4 within the summary of significant accounting policies.

Qualifying third party indemnity provisions

The Company has not entered into qualifying third party indemnity arrangements for the benefit of the Directors in a form and scope which comply with the requirements of the Companies Act 2006.

Matters covered in the strategic report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report as the directors consider them to be of strategic importance to the company.

Disclosure of information to auditor

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 and the Group's auditor is 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 and the Group's auditor is aware of that information.

Directors' Report (continued)
For the Period Ended 31 December 2022

Post balance sheet events

There have been no post balance sheet events to note.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 June 2023 and signed on its behalf.

S A H Behrens
Director

Directors' Responsibilities Statement
For the Period Ended 31 December 2022

The directors are responsible for preparing the Group 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 Group and Company financial statements in accordance with UK adopted International Financial Reporting Standards (IFRSs). 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 Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPERBIKE FACTORY HOLDINGS LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards, and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Superbike Factory Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the period ended 31 December 2022 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Financial Position, Company 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 UK adopted international accounting standards, and as regards the Parent Company financial statements, as applied in accordance with the provisions 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 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 Group and the Parent 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 Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPERBIKE FACTORY HOLDINGS LIMITED (CONTINUED)

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 period 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 the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPERBIKE FACTORY HOLDINGS LIMITED (CONTINUED)

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:

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Identifying and testing journal entries, with a focus on journals to revenue and cash or unusual transactions based on our understanding of the business;
- Testing a sample of revenue recognised either side of the period end to ensure revenue has been recognised in the correct period;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenge assumptions, accounting estimates and judgements made by the Directors, particularly in relation to the valuation of inventories, goodwill impairment and the useful economic life of tangible assets;
- Review of minutes of Board meetings throughout the period; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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 is available on the Financial Reporting Council's website at: https://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Stuart Wood

Stuart Wood (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK
20 June 2023
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income For the Period Ended 31 December 2022

	Note	Period Ended 31 December 2022 £'000	Year Ended 30 April 2022 £'000
Revenue	4	56,295	61,080
Cost of sales	5	(46,540)	(48,994)
Gross profit		***9,755***	***12,086***
Administration expenses	5	(11,425)	(11,852)
Operating (loss)/profit		**(1,670)**	**234**
Finance costs	8	(4,705)	(4,859)
Loss before taxation		**(6,375)**	**(4,625)**
Income tax credit	9	621	3
Loss and total comprehensive loss attributable to the equity holders of the Company		**(5,754)**	**(4,622)**

All results derive from continuing operations.

Consolidated Statement of Financial Position As at 31 December 2022

	Note	As at 31 December 2022 £'000	As restated As at 30 April 2022 £'000
Non-current assets			
Intangible assets	10	33,040	33,268
Property, plant and equipment	11	3,330	2,515
Right of use assets	17	10,910	5,547
Total non-current assets		**47,280**	**41,330**
Current assets			
Inventories	12	16,919	15,092
Trade and other receivables	13	1,839	2,308
Cash and cash equivalents	14	3,595	5,151
Total current assets		**22,353**	**22,551**
Total assets		**69,633**	**63,881**
Liabilities			
Current liabilities			
Provisions	18	369	-
Lease liability	17	1,754	539
Trade and other payables	15	17,001	15,580
Corporation tax		126	111
Total current liabilities		**19,250**	**16,230**
Non-current liabilities			
Borrowings	16	61,270	56,524
Lease liability	17	8,431	4,703
Provisions	18	749	386
Deferred tax liability	9	1,779	2,381
Total non-current liabilities		**72,229**	**63,994**
Total liabilities		**91,479**	**80,224**
Net liabilities		**(21,846)**	**(16,343)**
Equity			
Share capital	20	10	9
Share premium		366	116
Accumulated losses		(22,222)	(16,468)
Total deficit		**(21,846)**	**(16,343)**

See note 27 for details of the prior year restatement.

The notes on pages 16 to 38 are an integral part of these financial statements.

The financial statements on pages 12 to 15 were approved by the Board of Directors and authorised for issue on 20 June 2023, and were signed on its behalf by:

S A H Behrens
Director

Registered number: 10827720

Consolidated Statement of Changes in Equity
For the Period Ended 31 December 2022

	Share Capital	Share Premium	Accumulated losses	Total deficit
	£'000	£'000	£'000	£'000
As at 1 May 2021	**9**	**116**	**(11,846)**	**(11,721)**
Loss for the year	-	-	(4,622)	**(4,622)**
Total comprehensive loss for the year	-	-	**(4,622)**	**(4,622)**
Total transactions with owners	**9**	**116**	**(16,468)**	**(16,343)**
As at 30 April 2022	**9**	**116**	**(16,468)**	**(16,343)**
Loss for the year	-	-	(5,754)	(5,754)
Total comprehensive loss for the year	-	-	(5,754)	(5,754)
Transactions with owners recognised directly in equity				
Issue of share capital	1	250	-	251
Total transactions with owners recognised directly in equity	**1**	**250**	-	**251**
As at 31 December 2022	**10**	**366**	**(22,222)**	**(21,846)**

Consolidated Statement of Cash Flows For the Period Ended 31 December 2022

	Note	Period Ended 31 December 2022	Year Ended 30 April 2022
		£'000	£'000
Net cash flow from operating activities			
Loss for the year		(5,754)	(4,622)
Adjustments for:			
Amortisation of intangible assets	10	818	389
Depreciation of property, plant and equipment	11 & 17	1,104	839
Impairment of property, plant and equipment	11	-	34
Increase of/(Release) in provisions		732	(50)
Amortisation of finance costs		43	35
Finance costs	8	4,705	4,859
Income tax credit	9	(621)	(3)
Working capital adjustments			
Increase in inventories		(1,827)	(7,137)
(Increase)/Decrease in trade and other receivables		469	(1,852)
Increase in trade and other payables		2,487	6,673
Taxation (received)/paid		34	(11)
Net cash (used in)/generated from operations		**2,190**	**(846)**
Cash flows used in investing activities			
Purchase of intangible assets	10	(590)	(550)
Purchase of property, plant and equipment	11	(1,145)	(1,506)
Payment of deferred consideration		*(1,403)*	-
Acquisition of subsidiary, net of cash acquired – Carbay Limited		-	(2,180)
Acquisition of subsidiary, net of cash acquired – M A M Automotive Limited		-	(9,040)
Net cash used in investing activities		**(3,138)**	**(13,276)**
Cash flows from financing activities			
Issue of ordinary shares	20	251	-
Proceeds from loans		1,000	16,670
Repayment of CBILS		-	(2,500)
Repayment of loans		(481)	(40)
Payment of lease liabilities	17	(1,378)	(710)
Net cash from financing activities		**(608)**	**13,420**
Net (decrease)/increase in cash and cash equivalents		**(1,556)**	**(702)**
Cash and cash equivalents brought forward		5,151	5,853
Cash and cash equivalents carried forward	14	**3,595**	**5,151**

Notes to the Group financial statements

1. General information

Superbike Factory Holdings Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Group's operations and its principal activities are set out in the Group Strategic Report.

2. Summary of significant accounting policies

2.1 Basis of preparation

The Group financial statements have been prepared in accordance with international accounting standards ("IFRS") in conformity with the requirements of the Companies Act 2006. The Company financial statements have been prepared under FRS101. Both financial statements have been prepared on the historical cost basis. These policies have been consistently applied to all years presented unless otherwise stated.

The financial information is presented in sterling and has been rounded to the nearest thousand pounds (£'000).

The Company has elected to prepare its financial statements in accordance with FRS 101; these are presented on pages 40 to 45.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The principal accounting policies adopted are set out below.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained.

2.3 New standards and interpretations not yet adopted

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendments – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

Notes to the Group financial statements

Summary of significant accounting policies (continued)

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not expect any of these standards issued by the IASB, but not yet effective, to have a material impact on the group.

Judgements made by the Directors in the application of these accounting policies that have a significant effect on these financial statements together with estimates with a significant risk of material adjustment in the next year are discussed in Note 3.

2.4 Going concern

At the time of approving the financial statements, the directors are confident that the company has adequate resources to continue in operational existence and meet banking covenants for the foreseeable future. As a result, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

As at 31 December 2022, the Group had net liabilities of £21,133,000 (30 April 2022: £16,343,000), of which £49,401,000 related to shareholder and debenture loan notes (30 April 2022: 45,728,000). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Trading Performance:
The 8 month period to December 2022 saw the continued cost of living related issues, yet the group retailed 8,659 bikes representing growth of 44% on the 8 month period to December 2021 (6,012 bikes). Additional D to C retail sites were opened in January and March 2023 in Bristol and Milton Keynes respectively, in time for the 2023 season and the site at Bradford was also rebranded Superbike Factory in the spring of 2023. The additional sites offer increased capacity to manage the growing volumes of motorbikes and continue to provide an exceptional customer experience. To date, all banking covenants have been met with ample headroom.

Forecasts:
The cost of living crisis and increased inflation levels pose a risk to the business in terms of denting customer confidence however as a market leader we have worked hard to ensure that our customer proposition remains best in class, thereby ensuring we attract customers to our brand whilst encouraging them to return in future. To mitigate the effect of rising prices, we have worked hard to negotiate prices with our key suppliers and we have also budgeted to take account of the risk of such price rises in our financial forecasts.

The Directors' financial forecasts for the Company indicate that the Company will have sufficient funds to meet its liabilities as they fall due and that the Company has sufficient headroom to comply with its banking covenants for the foreseeable future.

Notes to the Group financial statements

Summary of significant accounting policies (continued)

2.5 Revenue recognition
Revenue arises from the retailing of motorbikes and other accessories either online or via the physical showroom operations in Macclesfield, Donington, Bradford, Bristol and Milton Keynes. Revenue also comes from commissions earned in respect of financing for its customers.

To determine whether to recognise revenue, the Company follows the 5-step process as set out within IFRS 15:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied

Revenue is measured at transaction price, stated net of VAT, rebates and other sales related taxes.

Contracts with customers take the form of customer orders either through the company's website or agreement during a visit to the showroom. There is one distinct performance obligation, being the supply of the motorbike or accessory. The transaction price is clearly identified on the website or in the showroom. Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised goods to its customers, i.e. when control has passed from the Company to the customer. This tends to be on delivery of the motorbike to the customer's location, or collection from the showroom. Revenue is adjusted for returns. Expected sales returns are estimated based upon the historic returns rate. A refund liability is recognised for the goods that are expected to be returned. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer estimated based upon the latest returns rate.

Contracts with customers also take the form of commission agreements with lenders in respect of customers who finance their purchases. These contracts are written framework agreements with the individual lender, and there is a single performance obligation, being the introduction of a buyer taking finance. The transaction price is clearly set out in the framework agreement and is recognised at a point in time as the contract between the buyer and the lender is signed. Revenue is adjusted for the potential clawback of commissions in cases where the buyer settles the financing early or does not fulfil his or her obligations under the financing agreement. Expected commission clawbacks are estimated based upon the historic clawback rate and a clawback liability is recognised within creditors for commissions that are expected to be repaid at each balance sheet date.

Notes to the Group financial statements

Summary of significant accounting policies (continued)

2.6 Leases
IFRS 16 was adopted on 1 May 2019. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of lease payments that were not paid at the commencement date, discounted using the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. If there is a remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded directly in profit or loss if the carrying amount of the right of use asset is zero.

Short term leases and low value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short-term lease of machinery that have a lease term of 12 months or less or leases of low value assets. These lease payments are expensed on a straight-line basis over the lease term.

2.7 Government grants
Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income against the expense incurred, included within administrative expenses, in the same period as the related expenditure. This includes amounts received under the Coronavirus Job Retention Scheme.

2.8 Finance income
Finance income is recognised in the statement of comprehensive income using the effective interest method.

2.9 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.

2.10 Pension costs
Defined contribution pension plan
The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Notes to the Group financial statements

Summary of significant accounting policies (continued)

2.11 Income tax
The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 reporting date.

2.12 Goodwill and other intangible assets
Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Such goodwill is subject to an impairment review, both annually and when there is an indication that the carrying value may be impaired. Any impairment is recognised immediately in the Statement of Comprehensive Income and is not reversed.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. The estimated useful lives range as follows:

Website development	33% per annum straight line
Trade & Domain Names	10% per annum straight line

Development costs

The expenditure capitalised represents the cost of direct labour incurred and third party costs in developing the software product. The capitalised development costs are subsequently amortised to 'administrative expenses' on a straight line basis over their expected useful lives which is 3 years, commencing from the date the asset is available for use. The expected useful economic lives of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

Notes to the Group financial statements

Summary of significant accounting policies (continued)

2.13 Property, plant and equipment

Property, plant and equipment 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.

Depreciation is provided on the following basis:

Property improvements	10% per annum straight line
Motor vehicles	33% per annum straight line
Fixtures and fittings	20% per annum straight line
Computer equipment	33% per annum straight line

2.14 Impairment of property, plant and equipment and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Company only - valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Inventories

Inventories 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 actual cost of purchase.

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.

2.17 Share capital and reserves

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds of issue.

Share premium represents the difference between the nominal value of shares issued and the fair value of consideration received. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings

Retained earnings includes all current and prior period retained profits and losses. All transactions with owners of the parent are recorded separately within equity.

Notes to the Group financial statements

Summary of significant accounting policies (continued)

2.18 Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Trade and other receivables

Trade and other receivables are initially measured at transaction price less provisions for expected credit losses. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. This lifetime expected credit losses is used in cases where the credit risk on other receivables has increased significantly since initial recognition. In cases where the credit risk has not increased significantly, the Group measures the loss allowance at an amount equal to the 12-month expected credit loss. This assessment is performed on a collective basis considering forward-looking information.

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

Recognition of credit losses is determined by considering a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other payables

Trade and other payables are initially measured at their fair value and are subsequently measured at their amortised cost using the effective interest rate method; this method allocates interest expense over the relevant period by applying the "effective interest rate" to the carrying amount of the liability.

Borrowings

Interest-bearing overdrafts are classified as other liabilities. They are initially recorded at fair value, which represents the fair value of the consideration received, net of any direct transaction costs associated with the relevant borrowings. Borrowings are subsequently stated at amortised cost and finance charges are recognised in the Statement of Comprehensive Income over the term of the instrument using an effective rate of interest. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accruals basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Notes to the Group financial statements

Summary of significant accounting policies (continued)

2.18 Financial instruments (continued)

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. The excess of proceeds of a share issue over the nominal value is presented within share premium.

2.19 Dividends
Dividends are recognised as a liability and deducted from equity at the time they are approved. Otherwise dividends are disclosed if they have been proposed or declared before the relevant financial statements are approved.

3. Critical accounting estimates and judgements

The preparation of this Group financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at each Statement of Financial Position date and the reported amounts of revenue during the reporting periods. Actual results could differ from these estimates. Information about such judgements and estimations are contained in individual accounting policies. The key judgements and sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of asset or liabilities within the next accounting period are outlined below:

Accounting judgements

There are no accounting judgements that are considered to be critical.

Accounting estimates

Property, plant and equipment (see note 11)
Property, plant and equipment 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.

Intangible fixed assets (see note 10)
Intangible fixed assets are amortised 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. The net book value of these assets is £9,041,000 as at 31 December 2022 (30 April 2022: £9,270,000) of which the trade and website name net book value is £8,059,000 as at 31 December 2022 (30 April 2022: £8,646,000). The Directors regularly review the status of the capitalised projects to ensure that their useful economic life remains appropriate and as such there is little sensitivity to the carrying value.

Notes to the Group financial statements

3. Critical accounting estimates and judgements (continued)

Inventories (see note 12)
Inventories are reviewed on a regular basis to assess loss on account of obsolescence. In determining whether provision for obsolescence should be recorded, the company makes judgements as to whether there is any observable data indicating that there is any future saleability of the product and the estimated net realisable value for such product. Accordingly, provision for impairment is made where the net realisable value is less than the cost based on best estimates by management. The provision for obsolescence of inventories is based on the ageing of the motorbikes, historical sales patterns and forecast consumer demand. The carrying value of the provision is nil as at 31 December 2022 (30 April 2022: £112,000) and given the amounts involved, the Directors are satisfied with the estimate made at the reporting date.

Commission clawback provision (see note 15)
A provision is maintained to meet potential finance commission clawbacks in relation to agreements that have been arranged during the year. In determining whether a provision is required, management makes judgements as to whether there is any observable data indicating that a finance commission clawback is likely to occur. The commission clawback provision is based on historical trends in finance commission clawbacks. The historic difference between the provision estimate and the actual clawbacks is not material. The gross value of the provision for commission clawbacks as at 31 December 2022 is £12,000 (30 April 2022: £34,000). The Directors review the actual clawbacks incurred post year end and given the amounts involved, the Directors are satisfied with the estimate made at the reporting date.

Returns provision
A provision is maintained to account for bikes returned after the year end in relation to sales occurring within the year. The returns provision is calculated based on historical trends in returns. The historic difference between the provision estimate and the actual returns is not material. The gross value of the provision for returns as at 31 December 2022 is £16,000 (30 April 2022: £16,000). The Directors review the actual returns incurred post year end and given the amounts involved, the short return window, and compared to returns actually incurred the Directors are satisfied with the estimate made at the reporting date.

Notes to the Group financial statements

4. Revenue

Analysis of revenue by class of business

	Period Ended 31 December 2022	Year Ended 30 April 2022
	£'000	£'000
Retail of motorbikes	53,805	58,259
Commissions	2,490	2,821
	56,295	61,080

The above revenues are all generated from contracts with customers and are recognised at a point in time. All revenue arose within the UK.

5. Expenses by nature

	Period Ended 31 December 2022	Year Ended 30 April 2022
	£'000	£'000
The loss is stated after charging expenses as follows:		
Inventories recognised as an expense	42,268	41,651
Impairment of inventories	-	112
Staff costs – Note 6	5,273	6,513
Amortisation – Note 10	818	389
Impairment – property, plant and equipment – Note 11	-	34
Depreciation – property, plant and equipment – Note 11	330	307
Depreciation – right of use assets – Note 17	774	530
Marketing expenses	1,591	2,200
Auditor's remuneration (see below)	113	110
Other operating expenses	6,798	9,000
Total cost of sales and administration expenses	57,965	60,846

Auditor's remuneration

	Period Ended 31 December 2022	Year Ended 30 April 2022
	£'000	£'000
Fees payable to the Group's Auditor for:		
The audit of the Group's financial statements	30	25
The audit of the Group's subsidiary financial statements	62	50
Tax compliance services	21	35
	113	110

6. Employees and Directors

	Period Ended 31 December 2022	Year Ended 30 April 2022
	£'000	£'000
Aggregate remuneration of staff (including Directors):		
Wages and salaries	4,711	5,982
Social security costs	472	419
Other pension costs	90	112
	5,273	6,513

Notes to the Group financial statements

6. Employees and Directors (continued)

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

	Period Ended 31 December 2022	Year Ended 30 April 2022
	No.	No.
Sales & purchasing	105	105
Workshop & transport	154	80
Admin	29	29
Employees	288	214

Directors' remuneration

	Period Ended 31 December 2022	Year Ended 30 April 2022
	£'000	£'000
Directors' emoluments	314	455
Company contributions to defined contribution pension schemes	16	6
	330	451

The highest paid director received remuneration of £236,000 (30 April 2022: £248,000).

During the year retirement benefits were accruing to 1 director (30 April 2022: 2 directors) in respect of defined contribution pension schemes.

7. Key management compensation

Key management is considered to be the directors of the Group and certain employees who have management responsibility. Remuneration paid to these individuals on an aggregated basis is as follows:

	Period Ended 31 December 2022	Year Ended 30 April 2022
	£'000	£'000
Salaries including bonuses and social security costs	1,212	1,375
Company contributions to defined contribution pension schemes	68	25
	1,280	1, 400

8. Finance expense

	Period Ended 31 December 2022	Year Ended 30 April 2022
	£'000	£'000
Other loan interest payable	4,160	4,476
Other interest payable	361	168
Interest on lease liabilities	184	215
	4,705	4,859

Notes to the Group financial statements

9. *Taxation*

	Period Ended 31 December 2022 £'000	Year Ended 30 April 2022 £'000
Current tax		
Corporation tax	(16)	-
Adjustment in respect of prior periods	(3)	-
Total current tax	(19)	-
Deferred tax		
Origination and reversal of timing differences	(459)	(67)
Adjustment in respect of prior periods	(62)	14
Effect of tax rate change on opening balance	(81)	50
Total deferred tax	(602)	(3)
Total tax (credit)/charge	(621)	(3)

Factors affecting the (credit)/charge

	Period Ended 31 December 2022 £'000	Year Ended 30 April 2022 £'000
Loss before taxation	(6,375)	(4,625)
Tax at the UK corporation tax rate of 19% (30 April 2022: 19%)	(1,211)	(879)
Expenses not deductible for tax purposes	709	648
Effect of rate change	(124)	50
Non-taxable income	(8)	-
Fixed asset timing differences	(16)	34
Movement in unrecognised deferred tax	89	130
R&D expenditure credits	5	-
Adjustments to deferred tax in respect of prior periods	(65)	14
Total tax (credit)/charge	(621)	(3)

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 23% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

The UK government announced on 3 March 2022 that the government are intending to increase the corporation tax rate from 19% to 25% from April 2023. As this rate was not substantively enacted at the Statement of Balance Sheet date it has not been used to calculate the deferred tax balances. On 23 September 2022, the government announced that the increase in the Corporation Tax main rate to 25% and the introduction of a small profits rate of tax from 1 April 2023 (previously announced at Spring Budget 2021) would no longer go ahead. The Corporation Tax main rate will, therefore, remain at 19% from 1 April 2023.

The value of the net unrecognised deferred tax asset relating to losses at 31 December 2022 is £358,179 (30 April 2022: £295,340).

Notes to the Group financial statements

9. Taxation (continued)

Deferred tax consists of the following timing differences

	As at 31 December 2022 £'000	*Restated As at 30 April 2022 £'000
Accelerated capital allowances	(511)	(273)
Short term timing differences	82	47
Losses and other deductions	665	43
Business combinations	(2,015)	(2,198)
	(1,779)	(2,381)

Movement in deferred tax in the year

	As at 31 December 2022 £'000	*Restated As at 30 April 2022 £'000
Balance brought forward	(2,381)	(110)
Arising on acquisitions	-	(2,274)
Credited/(charged) to profit or loss	602	3
Balance carried forward	1,779	(2,381)

10. Intangible assets

	Goodwill £'000	Website development £'000	Trade name / Brand £'000	Total £'000
Cost				
At 1 May 2021	21,642	582	-	22,224
Additions	3,765	550	8,793	13,108
Restatement	2,198	-	-	2,198
At 30 April 2022 as restated	27,605	1,132	8,793	37,530
Additions	-	590	-	590
At 31 December 2022	27,605	1,722	8,793	38,120
Accumulated amortisation				
At 1 May 2021	3,607	266	-	3,873
Amortisation charged in the year	-	242	147	389
At 30 April 2022	3,607	508	147	4,262
Amortisation charged in the period	-	232	586	818
At 31 December 2022	3,607	740	733	5,080
Carrying amount				
At 30 April 2022 as restated	23,998	624	8,646	33,268
At 31 December 2022	23,998	982	8,060	33,040

Goodwill arises on acquisitions where the fair value of the consideration given for the business exceeds the fair value of the assets acquired and liabilities assumed.

Following acquisition of a business, the directors identify the individual Cash Generating Units (CGUs) acquired and, where possible, allocate the underlying assets acquired and liabilities assumed to each of those CGUs. The carrying value of goodwill has arisen following the acquisition of subsidiary entities. The carrying value of goodwill is allocated to the one cash generating unit of the Group.

Notes to the Group financial statements

10. Intangible assets (continued)

Goodwill arising before 1 May 2019 related to the historic acquisition of Superbike Factory Limited and its subsidiary undertaking, and the acquisition of M A M Automotive Holdings Limited and its subsidiary in the prior year.

Impairment testing of goodwill is performed at least annually by reference to value in use calculations, which management consider to be in line with the requirements of IAS 36. These calculations show no reasonably possible scenario in which any of the goodwill balances could be impaired as at 31 December 2022 or 30 April 2022. There were £nil charges for impairment of goodwill in 2022 (30 April 2022: £nil). The pre-tax discount rate used in the value in calculations is 11%. The long-term growth rate assumed is 2%.

11. Property, plant and equipment

	Property improvements	Motor vehicles	Fixture and fittings	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 May 2021	1,377	152	192	123	1,844
Additions	1,243	36	33	194	1,506
Impairment	(34)	-	-	-	(34)
At 30 April 2022	2,586	188	225	317	3,316
Additions	773	38	116	218	1,145
At 31 December 2022	3,359	226	341	535	4,461
Depreciation					
At 1 May 2021	194	135	80	85	494
Depreciation charged in the year	211	19	39	38	307
At 30 April 2022	405	154	119	123	801
Depreciation charged in the period	204	18	35	73	330
At 31 December 2022	609	172	154	196	1,131
Net book value					
At 30 April 2022	2,181	34	106	194	2,515
At 31 December 2022	2,750	54	187	339	3,330

The depreciation charge for the year has been included in administrative expenses in the Statement of Comprehensive Income.

Notes to the Group financial statements

12. Inventories

	As at 31 December 2022	As at 30 April 2022
	£'000	£'000
Finished goods	16,919	15,092
	16,919	15,092

The Directors believe that the replacement value of inventories at would not be materially different than book value.

Inventories at 31 December 2022 are stated after provisions for impairment of £nil (30 April 2022: £112,297).

13. Trade and other receivables

	As at 31 December 2022	As at 30 April 2022
	£'000	£'000
Trade receivables	521	1,533
Other receivables	555	44
Prepayments and contract assets	763	731
	1,839	2,308

The Directors believe that the carrying value of trade and other receivables represents their fair value. In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the receivable from the date credit was granted up to the reporting date.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. There is a provision of £16,000 at 31 December 2022 for impairment loss against trade receivables (30 April 2022: £16,000).

Trade receivables disclosed above include amounts which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables as the amounts are still considered recoverable. The ageing of trade receivables, including those balances past due but not impaired, is shown below:

Ageing of trade receivables

	As at 31 December 2022	As at 30 April 2022
	£'000	£'000
Current (not past due)	245	820
31 – 60 days	115	223
61 – 90 days	99	154
90 days +	78	352
Less provisions for impairment	(16)	(16)
	521	1,533

Notes to the Group financial statements

13. Trade and other receivables (continued)

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the nature of trading, with payment largely being received at the point that the goods are handed over.

Details on the Group's credit risk management policies are shown in Note 19. The Group does not hold any collateral as security for its trade and other receivables.

14. Cash and cash equivalents

	As at 31 December 2022	As at 30 April 2022
	£'000	£'000
Cash at bank and in hand	3,595	5,151

15. Trade and other payables

	As at 31 December 2022	As at 30 April 2022
	£'000	£'000
Stocking facility loan	12,334	8,391
Trade payables	1,395	1,945
Other taxation and social security	469	695
Other payables	12	287
Accruals	1,666	1,734
Deferred consideration	1,125	2,528
	17,001	15,580

The stocking facility loan is secured against used motorcycles in stock.

Included within other payables is a clawback provision against commissions received of £12,000 (30 April 2022: £34,000).

The Directors consider that the carrying value of trade and other payables approximates their fair value.

Notes to the Group financial statements

16. Borrowings

	As at 31 December 2022 £'000	As at 30 April 2022 £'000
Non-current		
Debentures loans	42,469	39,501
Banking facility	11,869	10,796
Shareholder funding	6,932	6,227
	61,270	56,524

The debenture loans are secured against the assets of the Company.

There are two separate loan notes within Project Vincent Bidco Limited as follows:

A Loan notes;	repayable in January 2028 with a 12% compounded rate of interest
LB debt loan stock instrument;	repayable in January 2028 with a 12% compounded rate of interest
Mezzanine Loan;	repayable in January 2028 with a 17.5% rate of interest applicable from February 2022
Shareholder loans;	repayable in January 2028 with a 17.5% rate of interest applicable from February 2022

There are three loan notes within Superbike Factory Holdings Limited as follows:

B Loan stock instrument;	repayable in January 2028 with a 12% compounded rate of interest
DC Loan notes;	repayable in January 2028 with a 6% compounded rate of interest
Manager Debt Loan Stock Instrument ;	repayable in January 2028 with a 6% compounded rate of interest

17. Leases

The group leases offices and warehouses. Rental contracts are typically made for fixed periods of 3 to 5 years. There are no judgements over the length of the lease term for any of the Group's leases. There are no variable lease payments in any of the Group's leases.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Group, the incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Amounts recognised in the Statement of Financial Position

The balance sheet shows the following amounts relating to leases:

Right-of-use assets	£'000
Balance at 1 May 2021	2,227
New leases recognised in the year	3,850
Depreciation charge for the year	(530)
Balance at 30 April 2022	5,547
New leases recognised in the year	6,137
Depreciation charge for the year	(774)
Balance at 31 December 2022	10,910

Notes to the Group financial statements

17. Leases (continued)

The net book value of the right of use assets relates to the following:

Right-of-use assets	**As at 31 December 2022**	**As at 30 April 2022**
	£'000	£'000
Buildings	9,698	4,851
Vehicles	1,212	696
	10,910	5,547

Lease liabilities	**As at 31 December 2022**	**As at 30 April 2022**
	£'000	£'000
Maturity analysis – contractual undiscounted cash flows		
Less than one year	2,234	763
More than one year, less than two years	1,450	726
More than two years, less than three years	1,233	592
More than three years, less than four years	1,071	498
More than four years, less than five years	1,071	498
More than five years	6,139	3,800
Total undiscounted lease liabilities at year end	**13,198**	**6,877**
Finance costs	(3,013)	(1,635)
Total discounted lease liabilities at year end	**10,185**	**5,242**
Lease liabilities included in the statement of financial position		
Current	1,754	539
Non-current	8,431	4,703
	10,185	**5,242**

Amounts recognised in the Statement of Comprehensive Income

The Statement of Comprehensive Income shows the following amounts relating to leases:

	Period Ended 31 December 2022	**Year Ended 30 April 2022**
	£'000	£'000
Depreciation charge (within administration expenses)	774	530
Interest expense (within finance costs)	184	215

The total cash outflow for leases was £1,378,000 (30 April 2022: £710,000).

Notes to the Group financial statements

18. Provisions

	As at 31 December 2022 £'000	As at 30 April 2022 £'000
Current		
Other provisions	369	-
Non-current		
Lease dismantling costs (IFRS 16)	749	386
	1,118	386

19. Financial instruments

19.1 Financial risk management

Financial risk factors
The Group's activities expose it to certain financial risks: market risk, credit risk and liquidity risk. The overall risk management programme focuses on the unpredictability of the economy at the current time and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Directors, who identify and evaluate financial risks in close co-operation with key staff.

(a) Market risk
Market risk is the risk of loss that may arise from changes in market factors such as competitor pricing, interest rates, foreign exchange rates. Financial instruments impacted by market risk include cash, trade creditors, interest finance facility and borrowings.

(b) Credit risk
Credit risk is the financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligation. Credit risk arises from the Group's cash and cash equivalents and receivables balances. As cash is largely received at the point that goods are handed over, credit risk is considered low.

(c) Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's prudent liquidity risk management and implies maintaining sufficient cash. The Directors monitor rolling forecasts of the Group's liquidity and cash and cash equivalents based on expected cash flow. The undiscounted future payments required under the Group's lease liabilities can be seen in Note 17. The maturity profile of borrowings, being the Group's debenture loan notes and CBILS facility, can be seen on Note 16. The Group's trade and other payables and invoice finance facility are all repayable within 12 months.

Capital risk management
The Group is funded by equity and a stocking facility loan. The components of shareholders' equity and debt are:

(a) The *share capital and share premium accounts arising on the issue of shares.*
(b) *The retained reserve or deficit reflecting comprehensive income or expense to date.*
(c) *The debenture loan notes.*

Notes to the Group financial statements

19. Financial instruments (continued)

19.1. Capital risk management (continued)

The Group's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of the Group is managed and adjusted to reflect changes in economic conditions. The Group funds its expenditures on commitments from existing cash and cash equivalent balances, primarily received from issuances of shareholders' equity. There are no externally imposed capital requirements. Financing decisions are made based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans. Quantitative data on what the Group manages as capital is included in the Statement of Changes in Equity and below.

Fair value estimation
The carrying value less impairment provision of trade receivables and payables are assumed to approximate to their fair values because of the short-term nature of such assets and the effect of discounting liabilities is negligible.

The Group is exposed to the risks that arise from its financial instruments. The policies for managing those risks and the methods to measure them are described above. Further quantitative information in respect of these risks is presented below and throughout this Group financial statements.

Details of the Group's capital are shown in Note 20, as well as in the Statement of Changes in Equity.

19.2. Market risk

Competitive pressures remain a principal risk for the Group. The risk is managed through focus on quality of product and service levels. Stock obsolescence risk is managed through closely monitoring slow moving lines and prompt action to manage such lines through the various distribution channels available to the Group.

In addition, the Group operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk and interest rate cash flow risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by regularly monitoring the financial risks referred to above.

Given the size of the Group, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the Board are implemented by the Group's finance department.

19.3. Credit risk

The Group's sales are primarily made on the basis that cash is received at the point in which the goods are transferred, however, there are also sales with credit terms of between 0 and 30 days, exposing the Group to the risk of non-payment by customers. The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed regularly by the board.

An analysis of trade receivables, including past due but not impaired balances, is given in Note 13.

Credit risk also arises from cash and cash equivalents with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Notes to the Group financial statements

19. Financial instruments (continued)

19.4. Liquidity risk management

The Group is funded by its shareholders. The Group also utilises funding via a stocking facility that is designed to ensure the Group has sufficient available funds for operations and planned expansions. This is monitored on a monthly basis, including re-forecasts of the borrowings required. The liquidity risk has not changed as a result of the recent macroeconomic challenges given the high proportion of cash received when an order is placed.

19.5. Foreign currency risk management

The Group's activities have negligible exposure to the financial risks of changes in foreign currency exchange rates.

19.6. Interest rate cash flow risk

The Group's interest bearing liabilities relate to its debenture loans and CBILS facility. As these facilities are at fixed rates of interest the Group faces limited interest rate risk.

19.7. Price risk

The Group's profitability is affected by price fluctuations in the sourcing of its products. The Group continually monitors the price and availability of motorbikes but the costs of managing the exposure to price risk exceed any potential benefits given the extensive range of products and suppliers. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

19.8. Maturity of financial liabilities

All of the Group's non-derivative financial liabilities at the reporting date are payable within one year, except for borrowings as disclosed in Note 16.

Notes to the Group financial statements

19. Financial instruments (continued)

19.9. Summary of financial assets and liabilities by category

The carrying amount of financial assets and liabilities recognised may also be categorised as follows:

	As at 31 December 2022 £'000	As restated as at 30 April 2022 £'000
Financial assets		
Financial assets measured at amortised cost		
Trade and other receivables	1,076	1,577
Cash and cash equivalents	3,595	5,151
	4,671	**6,728**
Financial liabilities		
Financial liabilities measured at amortised cost		
Non-current:		
Debentures loans	(61,270)	(56,524)
Lease liabilities	(8,431)	(4,703)
Current:		
Lease liabilities	(1,754)	(539)
Trade and other payables	(1,407)	(2,232)
Corporation tax	(126)	(111)
Stocking facility loan	(12,334)	(8,391)
Accruals	(1,666)	(1,734)
Deferred consideration	(1,125)	(2,528)
	(88,113)	**(76,762)**
Net financial assets and liabilities	**(83,442)**	**(70,034)**
Non-financial assets and liabilities		
Provisions	(1,118)	(386)
Property, plant and equipment	3,330	2,515
Right of use assets	10,910	5,548
Goodwill and other intangible assets	33,040	33,268
Deferred tax (liability)	(1,779)	(2,381)
Inventory	16,176	15,092
Prepayments	1,506	731
Other taxation and social security	(469)	(696)
	61,596	**53,691**
Total deficit	**(21,846)**	**(16,343)**

Notes to the Group financial statements

20. Share capital

	As at 31 December 2022	As at 30 April 2022
	£	£
Allotted, called up and fully paid		
5,700,000 (30 April 2022: 5,700,000) A Ordinary shares of £0.0010 each	5,700	5,700
1,300,000 (30 April 2022: 1,300,000) B1 Ordinary shares of £0.0005 each	650	650
700,000 (30 April 2022: 700,000) B2 Ordinary shares of £0.0010 each	700	700
200,000 (30 April 2022: 200,000) B3 Ordinary shares of £0.0010 each	200	200
800,000 (30 April 2022: 700,000) C1 Ordinary shares of £0.0020 each	1,600	1,400
200,000 (30 April 2022: 200,000) C2 Ordinary shares of £0.0030 each	600	600
1,100,000 (30 April 2022: 1,000,000) D Ordinary shares of £0.0001 each	110	110
	9,560	9,360

On 21 June 2022 the Company issued 100,000 C1 Ordinary shares of £0.0020 for total consideration of £125,000, as a result Share Premium of £125,000 was recognised.

On 8 July 2022 the Company issued 100,000 D Ordinary shares of £0.0001 for total consideration of £126,000, as a result Share Premium of £126,000 was recognised.

A Ordinary and B1 Ordinary shares carry 1 vote per share and are entitled to participate in dividends. B2 Ordinary shares carry 0.5 votes per share and are entitled to participate in dividends. C2 Ordinary shares carry 3 votes per share and are entitled to participate in dividends. D Ordinary shares are not entitled to vote or participate in dividends.

21. Analysis and reconciliation of net debt

	1 May 2021	Other non-cash changes	Accrued interest	Cashflow	30 April 2022
	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	5,853	-	-	(702)	5,151
Debentures loans	(35,448)	-	(4,093)	40	(39,501)
CBILS facility	(2,434)	(37)	(29)	2,500	-
Banking facility	-	-	(126)	(10,670)	(10,796)
Shareholder funding	-	(227)	-	(6,000)	(6,227)
IFRS 16 lease liability	(2,167)	(3,570)	(215)	710	(5,242)
Net debt	(34,196)	(3,834)	(4,463)	(14,122)	(56,615)

	1 May 2022	*Other non-cash changes*	*Accrued interest*	*Cashflow*	31 December 2022
	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	5,151	-	-	(1,556)	3,595
Debentures loans	(39,501)	-	(2,968)	-	(42,469)
Banking facility	(10,796)	(42)	(512)	(519)	(11,869)
Shareholder funding	(6,227)	-	(705)	-	(6,932)
IFRS 16 lease liability	(5,242)	(6,137)	(184)	1,378	(10,185)
Net debt	(56,615)	(6,179)	(4,369)	(697)	(67,860)

Notes to the Group financial statements

22. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and are disclosed in note 6. Contributions totalling £47,000 (30 April 2022: £39,000) were payable to the fund at the reporting date and are included in creditors.

23. Related party transactions

The directors, S Behrens and L Vaughan hold one loan note each within Project Vincent Topco Limited which are repayable in January 2028 with an applicable rate of interest of 17.5% from February 2022.

One family member of the directors is employed within the business (30 April 2022: one). The total remuneration paid in the year was £59,000 (30 April 2022: £66,000).

24. Ultimate controlling party

The Company is controlled by Livingbridge Enterprise 2 Fund LP.

25. Audit exemption statement

Under section 479A of the Companies Act 2006, the Group is claiming exemption from audit for the subsidiary companies listed below.

The parent undertaking, Superbike Factory Holdings Limited guarantees all outstanding liabilities to which the subsidiary company is subject at the end of the financial year. The guarantee is enforceable against the parent undertaking by any person to whom the subsidiary company is liable in respect of those liabilities.

	Company number
Superbike Loans Limited	08512842
M A M Automotive Holdings Limited	13526724
M A M Automotive Limited	09390866

26. Post balance sheet events

There have been no post balance sheet events to note.

27. Prior year adjustment

The following restatement has been identified in relation to the 30 April 2022 year-end:

- Deferred tax was not recognised on consolidation of fair value intangible assets which had a nil tax base value. A correction has been made to increase the value of goodwill and deferred tax liability by £2,198,000. There is no impact on the net assets of the group as at 30 April 2022 as a result of this adjustment. The year end as at 30 April 2021 is not affected by this restatement.

Company statement of financial position
As at 31 December 2022

	Note	As at 31 December 2022 £'000	As at 30 April 2022 £'000
Fixed assets			
Investments	4	-	-
Current assets			
Debtors: amounts falling due after more than one year	5	18,548	17,128
Debtors: amounts falling due within one year	5	289	39
		18,837	**17,167**
Creditors: amounts falling due within one year	6	(284)	(274)
Net current assets		**18,553**	**16,893**
Total assets less current liabilities		**18,553**	**16,893**
Creditors: amounts falling due after one year	7	(15,923)	(15,073)
Net assets		**2,630**	**1,820**
Equity			
Share capital	8	10	9
Share premium		366	116
Retained earnings		2,254	1,695
Total equity		**2,630**	**1,820**

The Company has taken advantage of the exemption permitted by Section 408 of the Companies Act 2006 not to produce its own profit and loss account. The profit for the period dealt within the financial statements of the Company was £435,000.

The notes on pages 41 to 44 are an integral part of these Company financial statements.

The Company financial statements on pages 38 to 39 were approved by the Board of Directors on 20 June 2023 and were signed on its behalf by:

S A H Behrens
Director

Registered number: 10827720

Company statement of changes in equity
For the Period Ended 31 December 2022

	Share Capital	Share Premium	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
As at 1 May 2021	**9**	**116**	**1,099**	**1,224**
Profit for the year	-	-	596	596
Total comprehensive income for the year	-	-	**596**	**596**
As at 30 April 2022	**9**	**116**	**1,695**	**1,820**
Profit for the year	-	-	559	559
Total comprehensive income for the year	-	-	**559**	**559**
Transactions with owners recognised directly in equity				
Issue of share capital	1	250	-	251
Total transactions with owners recognised directly in equity	**1**	**250**	-	**251**
As at 31 December 2022	**10**	**366**	**2,254**	**2,630**

The notes on pages 41 to 44 are an integral part of these Company financial statements.

Notes to the Company financial statements

1. General Information

The principal activity of Superbike Factory Holdings Limited ("the Company") is that of a holding company and the principal activity of the Company and its subsidiaries (the "Group") is that of a retailer of motorbikes. The Company is a private company limited by shares registered in England & Wales. The registered office of the Company is set out in the company information page. The Company registration number is 10827720.

2. Summary of significant accounting policies

2.1 Reporting framework

The separate financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework", on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 as applicable to companies reporting under FRS 101.

The financial information is presented in sterling and has been rounded to the nearest thousand pounds (£'000).

The principal accounting policies, which have been applied consistently to all the years presented.

2.2 Financial Reporting Standard 101 – reduced disclosure exemptions

The following exemptions from the requirements in IFRS have been applied in the preparation of these financial statements:

- IFRS 7, "Financial Instruments: Disclosures".
- The following paragraphs of IAS 1, "Presentation of financial statements":
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement of minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (statement of cash flows information); and
  - 134-136 (capital management disclosures).
- IAS 7, "Statement of cash flows".
- 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 the related party transactions entered into between two or more members of a group.
- Paragraphs 130(f)(ii)(iii), 134(d)-(f) and 135(c)-(e) of IAS 36, "Impairment of assets"
- Paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 and the second sentence of paragraph 110 of IFRS 15

This information is included in the consolidated financial statements found earlier in this report.

Notes to the Company financial statements

2. Summary of significant accounting policies

2.3 Investment in subsidiary undertakings
Investments in subsidiaries are stated at cost less accumulated impairment.

2.4 Financial instruments
Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

3. *Critical accounting estimates and judgements*

In the preparation of the Company financial statements, the Directors, in applying the accounting policies of the Company, make some judgements and estimates that effect the reported amounts in the financial statements.

Accounting estimates
There are no estimates and assumptions that may have a significant effect on recognition and measurement of assets, liabilities, income and expenses recognised in the financial statements.

Accounting judgements
There are no areas requiring the use of judgement or include estimation uncertainty in preparing the Company financial statements.

4. Investments

	Investments in subsidiary companies £'000
As at 1 May 2022	-
As at 31 December 2022	-

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Project Vincent Bidco Limited	Snape Road, Macclesfield, Cheshire, United Kingdom, SK10 2NZ	Ordinary	100%

Indirect subsidiary undertakings

Name	Registered office	Class of shares	Holding
Superbike Factory Limited		Ordinary	100%
Superbike Loans Limited		Ordinary	100%
Superbike Insure Limited		*Ordinary*	100%
Superbike Group Limited		Ordinary	100%
We Want Your Motorbike Limited	Snape Road, Macclesfield,	Ordinary	100%
We Want Your Motor Limited	Cheshire, United Kingdom, SK10	Ordinary	100%
Factory Heads Motobike Company Limited	2NZ	Ordinary	100%
Carbay Limited		Ordinary	100%
M A M Automotive Holdings Limited		Ordinary	100%
M A M Automotive Limited		Ordinary	100%

Notes to the Company financial statements

5. Debtors

	As at 31 December 2022 £'000	As at 30 April 2022 £'000
Amounts falling due after more than one year		
Intercompany loan notes	18,548	17,128
	18,548	17,128
Amounts falling due within one year		
Other debtors	289	39
	289	39

Amounts owed by group undertakings are charged at 12% (30 April 2022: 11%) and due on demand.

6. Creditors: Amounts falling due within one year

	As at 31 December 2022 £'000	As at 30 April 2022 £'000
Amounts owed to group undertakings	284	274
	284	274

Amounts owed to group undertakings are repayable on demand and incur no interest.

7. Creditors: Amounts falling due after one year

	As at 31 December 2022 £'000	As at 30 April 2022 £'000
Debentures loans	15,923	15,073
	15,923	15,073

The debenture loans are secured against the assets of the Company.

There are three loan notes within Superbike Factory Holdings Limited as follows:

B Loan stock instrument;	*repayable in January 2028 with a 12% compounded rate of interest*
DC Loan notes;	repayable in January 2028 with a 6% compounded rate of interest
Manager Debt Loan Stock Instrument ;	repayable in January 2028 with a 12% compounded rate of interest

Notes to the Company financial statements

8. Share capital

	As at 31 December 2022	As at 30 April 2022
	£	£
Allotted, called up and fully paid		
5,700,000 (30 April 2022: 5,700,000) A Ordinary shares of £0.0010 each	5,700	5,700
1,300,000 (30 April 2022: 1,300,000) B1 Ordinary shares of £0.0005 each	650	650
700,000 (30 April 2022: 700,000) B2 Ordinary shares of £0.0010 each	700	700
200,000 (30 April 2022: 200,000) B3 Ordinary shares of £0.0010 each	200	200
800,000 (30 April 2022: 700,000) C1 Ordinary shares of £0.0020 each	1,600	1,400
200,000 (30 April 2022: 200,000) C2 Ordinary shares of £0.0030 each	600	600
1,100,000 (30 April 2022: 1,000,000) D Ordinary shares of £0.0001 each	110	110
	9,560	9,360

On 21 June 2022 the Company issued 100,000 C1 Ordinary shares of £0.0020 for total consideration of £125,000, as a result Share Premium of £125,000 was recognised.

On 8 July 2022 the Company issued 100,000 D Ordinary shares of £0.0001 for total consideration of £126,000, as a result Share Premium of £126,000 was recognised.

A Ordinary and B1 Ordinary shares carry 1 vote per share and are entitled to participate in dividends. B2 Ordinary shares carry 0.5 votes per share and are entitled to participate in dividends. C2 Ordinary shares carry 3 votes per share and are entitled to participate in dividends. D Ordinary shares are not entitled to vote or participate in dividends.

9. Post balance sheet events

There have been no post balance sheet events to note.