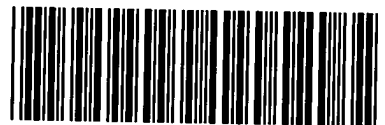


Company Registration No. 01261512 (England and Wales)

**BROMPTON BICYCLE LIMITED ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

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BROMPTON BICYCLE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2024

Directors	W D Butler-Adams OBE P J J Byng W Carleymith A Horowitz-Burdick L Johnson R Kendall M Mathieson P Williams C Sellin D Mantzouridis
Secretary	C Hine
Company Number	01261512
Registered office	Brompton Bicycle Ltd Unit 1 Greenford Park, Ockham Drive Greenford, Middlesex, London UB6 0FD
Independent auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB United Kingdom

BROMPTON BICYCLE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

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BROMPTON BICYCLE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The directors present their strategic report on the Group for the year ended 31 March 2024.

Review of the business

The principal activity of the Group is the development, manufacture, and sale of the Brompton folding bicycle, as well as associated spares and accessories. As a Group, Brompton's purpose is to create urban freedom for happier lives. By providing the means to commute or explore with a bike that you can take anywhere and store anywhere, we can make cities happier places to live. We want to increase people's freedom, improve their health, and help create a society more conducive to a sustainable environment.

Brompton products are sold through stores, e-commerce, dealers, distributors and franchisees. During the year, research and development has been undertaken on a number of new products, which Brompton is excited to release in the near future. Outside of our sales channels, the iconic Brompton bicycle can be enjoyed by customers through our subscription service, Brompton Bike Hire. There are currently 79 Brompton Bike Hire docks spread out across the UK's major cities from which bikes can be hired.

It was a challenging year for the Group with Turnover down 5.3% on last year to £122,568,053 (2023: £129,430,635). The Group had a pre-tax profit of £4,602 for the year down from a profit of (2023: £10,680,953) in the prior year. Profit before tax represents a 0.0% margin on sales (2023: 8.3%). This decrease in profit margin is primarily due to the miss in budgeted sales by the Group, and the delay in being able to respond with a reduction in costs due the committed and fixed nature of a number of them.

On 31 March 2024, the Group had net assets of £65,119,594 (2023: £49,410,392). The increase is primarily due to a cash injection from an equity fundraise on the 15 May 2023 which bolstered the balance sheet.

Key performance indicators

Bike unit sales were 84,899 (2023: 91,875), an 8.2% reduction on the prior year driven by the wider global economic uncertainty and challenges in the cycling industry. Exports accounted for 80% of bike unit sales (2023: 74%). With further ramp-up of T Line and P Line products, we have continued to see a shift towards more premium products in the Brompton range. This has resulted in an increased average revenue per bike, enabling the Group to partially offset the reduction in revenue arising from the fall in unit sales.

The Group is investing in improving the consumer experience through the e-commerce platform and Junction retail store direct-to-consumer (DTC) channels, with a 13% increase in unit sales through DTC channels observed in the year to 25,649 (2023: 22,630). The higher revenue achieved through DTC channels has contributed to maintaining the gross profit margin, despite an increase in direct costs.

Gross profit margin has decreased marginally relative to the prior year 50.0% (2023: 50.3%). This has arisen in part due to the shift towards higher margin DTC channels, which was offset by an increase in costs of direct materials and the associated logistics costs.

Operating costs increased by 15% to £62,710,382 (2023: £54,729,226), 51% of revenue (2023: 42%), largely arising from increased staff and marketing costs related to the expected growth of the business.

The Group stock balance decreased marginally at year-end to £35,042,430 (2023: £36,169,707). This decrease has occurred due to the decrease in raw materials offsetting an increase in finished goods. Raw materials decreased due to improved inventory management and a more conservative approach to purchasing inventory in reaction to declining sales in the financial year. Brompton has continued to pursue a strategy of bringing distribution for key markets within the Group, with the buyout of our Japanese distributor and set up of an overseas subsidiary, further driving an increase in Group finished stock levels as a greater number of units are in transit and in markets. Group net cash has risen to £13,050,869 at 31 March 2024 (2023: £4,943,762).

Brompton's £20.0m revolving credit facility was not drawn down as of 31 March 2024 (2023: £10.4m).

Sustainability

Brompton's purpose, to create urban freedom for happier lives drives the Group to have a positive impact on people and the planet. As such in the financial year 2024, Brompton was certified as a B Corporation. Brompton continues to embed the pillars of the B Corporation movement, balancing profit with sustainable business practices.

BROMPTON BICYCLE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The aim is to improve Brompton's B Corp performance for recertification and encapsulate the B Corp movement as a better way of doing business.

Brompton continues to report on greenhouse gas emissions from both operations and the supply chain (scopes 1, 2, and 3). Brompton has submitted a carbon reduction plan to the Science Based Targets Initiative. Brompton also successfully tested using post-consumer recycled aluminium in bicycle wheel rims showing this is a viable solution to reduce the largest source of greenhouse gas emissions, aluminium components.

In financial year 2024, our average carbon emissions per bike increased because we sold more electric bikes and our air freight from product development increased.

Directors' Duties

The Board of Directors of Brompton Bicycle Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in S172(1) (A-F) of the Companies Act 2006) in the decisions taken during the year ended 31 March 2024, and in doing so have regard (among other matters) to:

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

At the heart of all our work is the knowledge that our designs will be in existence for the long term and that decisions made today will have consequences far into the future.

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

The Directors recognise that the Group's employees are fundamental and core to our business and delivery of our ambitions. The success of our business depends on attracting, retaining, and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety, and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

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

Delivering our engineering designs requires strong mutually beneficial relationships with customers, partners, suppliers, and debt providers. The Board is mindful that Brompton's success depends on its ability to engage effectively, work together constructively, and take stakeholder views into account, and they promote open and healthy dialogue with all parties.

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

This aspect is inherent in our strategic ambitions, most notably on our ambitions to increase people's independence and freedom. Every aspect of our designs and of our influence in the sphere of design has an impact on either the community or the environment.

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

Our business relies on our employees. The Directors understand the importance of the ongoing delivery of support, training, and professional development to provide our employees with the necessary skills and attitudes to enable them to continue to deliver the high standards the business requires. We act with honesty, integrity, and modesty in our design right through to our staff, dealers, and customers. This flows through to the quality of our products and our wider relationships with external stakeholders.

S172(1) (F) "The need to act fairly as between members of the Company"

The Directors consider which course of action best enables successful outcomes that are balanced and fair between the members of the Company.

Qualifying third party indemnity provisions

The Company has made qualifying third-party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

BROMPTON BICYCLE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

B Corporation

Brompton received its B Corporation certification at the start of financial year 2024, recognising us as a business that meets high standards of social and environmental performance, transparency, and accountability.

To embed sustainability at Brompton within all levels of the business we run employee sustainability groups for production teams, office teams, and management. These groups meet at least quarterly to improve employee awareness of sustainability. Progress on sustainability is also reported monthly as part of Brompton's management reporting process.

Category	Brompton's Score
Overall score	85.1
Governance	15.4
Workers	27.2
Community	15.5
Environment	16.4
Customers	10.4

Planet

Streamlined energy and carbon reporting

Brompton's greenhouse gas emissions from our operations (scope 1 and 2) and supply chain (scope 3) in financial year 2024 were 18,795 tonnes of carbon dioxide equivalent. This includes our greenhouse gas emissions from our: business operations, energy, product materials, product use, transportation and distribution, and waste. We have submitted a carbon reduction plan to the Science Based Targets' Initiative for validation.

Brompton's carbon reduction plan involves changes to both our operations and our supply chain. We completed an energy reduction program in Greenford, the company's primary residence by installing more LED lights, optimising the incoming voltage for electricity, and other initiatives. In financial year 2024 we also initiated projects to investigate how we reduce the carbon footprint of our product materials such as testing post-consumer recycled aluminium.

Energy (kWh)	FY23	FY24	% change on FY23
Total energy from owned and operated locations kWh	2,882,530	3,480,463	21%

Global total greenhouse gas emissions (t CO2e)	Methodology	FY23	FY24	% change on FY23
Scope 1 direct emissions from diesel, gas and acetylene		319	439	38%
Scope 2 indirect emissions from electricity	Location based	357	405	13%
Scope 2 indirect emissions from electricity	Market based	84	97	15%
Scope 3 value chain emissions		17,784	18,259	3%
Total Scope 1, 2, and 3 emissions	Location based	18,459	19,103	3%
Total Scope 1, 2, and 3 emissions	Market based	18,187	18,795	3%

Global net greenhouse gas emissions (t CO2e)	Methodology	FY23	FY24	% change on FY23
Emissions offset from carbon neutral gas contracts		216	316	46%
Net scope 1, 2 and 3 emissions	Market based	17,971	18,479	3%
Net scope 1, 2 and 3 emission intensity per bicycle produced	Market based	0.20	0.22	11%

UK total greenhouse gas emissions (t CO2e)	Methodology	FY23	FY24	% change on FY23
UK only scope 1 direct emissions	Location based	319	439	38%
UK only scope 2 indirect emissions from electricity	Location based	294	319	9%

Total energy consumption was higher in FY24 driven by increased natural gas consumption used in manufacturing. Note, scope 3 emissions values for FY24 are estimated based on FY23 baseline.

Waste & recycling

In financial year 2024 almost 60% of solid waste was recycled at our manufacturing site in Greenford. To achieve this recycling rate we segregated cardboard, food waste, flexi plastics and waste to energy, wooden pallets, tyres and inner tubes, electronics and other materials.

BROMPTON BICYCLE LIMITED
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Waste from Greenford Office and Factory	FY23 (tonnes)	FY24 (tonnes)	% change on FY23
Recycled	250	244	-3%
Anaerobic digestion	17	17	0%
Waste to Energy	70	36	-49%
Hazardous waste	52	108	107%
Total	389	405	4%

Brompton's total waste increased by 4% due to a significant increase in hazardous waste produced. This is because Brompton increased its machinery maintenance schedule resulting in more liquid cleaning waste. This is also because Brompton tested more bike colours in its powder coating production line which also increased paint waste.

Packaging

Brompton authored and are founding members of the Cycling Industry Sustainable Packaging Pledge. Packaging is essential to ensure that parts from suppliers are transported safely to our manufacturing site in Greenford. Brompton has already reduced the amount of packaging used by suppliers and continues to use some reusable packaging.

Brompton is also working to reduce the volume of plastic in customer-facing packaging and use more sustainable materials. In financial year 2024 Brompton started to switch to digital manuals for non-electric bicycles in some markets. This reduces the amount of paper used. In financial year 2024 almost 81% of paper and cardboard was FSC certified, 96% of all packaging was recyclable and on average we used 62% recycled materials in our packaging.

Customer packaging materials (t)	FSC certified	Recyclable packaging	Recycled content	Total weight
Cardboard	308	341	235	341
Paper	14	40	7	39
Plastic	-	-	0	15
Total	322	381	242	395
change on FY23	-14%	1%	6%	0%

In financial year 2025 Brompton will start using a redesigned bicycled box that removes almost all plastic packaging.

Activism

Brompton's product and influence as a business is able to improve the health and wellbeing of people and also reduce their carbon emissions from travelling.

Brompton customers benefit from improved mental health and physical wellbeing by using Brompton bicycles. To support this Brompton's community ride programmes are active in multiple cities and in the year completed over 6,700 hours of riding with customers.

Brompton supports the positive impact of its core product by campaigning for sustainable and healthy travel. Brompton's 'wheels for heroes' programme supports communities and charities in need of healthy and sustainable travel solutions. Brompton partnered with several organisations on this initiative including: Saheli Hub in Birmingham and Transport for Greater Manchester Bike Libraries, both of these initiatives are improving access to cycling in innovative ways.

Brompton Bike Hire has reduced the carbon emissions of local travel by providing folding bicycle sharing services globally. Brompton now operate over 102 locations and have new partnerships with organisations such as Fettle Kwik Fit and Deutsche Bahn.

In the financial year 2025 Brompton will continue to campaign for sustainable healthy travel solutions globally by working with local communities and governments. We will also continue to find new partnerships to make cycling more accessible for communities.

People

The people team is a dedicated champion of fairness, equity, and sustainability. With a workforce of 800 employees globally, our commitment to their well-being is of utmost importance. We are proud to report that we pay all our employees never less than the national living wage. Everyone employed in the UK gets paid the real living wage and above, London, get the London Living Wage.

BROMPTON BICYCLE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

Sheffield employees are paid over and above the Sheffield living wage and internationally all our employees are paid a wage that aligns with the cost of living. Our adherence to the National Living Wage is testament to our dedication to creating a fair and just workplace. The London Living Wage increased from £10.95 per hour to £13.15 per hour and we committed to paying this.

The people team has been actively engaged in reviewing and improving internal processes. To upskill our managers across the business, the People team launched a new offering of in person training called Toolbox Talks, leveraging the subject matter experts to delivery focused and relevant management talks. The topics this year included Performance Management and Appraisal Training, and we have a calendar of topics planned for the coming year. A new and improved appraisal process was also launched to the business, to give employees more ownership of their development, maximise their performance and create a more fluid approach to these conversations.

This year work started on a new HRIS implementation project, purposed to streamline processes across the business, provide better and more in-depth insights and metrics, to have one source of truth for information, and to continue focus on quality.

At the heart of our mission is the embedding of our core values into our business operations. We believe that a better working environment can only be achieved by nurturing a culture that embraces the values. Inclusion, respect, and sustainability are not just words on paper; they are the guiding principles that steer our decisions and actions. By weaving these core values into the fabric of our business, we aim to create a work environment that is not only sustainable but also fosters respect, inclusivity, and well-being for all employees.

Employees are kept up to date regularly on updates via department team briefings and through our Employee Engagement platform 'The FOLD', where daily news and updates are shared across the business. Any employee issues or concerns are raised to the People Team, or through our company whistleblowing hotline, Safecall, which is promoted to drive ethics from the top.

This year, employees were remunerated by an annual cost of living increase, potential role specific pay adjustments, bi-annual profit bonus as well as substantial investment in the form of Continued Professional Development (CPD), Apprenticeships and other technical on job development. Employees also have free access to LinkedIn Learning.

Equality, Diversity, and Inclusion (EDI)

At Brompton we aspire to engage with diverse individuals, communities, and organisations in order to continue to create a rich diverse culture.

In the past year our BAME@Brompton community arranged internal activities to get employees engaged with black history month, this included a movie night film screening and a panel discussion with Donna Jarret – who also runs our EDI onboarding session for new starters. Our Pride@Brompton group and their allies took part in the London Pride Parade and the annual Pride Ride for the 4th year in a row to celebrate the diversity at Brompton. To celebrate International Women's Day a group of women from our Women@Brompton group went to the Uplift (women in cycling industry mentorship programme) at the Rapha HQ. They heard from a panel of 3 powerful women in the cycling industry and heard about their experiences. MentalHealth@Brompton, Parents@Brompton and Ability@Brompton continue to meet quarterly.

Employer of Choice

We currently maintain Investors in People (Silver Award) and Great place to Work (Best Place to Work Award) standards as well as holding accreditation for being founding members of Good Business Charter and hold Disability Confident status. Additionally, we have been a London Living Wage company since 2021.

Gender Pay Gap

Since 2019, we have published our Gender Pay Gap results both at Gov.UK and on our Company website in line with UK regulatory guidance. This year there has been a marginal improvement in the mean and median pay gap with a decrease in the mean and median hourly pay gap between women and men by -3.10%. There is a small uplift in terms of women within the business as of 5 April 2024 but also men, and the ratio of men to women has widened marginally by 0.63%.

Health & safety

In financial year 2024, we continue to make significant strides in our commitment to health and safety (H&S) excellence, bolstering our efforts to safeguard the well-being of our employees and stakeholders. We expanded training programmes and included team leaders in

BROMPTON BICYCLE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

IOSH Managing Safely courses. We also launched an online health and safety platform to centralise risk assessments, incident reporting and checklists. We introduced health and safety champions and zone owners to increase employee engagement. We also completed more focussed risk assessments in areas such as noise, vibration and ergonomics.

Next year Brompton's approach to health and safety will expand to include prioritising mental health and wellbeing through our network of mental health first aiders. It will also include more data driven risk management using data from our online health and safety system. We will also do more health surveillance of occupational hazards and implement improvements to workplace transport safety

Human rights

Brompton has a code of conduct that holds suppliers accountable for their social and environmental performance. Over 95% of Brompton's suppliers have agreed to this code of conduct. The code of conduct covers a range of social issues: working hours, freely chosen employment, compensation, child labour, freedom of association and health and safety. Brompton use third party auditors to visit new suppliers and assess them against these social issues.

We are committed to ensuring full respect for the human rights of anyone working for us in any capacity and we take a zero tolerance to modern slavery. We have reported on this area in detail in a separate Modern Slavery Statement, available at www.brompton.com/legal/modern-slavery-statement.

BROMPTON BICYCLE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

Principal Risks

The principal risks and uncertainties facing the Group relate to:

Risk	Mitigation
Risk of Over-Dependency on China	China is a key strategic market for us across both supply and sales, but this concentration presents risks, particularly in the event of disruptions. The supply chain team have established a more diverse supply chain across Asia and Europe, where appropriate we have second suppliers. We have aligned our intercompany transfer pricing policies with global standards to ensure compliance and accurate profit allocation. This approach has increased the proportion of profits recognised in the UK. Additionally, we have implemented 30% prepayments on all orders to reduce cash exposure in China. Growth initiatives in other key markets, including Germany, Japan, and the US, aim to reduce dependency on China and ensure greater resilience.
Competition selling similar products at lower prices,	Wider design right protection on future products and appointment of a brand protection agency to identify intellectual property right breaches and take down from online marketplaces.
Product demand	A fall in demand would put pressure on the Group's cash flow, and if sustained could increase the liquidity risk. The business continues to invest in innovative bicycle products, marketing capability, developing sales channels and enhancing customer experience to counter this, ensuring demand for the bikes continues to be strong.
Product-related litigation, recall costs, and reputational risk relating thereto	All new product designs are tested as compliant to local product safety requirements using external accredited test houses. In exceptional cases where a product recall is required, the company acts fast to investigate and address the issue. We are honest and transparent with consumers, aiming to minimise the impact on them and manage the reputational risk. Recall costs are kept to a minimum through insurance, and by utilising our network of local dealers, junction stores and ecommerce channels.
Obsolescence	Continuous innovation is crucial in industries like bicycle manufacturing to meet changing customer preferences, safety standards, and technological advancements. However, frequent design changes can render existing inventory obsolete. Forecasting challenges exacerbate the obsolescence risk. Mitigations are linked to increasing the responsiveness of the supply chain, and increasing the demand forecast accuracy.
Liquidity & cash flow	Arising from the need to hold stock to meet the forecast growth in sales, and the timing difference between the cash outflows required to purchase stock and the inflows received from the future sale of goods. Cash flow and liquidity risk have increased in the year due to unpredictability of demand and the need for the business to commit to orders far in advance of the expected sale date. This has been mitigated in the short term through the use of debt facilities and more recently a capital raise. There is an increased focus on demand and stock planning capabilities to drive down inventory levels across the group.
Foreign currency	Exposure to foreign currency risk arises as a result of operating across different countries, in regard to unpredictable gains or losses due to movements in foreign currency rates. The group are naturally hedged due to the offsetting of sales and purchases in foreign currency, however the Group continues to monitor the situation and following the year end, has implemented a more active hedging strategy.
Inflation	While inflation is easing due to economic measures and material costs remain relatively stable, inflation remains a difficult challenge to fully control. Rising labour and overhead costs continue to pressure margins. Price rises have offset some of these costs, but competition and low consumer confidence limit further increases. Higher-margin direct-to-consumer sales and ongoing efficiency improvements, including waste reduction initiatives, have helped buffer the impact.
Trade Credit Defaults	Financial pressures in the bicycle industry have increased the risk of credit defaults. We mitigate this through regular credit assessments, a direct debit system for over 220 dealers, and global trade credit insurance.
Retention of key management and staff	As a business we are investing in training and career development, agile working, salary benchmarking and investing in our facilities to create an environment we can be proud of.

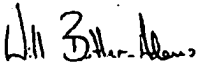
BROMPTON BICYCLE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Group continuously monitors the changing economic conditions and addresses any identified potential risks via an internally developed risk management tool, adapting the business as appropriate. Additionally, the Group mitigates risks by having internal KPIs, management accounts and monitoring of performance vs. budget to ensure the business is well equipped to adapt quickly should the economic climate change.

During the year, the Company raised £16.0m on 15 May 2023 through issue of 9,843 new ordinary A shares. An additional £3.0m was raised on the same date through the issue of 1,854 new ordinary shares in relation to pre-emption rights taken up by existing shareholders on the same date. As a result, all outstanding loans in relation to the revolving credit facility have been repaid. Brompton has opted to raise capital through the issuance of new shares with a strategic intent in mind. This move is designed to strengthen our balance sheet, ensuring we have the financial robustness to confidently pursue our growth objectives and immediately alleviate any liquidity concerns. Furthermore, given the unpredictable nature of current market conditions, having a fortified balance sheet becomes paramount. This proactive approach positions Brompton to navigate challenges and seize opportunities even amidst times of uncertainty.

In the opinion of the directors there are no further principal risks and uncertainties where disclosure is necessary for an understanding of the development, performance, or position of the business.

On behalf of the board



W D Butler-Adams OBE
Director Dated: 27 November 2024

BROMPTON BICYCLE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The directors present their report and the audited consolidated financial statements of the Group and the Company (Registered in England No. 01261512) for the year ended 31 March 2024.

Dividends and Share Capital

During the year, the Group paid no dividends, given its break-even position (2023: £1,196,208 and £12 per share).

There were 1,854 ordinary shares issued during the year and a further 9,843 ordinary A shares issued to external investor BGF.

Directors

The directors of the Company and Group who were in office during the year and up to the date of signing the financial statements:

W D Butler-Adams OBE (Managing Director)
L A Vary (Finance Director) (resigned 21st June 2024)
W Carleysmith (Director)
S Loftus (Director – resigned 21st April 2023)
P A Williams (Director)
L Johnson (Non-executive)
R Kendall (Non-executive)
A Horowitz-Burdick (Non-executive)
M F Mathieson (Non-executive)
D Spedding (Non-executive – appointed 15th May 2023, resigned 10th July 2024)
C Sellin (appointed 15th of October 2024)
D Mantzouridis (appointed 4th of November 2024)
P J J Byng (Chairman)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

Suppliers and business relationships

See relevant sections within the strategic report for details of how the directors have regarded the need to foster the Group's business relationships with suppliers, customers and others, including the effect of this regard on the principal decisions taken during the year.

BROMPTON BICYCLE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

Going Concern

The Directors have reviewed the current forecasts of the Group, and the ability of the Group to meet its financial obligations as they fall due. The Directors have further considered the risks to the Group's trading performance, as outlined in the Strategic report on page 9. It is the Directors' conclusion that the going concern basis of preparation is appropriate. Going concern is discussed in more detail in note 3 Accounting policies on page 22.

Disclosure of information to auditors

Each director holding office at the date the Directors' Report is approved confirms that:

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

Strategic report

The Company has chosen in accordance with Companies Act 2006, section 414C(11) to set out in the Company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, schedule 7 to be contained in the directors' report. It has done so in respect of the fair review of the business, key performance indicators, principal risks and uncertainties and future developments of the Group.

On behalf of the board,



W D Butler-Adams OBE
Director Dated: 27 November 2024

BROMPTON BICYCLE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROMPTON BICYCLE LIMITED

FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of Brompton Bicycle Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated profit and loss account, the consolidated and company balance sheets as at 31 March 2024, the consolidated cash flow statement, the consolidated and company statements of changes in equity for the year then ended and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

BROMPTON BICYCLE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROMPTON BICYCLE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 set out on page 11, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

BROMPTON BICYCLE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROMPTON BICYCLE LIMITED
FOR THE YEAR ENDED 31 MARCH 2024

The most significant laws and regulations that have an indirect impact on the financial statements are international product compliance requirements. We performed audit procedures to inquire of management whether the Group and parent Company is in compliance with these regulations, reviewed legal expenditure for evidence of unrecorded disputes or breaches, and reviewed the policies and controls put in place by those charged with governance to mitigate the risk of non-compliance.

The group audit engagement team identified the risk of management override of controls and revenue cut off as the areas where the financial statements was most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

Management override of controls:

- Testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

Revenue cut off:

- Reviewing the controls and procedures in place within the Group; selecting and checking the treatment of a sample of transactions around the year end; reviewing commercial arrangements both during the year and around year end for any which may impact year end accounting.

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

Use of our report

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

Mark Nisbett

Mark Nisbett FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditors
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
27 November 2024

BROMPTON BICYCLE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Turnover	5	122,568,053	129,430,635
Cost of sales		(61,334,831)	(64,280,447)
Gross profit		61,233,222	65,150,188
Other income		1,007,501	531,313
Administrative expenses		(62,710,382)	(54,729,226)
Operating (loss)/profit	6	(469,659)	10,952,275
Interest receivable and similar income		476,966	100,321
Interest payable		(2,705)	(371,643)
Profit before taxation		4,602	10,680,953
Tax on (loss)/profit	11	(1,050,926)	(1,994,435)
(Loss)/profit for the financial year before minority interests		(1,046,324)	8,686,518
Minority interests		(44)	(1,086)
(Loss)/profit for the financial year		(1,046,280)	8,685,432

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no other items of comprehensive income and therefore no separate statement of other comprehensive income has been presented.

BROMPTON BICYCLE LIMITED
CONSOLIDATED AND COMPANY BALANCE SHEETS
AS AT 31 MARCH 2024

	Note	Group		Company	
		2024	2023	2024	2023
		£	£	£	£
Non-current assets					
Fixed assets					
Intangible assets	12	8,576,446	3,895,163	8,283,748	3,747,993
Tangible assets	13	9,271,090	8,512,980	7,692,503	7,803,445
Investments	14	-	-	4,277,207	4,277,207
		17,847,536	12,408,143	20,253,458	15,828,645
Called up share capital not paid	17	3,798,593	4,441,653	3,798,593	4,441,653
		21,646,129	16,849,796	24,052,051	20,270,298
Current assets					
Stocks	16	35,042,430	36,169,707	20,709,114	26,089,377
Debtors: amounts falling due within one year	18	11,806,030	8,345,403	28,366,340	20,509,518
Cash at bank and in hand		13,050,869	15,343,762	9,098,734	8,924,141
		59,899,329	59,858,872	58,174,188	55,523,036
Current liabilities					
Creditors: amounts falling due within one year	19	(13,687,892)	(24,827,015)	(11,206,230)	(21,608,457)
Deferred tax	11	(817,460)	(618,817)	(817,460)	(618,817)
		(14,505,352)	(25,445,832)	(12,023,690)	(22,227,274)
Net current assets		45,393,977	34,413,040	46,150,498	33,295,762
Total assets less current liabilities		67,040,106	51,262,836	70,202,549	53,566,060
Creditors: amounts falling due after one year	20	-	-	-	-
Provisions for liabilities	22	(1,920,512)	(1,852,444)	(1,920,512)	(1,852,444)
Net assets		65,119,594	49,410,392	68,282,037	51,713,616
Capital and reserves					
Called up share capital	24	116,108	104,411	116,108	104,411
Share premium account		26,410,037	8,433,609	26,410,037	8,433,609
Other reserves		256,876	275,999	338,227	355,330
Profit and loss account		38,336,746	40,596,502	41,417,665	42,820,266
Total shareholders' funds		65,119,767	49,410,521	68,282,037	51,713,616
Non-Controlling interest	25	(173)	(129)	-	-
Capital employed		65,119,594	49,410,392	68,282,037	51,713,616

Registered in England No. 01261512

The notes for these financial statements are on pages 21 to 46.

The financial statements on pages 16 to 46 were approved by the Board and authorised for issue on the 27 November 2024



Director

W D Butler-Adams OBE



Director

P J J Byng

BROMPTON BICYCLE LIMITED
CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Ordinary share capital	Share premium	Share based payment reserve	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total shareholders' funds	Non-controlling interest	Total
	£	£	£	£	£	£	£	£	£
Balance at 1 April 2022	102,310	7,886,926	255,660	18,600	(95,899)	33,115,833	41,283,430	(1,215)	41,282,215
Profit for the year	-	-	-	-	-	8,686,518	8,686,518	1,086	8,687,604
Foreign exchange movement	-	-	-	-	44,773	-	44,773	-	44,773
Other movements	-	-	-	-	-	(62,765)	(62,765)	-	(62,765)
Transactions with equity holders:									
Issue of share capital	100	111,534	-	-	-	-	111,634	-	111,634
Dividends paid	-	-	-	-	-	(1,196,208)	(1,196,208)	-	(1,196,208)
Provision for share options	-	-	105,989	-	-	-	105,989	-	105,989
Share options exercised during the year	2,001	435,149	(53,124)	-	-	53,124	437,150	-	437,150
Total transactions with equity holders	2,101	546,683	52,865	-	-	(1,143,084)	(541,435)	-	(541,435)
Balance at 31 March 2023	104,411	8,433,609	308,525	18,600	(51,126)	40,596,502	49,410,521	(129)	49,410,392
Balance at 1 April 2023	104,411	8,433,609	308,525	18,600	(51,126)	40,596,502	49,410,521	(129)	49,410,392
Loss for the year	-	-	-	-	-	(1,046,280)	(1,046,280)	(44)	(1,046,324)
Foreign exchange movement	-	-	-	-	(297,406)	(476,985)	(774,391)	-	(774,391)
Transactions with equity holders:									
Issue of share capital	1,854	2,998,708	-	-	-	-	3,000,562	-	3,000,562
Issue of ordinary share capital A	9,843	14,808,330	-	-	-	-	14,818,173	-	14,818,173
Purchase of own shares	-	-	-	617	-	(740,400)	(739,783)	-	(739,783)
Provision for share options	-	-	277,666	-	-	-	277,666	-	277,666
Share options exercised during the year	-	169,390	-	-	-	3,909	173,299	-	173,299
Total transactions with equity holders	11,697	17,976,428	277,666	617	-	(736,491)	17,529,917	-	17,529,917
Balance at 31 March 2024	116,108	26,410,037	586,191	19,217	(348,532)	38,336,746	65,119,767	(173)	65,119,594

BROMPTON BICYCLE LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Ordinary share capital	Share premium	Share based payment reserve	Capital redemption reserve	Other reserves	Profit and loss account	Total shareholders ' funds
	£	£	£	£		£	£
Balance at 1 April 2022	102,310	7,886,926	255,660	18,600	(2)	38,694,904	46,958,398
Profit for the year	-	-	-	-	-	5,262,604	5,262,604
Other movements	-	-	-	-	28,207	5,842	34,049
Transactions with equity holders							
Issue of share capital	100	111,534	-	-	-	-	111,634
Dividends paid	-	-	-	-	-	(1,196,208)	(1,196,208)
Provision for share options	-	-	105,989	-	-	-	105,989
Share options exercised during the year	2,001	435,149	(53,124)	-	-	53,124	437,150
Total transactions with equity holders	2,101	546,683	52,865	-	-	(1,143,084)	(541,435)
Balance at 31 March 2023	104,411	8,433,609	308,525	18,600	28,205	42,820,266	51,713,616
Balance at 1 April 2023	104,411	8,433,609	308,525	18,600	28,205	42,820,266	51,713,616
Loss for the year	-	-	-	-	-	(666,110)	(666,110)
Other movements	-	-	-	-	(295,386)	-	(295,386)
Transactions with equity holders							
Issue of share capital	1,854	2,998,708	-	-	-	-	3,000,562
Issue of ordinary share capital A	9,843	14,808,330	-	-	-	-	14,818,173
Dividends paid	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	617	-	(740,400)	(739,783)
Provision for share options	-	-	277,666	-	-	-	277,666
Share options exercised during the year	-	169,390	-	-	-	3,909	173,299
Total transactions with equity holders	11,697	17,976,428	277,666	617	-	(736,491)	17,529,918
Balance at 31 March 2024	116,108	26,410,037	586,191	19,217	(267,181)	41,417,665	68,282,037

BROMPTON BICYCLE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

		2024		2023	
	Note	£	£	£	£
Net cash inflow from operating activities	26	909,652		9,428,574	
Taxation paid		(886,533)		(232,841)	
Net cash flows generated from operating activities			<u>23,119</u>		<u>9,195,733</u>
Cash flows from investing activities					
Interest (paid)/received		474,262		(271,322)	
Purchase of tangible fixed assets		(4,426,940)		(2,790,113)	
Purchase of intangible fixed assets		(5,951,459)		(3,246,686)	
Net cash flows used in investing activities			<u>(9,904,137)</u>		<u>(6,308,121)</u>
Cash flows from financing activities					
Equity dividends paid				(1,196,208)	
Issue of ordinary share capital		3,169,952		437,150	
Cash from HSBC debt facilities		(10,400,000)		6,037,241	
Issue of ordinary share capital A		14,818,173		-	
Net cash flows used in financing activities			<u>7,588,125</u>		<u>5,278,183</u>
Net (decrease)/increase in cash in the year			<u>(2,292,893)</u>		<u>8,165,795</u>
Cash & cash equivalents at the beginning of the year			<u>15,343,762</u>		<u>7,177,967</u>
Cash & cash equivalents at the end of the year			<u>13,050,869</u>		<u>15,343,762</u>

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1 General information

Brompton Bicycle Limited ('the Company') and its subsidiaries (together "the Group") operate in the development, manufacture and sale of the Brompton folding bicycle as well as associated spares and accessories.

The Company is a private Company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Brompton Bicycle Ltd Unit 1, Greenford Park, Ockham Drive, Greenford, Middlesex, London, England, UB6 0FD.

2 Statement of compliance

The Group and Company financial statements of Brompton Bicycle Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Accounting policies

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

Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed. The financial statements have been prepared in pound sterling, and rounded to the nearest £1.

Basis of consolidation

The consolidated financial statements incorporate those of Brompton Bicycle Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and value added taxes.

Government Grants

Grant income is recognised as income in the profit and loss statement using the performance model. It is recognized as income when grant income is received as cash or receivable.

Exemptions under FRS 102

The Company has taken advantage of the following exemptions in its individual financial statements:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flow;
- (ii) from the financial instrument disclosure, required under FRS 102 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financials statement disclosures.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

3 Accounting policies (Continued)

Going concern

In determining the appropriate basis of preparation of the annual financial statements for the year ended 31 March 2024, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future, and for a period of at least 12 months from the signing date of these financial statements.

The Group and Company financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet all its obligations as and when they fall due for the foreseeable future. For the year ended 31 March 2024, the Group recognised a net loss after tax of £1,046,280 with net current assets of £45,393,977.

During the year, Brompton Bicycle Limited raised £16.0m on 15 May 2023 through issue of 9,843 new ordinary A shares. An additional £3.0m was raised on the same date through the issue of 1,854 new ordinary shares in relation to preemption rights taken up by existing shareholders on the same date. The cash raised was used to repay all loans outstanding under the £20.0m revolving credit facility with HSBC, and was be used in the development of new products.

The Group meets its day-to-day working capital requirements through its positive cash balance. The current economic conditions continue to create uncertainty over the level of demand for the Group's products. Throughout the year, the ongoing growth of the Group and global supply chain challenges have led to increased stock holding and working capital levels in the business. The £20.0m Revolving Credit Facility is still in place if needed in the future.

The Directors have reviewed the current forecasts of the Group, and the ability of the Group to meet its financial obligations as they fall due. The Directors have further considered the risks to the Group's trading performance, as outlined in the Strategic report on page 9. It is the Directors' conclusion that the going concern basis of preparation is appropriate.

Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans:

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Group operates a defined contribution scheme for specific directors and 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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

(iii) Share based payments

The Group provides share-based payment arrangements to certain employees.

Equity-settled arrangements are measured at fair value (excluding the effect on non market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the income statement.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

3 Accounting policies (Continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination. Goodwill is amortised over its expected useful life. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

3 Accounting policies (Continued)

Impairment of non-financial assets

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

Intangible assets and amortisation

Intangible assets are stated at cost (or deemed cost) less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated, using the straight-line method to write off the cost over the expected useful economic lives of the assets concerned as follows:

Software - 4 years

Goodwill - 2 years

Internally generated assets - 4 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. All amortisation is charged to the Profit and loss through administrative expenses.

Tangible fixed assets and depreciation

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

All assets are stated at cost less accumulated depreciation and accumulated impairment losses.

(i) Depreciation and residual values

Depreciation is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over the expected useful economic lives of the assets concerned. All depreciation is charged to the Profit and loss through Administrative expenses. The principal annual rates used are as follows:

Short leasehold - Over the term of the lease

Equipment - 25%

Tooling costs - 25%

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(ii) Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

(iii) De-recognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Administrative expenses'.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

3 Accounting policies (Continued)

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. For the year ended 31 March 2024 an accounting policy change was made to capitalise development expenditure in accordance with FRS 102. For projects relating to the development of new products, expenditure is capitalised when it can be demonstrated that the following developmental criteria have been met:

- i) Technological feasibility of the new product
- ii) Intention and ability to complete the project
- iii) Ability and intention to sell the new product for a profit greater than the required cost to develop

The above criteria are monitored to ensure they are continued to be met. If a project is cancelled or no longer meets the above criteria, the capitalised expenditure is written off to the P&L. Amortisation of capitalised development expenditure commences from the date of launch of the new product. None of the projects for which development spend is being capitalised have reached this stage as at year end 31 March 2024.

Investments

Investment in subsidiary companies are held at cost less accumulated impairment losses.

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell. Inventories are recognised as an expense in the period in which the related revenue is recognised. Cost of Work in Progress and Finished Goods comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes, duties, transport and handling directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Foreign currencies

- (i) Functional and presentation currency

The financial statements are presented in pound sterling, which is the Group and Company's functional and presentation currency.

- (ii) Transactions and balances

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

3 Accounting policies (Continued)

Leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset. Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date. The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding. Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Provisions

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar expenses.

Warranty obligations

When turnover is recognised for the sale of bicycles, a provision is made for the estimated cost of the warranty obligation. The provision is measured based on the historic levels of warranty cost per bike sold, applied to the number of bikes still under warranty at year end. Any probable future costs associated with the recall of components are also accrued for at year end factoring in the number of bikes affected and management's judgement.

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances and are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

3 Accounting policies (Continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and, bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Share capital

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

Compound Financial Instruments:

The Parent received a £16m cash injection from external investors BGF for the issue of 9,843 ordinary share capital A. The investment is classified as a compound instrument, as while the investment is equity in nature, a long-term dividend may become payable from May 2030 annually to BGF if certain criteria are not met prior to that date (further detailed in Brompton Bicycles 2023 update to its articles of association), this is consistent with other similar BGF investment arrangements which introduces a debt component.

In line with FRS 102, the equity and debt component are accounted for separately, with the debt component being accounted for at amortised cost using the effective interest method, where the future expected quantum and timing of cash flows will be reassessed at each reporting period end. As the Group continues to expect that it will achieve the criteria required such as share price performance before the Long-Term Dividend becomes due, it has therefore recorded a fair value liability of £nil for the debt component. The company will reassess the fair value of the debt component annually. This reassessment will be based on the performance of the group. If on reassessment, the debt is deemed payable, this will be expensed through the profit and loss. The equity component is the residual balance of the investment received.

Distributions to equity holders

Dividends and other distributions to the Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

4 Critical judgements and estimation of uncertainty

Critical judgements in applying the Group's accounting policies

The Directors apply judgement to assess whether it is appropriate for the Group and Company to be reported as a going concern, through consideration of the business activities and the Group's principle risks and uncertainties. Details of these considerations can be found in the assessment of going concern, found within the Directors' report on page 12.

Significant accounting estimates and assumptions

a) Warranty provision

A warranty period of seven years is offered on all registered Brompton frames, with a three year warranty period on other unregistered and non-wearable components. A provision is recognised at management's best estimate for the constructive obligation at year end to settle future warranty claims on bikes sold up to year end. The provision is calculated using historic fault rate, and the average cost incurred to settle claims, applied to bikes still held under warranty.

b) Inventory provision

The Company holds a provision against slow moving stock, to appropriately address the risk that its full value may not be realised through future use. The provision is based on prior usage levels, current market conditions, and forecast product sales.

c) Dilapidation and reinstatement provisions

Dilapidation and reinstatement provisions are held in respect of the contractual obligation to return premises held under operating leases to their original condition. Management base their estimate on current industry standards, consideration of modifications made to premises, and the area of each site.

d) Capitalisation of intangible assets

Intangible assets are recognised in respect of development costs that have been capitalised in the year in relation to future products. The intangible asset is measured at actual cost of development spend incurred to the balance sheet date. The intangible assets are reviewed for impairment at year end.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

5 Turnover

	2024	2023
	£	£
United Kingdom	31,741,647	33,522,534
Europe	24,568,878	31,063,352
APAC	56,520,787	51,757,835
Rest of world	9,736,741	13,086,914
	<u>122,568,053</u>	<u>129,430,635</u>

	2024	2023
	£	£
Sale of goods	121,574,425	128,798,548
Rendering of services	993,628	632,087
	<u>122,568,053</u>	<u>129,430,635</u>

6 Operating profit

	2024	2023
	£	£
Consolidated operating profit is stated after charging/(crediting):		
Other income	(1,007,501)	(531,313)
Amortisation of intangible assets	1,270,176	1,269,886
Depreciation of tangible fixed assets	3,668,818	3,132,752
Research and development	1,308,010	392,945
Operating lease rentals – land and buildings	4,006,652	4,350,137
Share option charges	281,575	105,989
Auditors' remuneration (Company: 2024: £148,500, 2023: £122,500)	161,700	147,500
Fees payable to the Company's auditors for other services relating to taxation	112,876	123,140
Fees payable to the Company's auditors for other services relating to taxation (China sub)	29,587	-
Grant income	(26,514)	-

Other income consists solely of Research and development expenditure credit (RDEC) received from HMRC as tax relief. The parent received grant income of £25,000 from Innovate UK for research on innovation in late-stage robotics and automation that aim to enhance manufacturing efficiency. Grant income was recognized for reimbursed research costs that meet specific performance-related conditions that impose no other future conditions.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

7 Directors' emoluments	2024	2023
	£	£
Emoluments for qualifying services	<u>1,872,559</u>	<u>3,019,146</u>
Emoluments disclosed above include the following amounts paid to the highest paid Director:		
Emoluments for qualifying services	<u>529,082</u>	<u>1,102,439</u>

The Directors' emoluments for 2024 includes an unrealised gain on exercised share options totalling £298,125 (225 shares of weighted average fair value £1,625, exercised at a weighted average price of £300), salary, bonus and pension contributions.

The Directors' emoluments for 2023 includes an unrealised gain on exercised share options totalling £1,261,225 (1,901 shares of weighted average fair value £875, exercised at a weighted average price of £212), salary, bonus and pension contributions.

The highest paid Director's emoluments for 2024 disclosed above includes an unrealised gain on exercised share options, salary, bonus and pension contributions. The directors are also considered to be the key management for the Group.

BROMPTON BICYCLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Employees

Number of employees	Group		Company	
	2024	2023	2024	2023
The average monthly number of employees (including directors) during the year was:	Number	Number	Number	Number
Administration	317	273	254	219
Manufacturing and distribution	463	474	463	474
Shop assistants	64	58	18	17
	<u>844</u>	<u>805</u>	<u>735</u>	<u>710</u>

Employment costs	2024		2023	
	£	£	£	£
Wages and salaries	37,405,896	37,054,241	32,036,431	32,958,533
Social security costs	4,191,797	4,393,544	3,445,738	3,844,581
Pension costs	822,793	614,432	743,404	555,875
	<u>42,420,486</u>	<u>42,062,217</u>	<u>36,225,573</u>	<u>37,358,989</u>

9 Profit for the financial year

As permitted by section 408 of the Companies Act 2006, the parent Company's profit and loss account has not been separately disclosed in these financial statements. The profit for the financial year is made up as follows:

	2024	2023
	£	£
Parent Company's (loss)/profit for the financial year	<u>(666,110)</u>	<u>5,262,604</u>

10 Dividends

	2024	2023
	£	£
Ordinary final paid	-	<u>1,196,208</u>

No Dividends were paid in the year (2023: £12.00 per share).

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

11 Tax on profit	2024	2023
	£	£
Domestic current year tax receivable		
U.K. corporation tax payable at 25% (2023: 19%)	(115,402)	562,774
Adjustment for prior years	(44,249)	(183,735)
Foreign corporation tax	1,011,934	1,718,640
Total current tax charge	<u>852,283</u>	<u>2,097,679</u>
Total deferred tax charge/(credit)	198,643	(103,244)
Tax on profit	<u>1,050,926</u>	<u>1,994,435</u>
Factors affecting the tax charge for the year		
Profit before taxation	<u>4,602</u>	<u>10,680,953</u>
Profit before taxation multiplied by standard rate of UK corporation tax of 25% (2023: 19%)	1,151	2,029,381
Effects of:		
Expenses not deductible for tax purposes	649,882	448,812
Patent box	-	(35,682)
Deferred tax not recognised	531,838	283,335
Adjustments in respect of prior periods	(44,250)	(183,735)
Adjustments in respect of prior periods (deferred tax)	52,626	(197,889)
Remeasurement of deferred tax for changes in tax rates	-	34,971
Losses carried back	170,997	-
Fixed asset differences	54,586	(4,945)
Group relief surrendered	27,141	
Other tax adjustments, reliefs and transfers	(393,045)	(379,813)
Tax on profit	<u>1,050,926</u>	<u>1,994,435</u>

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

12 Intangible assets

Group	Assets under construction	Goodwill	Software	Total
	£	£	£	£
Cost				
At 1 April 2023	1,809,387	1,212,278	4,599,142	7,620,807
Additions	3,642,703	-	2,308,756	5,951,459
Disposals	-	-	(1,445,774)	(1,445,774)
At 31 March 2024	5,452,090	1,212,278	5,462,124	12,126,492
Accumulated amortisation				
At 1 April 2023	-	1,112,278	2,613,366	3,725,644
Charge for the year	-	100,000	1,170,176	1,270,176
On disposals	-	-	(1,445,774)	(1,445,774)
At 31 March 2024	-	1,212,278	2,337,768	3,550,046
Net book value				
At 31 March 2023	1,809,387	100,000	1,985,776	3,895,163
At 31 March 2024	5,452,090	-	3,124,356	8,576,446
Company				
	Assets under construction	Goodwill	Software	Total
	£	£	£	£
Cost				
At 1 April 2023	1,809,387	1,212,278	4,373,977	7,395,642
Additions	3,642,703	-	2,046,880	5,689,583
Disposals	-	-	(1,445,774)	(1,445,774)
At 31 March 2024	5,452,090	1,212,278	4,975,083	11,639,451
Accumulated amortisation				
At 1 April 2023	-	1,112,278	2,535,371	3,647,649
Charge for the year	-	100,000	1,053,828	1,153,828
On disposals	-	-	(1,445,774)	(1,445,774)
At 31 March 2024	-	1,212,278	2,143,425	3,355,703
Net book value				
At 31 March 2023	1,809,387	100,000	1,838,606	3,747,993
At 31 March 2024	5,452,090	-	2,831,658	8,283,748

Assets under construction relate to capitalised development costs in arising from the development of new products.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

13 Tangible assets

Group	Short leasehold	Tooling costs	Equipment	Total
	£	£	£	£
Cost				
At 1 April 2023	5,201,923	2,870,363	10,419,052	18,491,338
Additions	712,573	1,380,992	2,333,375	4,426,940
Disposals	(13,550)	(222,399)	(965,621)	(1,201,570)
At 31 March 2024	5,900,946	4,028,956	11,786,806	21,716,708
Accumulated depreciation				
At 1 April 2023	2,896,315	1,688,097	5,393,946	9,978,358
Charge for the year	773,590	590,933	2,304,295	3,668,818
On disposals	(13,550)	(222,399)	(965,609)	(1,201,558)
At 31 March 2024	3,656,355	2,056,631	6,732,632	12,445,618
Net book value				
At 31 March 2023	2,305,608	1,182,266	5,025,106	8,512,980
At 31 March 2024	2,244,591	1,972,325	5,054,174	9,271,090

Company	Short leasehold	Tooling	Equipment	Total
	£	£	£	£
Cost				
At 1 April 2023	4,385,016	2,870,363	9,384,006	16,639,385
Additions	32,999	1,380,992	1,660,282	3,074,273
Disposals	(13,550)	(222,399)	(965,621)	(1,201,570)
At 31 March 2024	4,404,465	4,028,956	10,078,667	18,512,088
Accumulated depreciation				
At 1 April 2023	2,566,640	1,688,097	4,581,203	8,835,940
Charge for the year	476,820	586,435	2,121,948	3,185,203
On disposals	(13,550)	(222,399)	(965,609)	(1,201,558)
At 31 March 2024	3,029,910	2,052,133	5,737,542	10,819,585
Net book value				
At 31 March 2023	1,818,376	1,182,266	4,802,803	7,803,445
At 31 March 2024	1,374,555	1,976,823	4,341,125	7,692,503

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

14 Investments

Company - Shares in subsidiary undertakings

Cost	£
At 31 March 2023	<u>4,277,207</u>
Additions	
Capital reduction of wholly owned subsidiary	-
At 31 March 2024	<u>4,277,207</u>

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Group Subsidiaries

Subsidiary	Address	Country of registration or Incorporation	Share class held	Ownership %	Principal Activity
Brompton Bicycle Inc.	55 Washington Street, Suite 253A, Brooklyn, NY 11201, USA	United States	Ordinary	100.00	US Distributor of bicycles and provider of marketing
Brompton Bike Hire Limited	Brompton Bike Hire Ltd, Ockham Drive, Greenford, Middlesex,	United Kingdom	Ordinary	99.81	Sale of docking stations, bike hire and subscriptions
Brompton Asia Limited	1004, 10/F Lucky Commercial Centre, 103 Des Voeux Road West, Sai Ying Pun, Hong Kong	Hong Kong	Ordinary	100.00	HK & Asia Pacific marketing and operations support
Brompton Bicycle (Hong Kong) Limited	Suites 607-9, 6/FI., North Tower, World Finance Centre, Kowloon, Hong Kong	Hong Kong	Ordinary	100.00	Holding company of Chinese Distributor
Brompton Bicycle Shanghai Limited	Room 8305, Building 23, No. 889 Julu Road, JingAn District, Shanghai, China (200040)	People's Republic of China	Ordinary	100.00	Chinese Distributor
Brompton Fletcher Limited	Sterling Works, Mansfield Road, Sheffield, S26 5PQ, UK	United Kingdom	Ordinary	100.00	Dormant
Brompton Benelux B.V.	Fundatio, Postbus 89, 8050 AB Hattem, Netherlands	Netherlands	Ordinary	100.00	European marketing and operations support
Brompton Iberica SL	Còrsega, 302, 4t 1a, 08008 Barcelona, Spain	Spain	Ordinary	100.00	European marketing and operations support
Brompton France	SABS, 3 Boulevard de Sebastopol, 75001 Paris, France	France	Ordinary	100.00	European marketing and operations support
Brompton Bicycle Singapore Limited	146 Robinson Road, 07-01, Singapore, 068909	Singapore	Ordinary	100.00	Singapore marketing and operations support
Brompton Italia SRL	Via Orefici, 220123 Milano MI, Italy	Italy	Ordinary	100.00	European marketing and operations support
Brompton Deutschland GmbH	Pestalozzistraße 44, 35606, Solms, Germany	Germany	Ordinary	100.00	European marketing and operations support
Brompton Japan K.K.	Tokyo Club Building I IF, 3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo	Japan	Ordinary	100.00	Japan marketing and operations support
Brompton Bicycle Retail Limited	Unit 1 Greenford Park, Ockham Drive, Greenford, Middlesex, London, England, UB6 0FD	United Kingdom	Ordinary	100.00	UK Ecommerce operations

Brompton Bicycle (Hong Kong) Limited and Brompton Bicycle Shanghai Limited are fully owned subsidiaries of Brompton Asia Limited.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

15 Audit Exemption

Audit Exemption under section 479A of the Companies Act 2006

The Directors consider that the UK subsidiaries of the Group are entitled to exemption from the requirement to have an audit under the provision of section 479A of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Act.

Brompton Bicycle Limited has guaranteed the debts and liabilities of the following UK subsidiary undertakings at the balance sheet date in accordance with section 479C of the Companies Act 2006 in order that they qualify for the exemption from audit under section 479A of the Companies Act 2006 in respect of the period ended 31st March 2024:

- Brompton Fletcher Limited (08783922)
- Brompton Bike Retail Limited (14658134)
- Brompton Bike Hire Limited (07292744)

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

16 Stocks

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Materials	17,873,825	20,507,963	17,873,825	20,507,963
Work in progress	1,491,078	1,695,329	1,491,078	1,695,329
Finished goods	15,677,527	13,966,415	1,344,211	3,886,085
	<u>35,042,430</u>	<u>36,169,707</u>	<u>20,709,114</u>	<u>26,089,377</u>

The stock balance above is presented net of £644k (2023: £11,51k) provision for slow moving and obsolete stock. The value of stock recognised as an expense in the year was £45,118k (2023: £45,682k)

17 Called up share capital not paid

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Loans with Directors and senior management	3,798,593	4,441,653	3,798,593	4,441,653

The loans with Directors and senior management relate to the issue of nil paid shares, further information on the director loans can be found in note 29 Related party transactions and Directors' interests. Amounts falling due after one year are recognised at net present value using a discount rate of 1.8%.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

18 Debtors: amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	7,357,601	6,318,861	5,164,069	4,522,137
Amounts owed by Group undertakings	-	-	20,453,865	14,048,337
Value added tax	578,475	-	879,418	3,021
Corporation tax debtor	1,000,514	-	1,182,017	726,161
Other debtors	1,478,657	1,273,525	83,639	851,393
Prepayments and accrued income	1,390,783	753,017	603,332	358,469
	11,806,030	8,345,403	28,366,340	20,509,518

19 Creditors: amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	5,367,879	4,476,598	4,822,393	3,724,147
Value added tax	-	151,791	-	-
Corporation tax creditor	-	41,237	-	-
Other creditors	1,689,207	2,121,624	840,196	318,513
Amounts owed to Group undertakings	-	-	-	252,860
Accruals and deferred income	6,630,806	7,635,765	5,543,641	6,912,937
Amounts owed under debt facilities	-	10,400,000	-	10,400,000
	13,687,892	24,827,015	11,206,230	21,608,457

20 Creditors: amounts falling due after one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Amounts owed under receivable facilities	-	-	-	-

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

21 Borrowings

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Amounts owed under revolving credit facilities	-	10,400,000	-	10,400,000
	-	10,400,000	-	10,400,000

Brompton has a three-year £20.0m revolving credit facility with HSBC UK Bank plc.

Interest is charged on the unpaid principle amounts of the revolving credit facility at a leverage dependent margin above SONIA (Sterling Overnight Index Average), dependant on the Group's leverage. A commitment fee is payable on the unutilised balance of the facility at a rate of 40% of the applicable margin.

In relation to this facility, Brompton Bicycle Limited and HSBC UK Bank plc have entered into a Guarantee and Debenture with fixed charges over property, plant and equipment, controlled accounts, investments, shares, insurances, contractual rights, goodwill, uncalled capital, registered intellectual property, non-vesting debts, authorisations, derivative contracts, assigned agreements. Floating charges are held over all remaining assets and undertakings of the Company.

Amounts borrowed under the revolving credit facility are deemed to be repaid at the point the funded debt is settled by the customer.

22 Provisions for liabilities

	Warranties	Recall provision	Dilapidation and reinstatement	Total
	£	£	£	£
At 31 March 2023	926,183	100,000	826,261	1,852,444
Additions	-	-	125,821	125,821
Released	(5,753)	(52,000)	-	(57,753)
At 31 March 2024	920,430	48,000	952,082	1,920,512

BROMPTON BICYCLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

23 Share-based payment transactions

Brompton Bicycle Limited operates three share option schemes. These schemes are the Enterprise Management Incentive (EMI) scheme, the Non-EMI scheme, and the Company Share Option Plan (CSOP). All of these schemes are discretionary equity settled share based payment schemes, with substantially similar characteristics. Shares options are issued at market value, with a vesting period of two to five years, followed by an exercise period of five years. For all, it is a vesting condition that individuals must still be employed by the Company at the date of exercise.

During the year, the company also issued nil paid shares to directors and senior management. These shares have performance related vesting conditions linked to the results of the Group.

Type of arrangement	Exercise Price £	31 Mar		Date of grant	Estimated fair value £	Exercise period		Expensed in year £
		24	23			From	To	
		No. shares	No. shares					
EMI	200	-	250	21/11/2013	27	21/11/2018	20/11/2023	50,000
	200	-	75	21/11/2013	27	21/11/2018	20/11/2023	15,000
	350	71	71	25/06/2015	47	25/06/2020	25/06/2025	-
	350	605	755	19/01/2016	47	18/01/2021	18/01/2026	7,050
	350	926	926	22/02/2017	47	22/02/2022	22/02/2027	-
		<u>1,602</u>	<u>2,077</u>					<u>72,050</u>
NON-EMI	600	139	139	01/10/2019	81	30/09/2024	30/09/2029	-
	675	240	240	01/09/2019	146	31/08/2024	31/08/2029	-
	1,200	29	58	01/05/2021	170	01/05/2026	01/05/2031	-
	1,200	125	125	14/12/2021	170	15/12/2026	14/12/2031	-
	1,200	175	175	17/01/2022	170	31/03/2026	31/03/2031	-
	1,300	38	38	17/08/2022	187	17/08/2027	17/08/2032	-
	1,625	107	-	05/02/2024	247	21/08/2028	21/08/2033	-
		<u>853</u>	<u>775</u>					<u>-</u>
CSOP	350	594	744	28/06/2018	47	28/06/2023	28/06/2028	7,050
	600	416	416	01/10/2019	81	30/09/2024	30/09/2029	-
	921	878	992	01/12/2020	131	01/12/2025	01/12/2030	-
	1,200	303	303	01/11/2021	170	01/11/2026	01/11/2031	-
	1,200	400	400	17/01/2022	170	31/03/2026	31/03/2031	-
	1,300	416	551	17/08/2022	187	17/08/2027	17/08/2032	-
	1,625	621	-	21/08/2023	247	21/08/2028	21/08/1933	-
		<u>3,628</u>	<u>3,406</u>					<u>7,050</u>
NPS	1,200	66	66	01/11/2021	170	01/11/2026	01/11/2031	-
	1,200	1,021	1,227	17/01/2022	170	31/03/2024	31/03/2031	-
	1,200	1,021	1,227	17/01/2022	170	31/03/2025	31/03/2031	-
	1,200	1,017	1,222	17/01/2022	170	31/03/2026	31/03/2031	-
	1,300	100	100	17/08/2022	187	17/08/2027	17/08/2032	-
		<u>3,225</u>	<u>3,842</u>					<u>-</u>
Total		9,308	10,100					79,100

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

23 Share-based payment transactions (continued)

The estimated fair value was calculated by applying a Black-Scholes option pricing model.

The black-Scholes model used as inputs:

- Share price at grant date being equal to exercise price;
- Expected volatility of 50%;
- Expected dividend yield of 1.67%;
- Expected option life of 5 years; and
- A risk-free interest rate of 1.0%

Further details of the share option plans are as follows:

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	2024	2024	2023	2023
	No.	£	No.	£
At 1 April	6,259	701	10,229	685
Granted	785	1,625	617	1,300
Forfeited	(336)	941	(2,586)	1,152
Exercised	(625)	127	(2,001)	160
Outstanding at 31 March	<u>6,083</u>	<u>836</u>	<u>6,259</u>	<u>701</u>
Exercisable at 31 March	<u>2,196</u>	<u>350</u>	<u>4,078</u>	<u>327</u>

24 Called up share capital

	2024	2023
	£	£
Allotted, called up and fully paid		
106,265 ordinary shares of £1 each (2023: 104,411 ordinary shares of £1 each)	106,265	104,411
A Ordinary shares	9,843	-
	<u>116,108</u>	<u>104,411</u>

The increase in the share capital has arisen from the issue of 9,843 new, ordinary A shares to external investor BGF and 1,854 newly issued ordinary shares from pre-emption rights exercised by current investors. The Company's ordinary shares, which carry no right to fixed income, each take the right to one vote at general meetings of the Company. The voting rights of ordinary shares are suspended while the shares are nil paid.

Holders of A ordinary shares shall be entitled to receive, in priority to the holders of ordinary shares, a Long Term Dividend (a cumulative preferential net cash dividend) equal to 7.5% of net investment value payable annually from 2030 onwards, unless certain other criteria are met (as set out in the company's 2023 Articles of Association).

At the balance sheet date, the Group continues to expect that it will achieve the criteria required such as share price performance before the Long Term Dividend date, and has therefore recorded a liability of £nil to reflect this dividend obligation as the amortised cost of the debt instrument. Subject to investor consent and the payment of the Long Term Dividend and the Pre-Agreed Dividend, the balance of any profits of the Company can be resolved to be distributed amongst the holders of the Equity Shares pro rata according to the number of equity shares held.

On exit, the exit proceeds will be distributed in the following order and priority if such exit proceeds are equal to or less than the A ordinary shares - A ordinary shares, deferred shares, and ordinary shares. The holders of Equity Shares shall have the right to receive notice of and attend, vote and speak at any general meeting of the Company. Each shareholder shall be entitled to one vote for each equity share held.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

25 Non-Controlling Interest

	2024	2023
	£	£
Non-controlling interest share of net assets and (liabilities) in subsidiary undertakings	(173)	(129)

26 Notes to the cash flow statement

	2024	2023
	£	£
Profit after tax (before non-controlling interests)	(1,046,324)	8,686,518
Taxation on profit	1,026,490	1,994,435
Interest receivable	(474,261)	271,322
Depreciation of tangible fixed assets	3,668,818	3,132,752
Amortisation of intangible assets	1,270,176	1,269,886
Share based payment charge	281,575	105,989
Movement in stocks	1,127,277	(6,140,889)
Movement in debtors	(4,087,208)	683,437
Movement in creditors	(281,975)	(676,980)
Exchange differences on cash and cash equivalents	165,084	102,104
Purchase of own shares (NIPS) cancellation	(740,000)	
Net cash inflow from operating activities	909,652	9,428,574

Analysis of changes in net debt

	At 31 March 2023	Cash flows	At 31 March 2024
	£	£	£
Cash	15,343,762	(2,292,893)	13,050,869
Current borrowings	(10,400,000)	10,400,000	-
Non-current borrowings	-	-	-
	4,943,762	8,107,107	13,050,869

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

27 Financial commitments

At 31 March 2024 the Company was committed to making the following total minimum lease commitments under non-cancellable operating leases:

	Land and buildings	
	2024	2023
	£	£
Operating lease payments due:		
In less than one year	2,383,940	3,122,538
Between two and five years	6,584,274	9,281,184
In over five years	200,061	1,357,511
	<u>9,168,275</u>	<u>13,761,233</u>

28 Financial instruments

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost				
Cash and cash equivalents	13,050,869	15,343,762	9,098,735	8,924,141
Trade debtors	7,357,601	6,318,861	5,164,069	4,522,137
Other debtors	1,478,657	1,273,525	83,639	851,393
Loans with Directors and senior management	3,798,593	4,441,653	3,798,593	4,441,653
Amounts owed by Group undertakings	-	-	20,453,865	14,048,337
	<u>25,685,720</u>	<u>27,377,801</u>	<u>38,598,901</u>	<u>32,787,661</u>
Financial liabilities measured at amortised cost				
Trade creditors	5,367,879	4,476,598	4,822,393	3,724,147
Other creditors	1,689,207	2,121,624	840,196	318,513
Amounts owed to Group undertakings	-	-	-	252,860
Accruals	6,630,806	7,635,765	5,543,641	6,912,937
Amounts owed under debt facilities	-	10,400,000	-	10,400,000
	<u>13,687,892</u>	<u>24,633,987</u>	<u>11,206,230</u>	<u>21,608,457</u>

Amounts due from Group undertakings and related parties are unsecured, interest free and payable on demand.

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

29 Related party transactions and Directors' interests

The Company has taken advantage of the exemption conferred by Financial Reporting Standard No. 8 from the requirement to disclose details of the transactions with Group companies.

During the year ended 31 March 2024 the directors of Brompton Bicycle Limited received the following dividends and held the following shares and options in the Company:

	Dividend	Dividend	Shareholding	Shareholding	Share	Share
	2024	2023	2024	2023	Options	Options
	£	£	No.	No.	No.	No.
W D Butler-Adams OBE	-	107,796	9,718	9,783	328	328
W Carleysmith	-	15,204	1,884	1,884	550	550
L Johnson	-	53,400	4,525	4,525	50	50
R Kendall	-	3,492	371	366	50	50
L A Vary	-	8,496	1,175	1,225	377	527
P Williams	-	144	704	629	625	700
P J J Byng	-	1,068	122	122	290	290
A Horowitz-Burdick	-	-	-	-	125	125
M Mathieson	-	-	98	95	50	50

Share option details:

	No. of shares	Exercise Price	Date of Grant	Exercise Period	
		£		From	To
W D Butler-Adams OBE	278	350	19/01/2016	18/01/2021	18/01/2026
	50	1,200	17/01/2022	31/03/2026	31/03/2031
	<u>328</u>				
L A Vary	327	350	19/01/2016	18/01/2021	18/01/2026
	50	1,200	17/01/2022	31/03/2026	31/03/2031
	<u>377</u>				
W Carleysmith	500	350	22/02/2017	22/02/2022	22/02/2027
	50	1,200	17/01/2022	31/03/2026	31/03/2031
	<u>550</u>				
R Kendall	<u>50</u>	1,200	17/01/2022	31/03/2026	31/03/2031

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

29 Related party transactions and Directors' interests (continued)

	No. of shares	Exercise Price £	Date of Grant	Exercise Period	
				From	To
P Williams	286	350	22/02/2017	22/02/2022	22/02/2027
	150	600	01/10/2019	30/09/2024	30/09/2029
	139	600	01/10/2019	30/09/2024	30/09/2029
	50	1,200	17/01/2022	31/03/2026	31/03/2031
	<u>625</u>				
P J J Byng	240	675	01/09/2019	31/08/2024	31/08/2029
	50	1,200	17/01/2022	31/03/2026	31/03/2031
	<u>290</u>				
A Horowitz-Burdick	<u>125</u>	1,200	17/01/2022	31/03/2026	31/03/2031
M Mathieson	<u>50</u>	1,200	17/01/2022	31/03/2026	31/03/2031
L Johnson	<u>50</u>	1,200	17/01/2022	31/03/2026	31/03/2031

During the year, the company issued no nil paid shares (NPS) to directors of the company. The issued NPS have performance related vesting conditions relating to Group results in financial years 2025 to 2027. At 31 March 2024 and up to the date of signing, these performance related vesting conditions are expected to be met.

Exercise Price £	31 Mar 23	31 Mar 23	Date of grant	Exercise period	
	No. shares	No. shares		From	To
1,200	1,021	1,227	17/01/2022	31/03/2025	31/03/2031
1,200	1,021	1,227	17/01/2022	31/03/2026	31/03/2031
1,200	1,017	1,222	17/01/2022	31/03/2027	31/03/2031
	<u>3,059</u>	<u>3,676</u>			

BROMPTON BICYCLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

NPS are held by the following directors:

Director	No. NPS
W D Butler-Adams OBE	950
L Vary	617
W Carleysmith	617
P Williams	617
P J J Byng	33
M Mathieson	75
R Kendall	75
L Johnson	75
	3,059

The above NPS have resulted in a loan of £3,798,593 (2023: £4,253,761) outstanding relating to amounts owed by Directors in respect of the shares at 31 March 2024. During the year, interest income of £56,444 (2022: £73,726) was recognised in respect of amounts due from Directors. The NPS in respect of S Loftus, who resigned in the year, were bought back and subsequently cancelled by the Company on 17 May 2023. The NPS in respect of L Vary, who resigned post year end, were bought back and subsequently cancelled by the company on 27 June 2024.

During the year ended 31 March 2024 Brompton Bicycle Limited had the following related party transactions with subsidiaries of the Group that are not wholly owned. All these transactions have been performed at arms length.

Brompton Bicycle Limited sold £605,641 of goods to Brompton Bike Hire Limited. Brompton Bicycle Limited also purchased £205,870 of goods and services from Brompton Bike Hire Limited, which is a 99.81% owned subsidiary.

30 Post balance sheet events

No notable events.

31 Controlling parties

There is no ultimate controlling party.

The financial statements of the Company can be obtained from its registered office at Brompton Bicycle Ltd Unit 1, Greenford Park, Ockham Drive, Greenford, Middlesex, London, England, UB6 0FD.