



## Verification report – UK Producer Case CE0032: Certain Bicycle Parts from China

<b>Period of Investigation (POI):</b>	1 January 2022 to 31 December 2022
<b>Date of report:</b>	10 August 2023
<b>Case team contact details:</b>	CE0032@traderemedies.gov.uk
<b>Company verified:</b>	MiRider Limited

For further details, please see the [Notice of initiation](#) on the public file.



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## Executive Summary

The Trade Remedies Authority (TRA) is conducting a 'UK trade remedies measure exemption' (review) concerning anti-dumping duties on certain bicycle parts imported into the United Kingdom from the People's Republic of China (PRC) set out in [Taxation Notice 2020/34](#) (the measure).

The review sets out to determine whether MiRider Limited (MiRider), a UK electric bicycle assembler, is:

- importing the goods subject to the measure,
- related to an overseas exporter which is subject to the measure; and
- engaged in circumvention of the measure.

As part of the review, the TRA sought to assess the completeness, relevance, and accuracy of the information that MiRider provided in its application. This application provided information about the:

- applicant's company profile, including the scope of their business;
- associations and ownership details;
- transaction level detail including sales of electric bicycles, bicycle parts and related goods and services;

During the verification process, the TRA compared MiRider's application information to accompanying evidence from Companies House and other open source material. Additionally, a reconciliation was performed between the financial statements and the financial data provided in the application to determine the completeness of the information presented. Sampled transactions were also checked against documentary evidence to consider relevance and accuracy. Lastly, we obtained, where necessary, evidence to corroborate findings and/or confirm statements made by the applicant.

The TRA does not have any concerns to report in respect of MiRider's application. We were able to verify the information provided by MiRider in the application as we progressed through the verification process. Where necessary, supplementary information was requested to add clarity, but at no point did the TRA encounter evidence to suggest the application and its content is inaccurate.

Based on the verification activity undertaken we have concluded that we have obtained a reasonable level of assurance on the completeness, relevance and accuracy of the information provided by MiRider, and we can use it for the purpose of this review.

## Purpose of verification

The purpose of the TRA's verification activity is to provide the assurance considered necessary to make a decision as to whether the information (data) provided by the interested party is verifiable and can be used for the purposes of the review. We



drew a reasonable level of assurance on the completeness, relevance, and accuracy of information deemed verifiable.

We carried out verification activities using desk research and also conducted on-site verification procedures. The activity undertaken did not seek to verify all information provided but to undertake the work considered appropriate and possible within the time constraints of the review in order to obtain assurance on which to base a decision.

This verification report documents the work we have completed, the checks the case team has carried out and conclusions we have reached about the reliability of information provided by the verified party.

## Confidential information

The verified party must provide a non-confidential version of the verification report marked as “non-confidential” in the header of the non-confidential verification report.

If any information contained in the confidential verification report is considered confidential, the party should delete or redact those sections and provide a non-confidential summary of the information which has been removed. It must provide reasons as to why the particular information is considered confidential (see also [public guidance](#)).

The non-confidential version of the verification report will be placed on the public file.



## Verification activities

Please find below a summary of work that has been completed and the checks that have been carried out by the case team to determine whether the information provided by the interested party in their questionnaire response is verifiable.

### A. Office Assessment

What information was considered
<ul style="list-style-type: none"> <li>• Sales information on MiRider's application</li> <li>• MiRider Ltd's Financial Statements</li> </ul>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i></p>
How the information was checked
<p><b>Upwards verification</b></p> <p>We reconciled the purchases information in the application 'upwards' to the audited financial statements in order to determine whether the information in the application is complete and can be relied upon to assess eligibility for the exemption and to perform the verification procedures that follow. We undertook this procedure by tracing the application data to the statutory financial statements and applicant's trial balance/general ledger.</p> <p>The assessment focused on MiRider's sales. As the POI (1<sup>st</sup> January to 31 December 2022) did not align to MiRider's accounting year (1<sup>st</sup> June to 31<sup>st</sup> May) we undertook an additional assessment using trial balance and general ledger records covering the period 1<sup>st</sup> June 2021 to 31<sup>st</sup> December 2022. We compared MiRider's submitted sales data for the POI to their trial balance for the same period. There was a variance of less than 0.1%. We also compared MiRider's sales in their formal statutory financial accounts against their trial balance for the same period. There was a difference which equates to less than 0.6% variance. Both variances are deemed immaterial.</p> <p><b>Risk assessment and analytical review</b></p> <p>We reviewed the sales data provided by MiRider in order to identify high risk areas and outliers, and ultimately to choose a representative sample of transactions for</p>



us to check the accuracy of the data. This assessment and analysis was required in order to ensure that suitable verification procedures are planned.

Our risk assessment and analytical review approach included a range of data mining techniques to consider reasonableness, inconsistencies, materiality, and other forms of risk-based analysis. This work covered the numerous data tags present in MiRider’s application form.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

Exceptions/Findings/Adjustments

There were no material exceptions, findings, and/or adjustments to report/request.

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Conclusions

The information relating to the application that we have been provided by the interested party is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete and relevant and can therefore be used by the TRA for verifying sales data, selecting a suitable transaction sample, and for any other purpose within the investigation.

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B. Verification Activities

What information was considered

- A sample of transactions from the sales information on Mirider’s application
- The ownership and capital structure as detailed on MiRider’s application was also considered.

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## How the information was checked

### **Walkthrough of accounting system**

We traced a standalone transaction through MiRider's accounting system to gain an understanding of the relationship between data presented in the application and that of the accounting system. The walkthrough was carried out on MiRider premises during an on-site verification visit.

MiRider traced the sampled transaction from order received through to dispatch, demonstrating how they use stock movement software 3EX.NET and accounting software Sage 50 to progress an order. We were able to verify transactional attributes including customer, invoice type, sale value, and sale date.

### **Downwards sales testing**

We performed downwards verification by assessing a sample of 10 preselected transactions against source documentation for relevance and accuracy. We supplied 8 transactions to MiRider in advance of the on-site visit, and 2 unseen transactions were provided on the first day of verification. The assessment of each transaction covered: the customer's details, nature of sale, accuracy of values, dates and other parameters.

### **Ownership and capital structure**

We requested confirmation of ownership and capital structure. During the on-site verification it was communicated to us that the statutory books are managed on MiRider's behalf by a firm of independent accountants. Written confirmation was subsequently provided from the accountants confirming: current shareholdings (which aligned to MiRider's original application), as well as the fact that there are no planned changes to capital structure, and no ongoing or proposed share transfers.

### **Additional accounting checks**

An additional check was performed to provide further assurance in relation to the completeness of data and accuracy of sales in connection with the accruals concept of accounting and "cut-off". These extra procedures were planned and performed to sufficiently reduce the risk associated with MiRider's annual accounts being unaudited. The procedures involved randomly sampling bank receipts that fell outside of the POI and determining whether the income related to the period and was included or omitted correctly for the purposes of the transaction-by-transaction detail submitted in the application. There were no inconsistencies to report.



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Exceptions/Findings/Adjustments

There were no exceptions, findings, and/or adjustments to report/request.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

Conclusions

The information relating to the application that we have been provided with by the interested party is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA for any purpose within the investigation.

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## Overall Conclusions

We traced the application data to MiRider’s statutory financial statements and trial balance/general ledger activity. This provided a reasonable level of assurance that the submitted data was complete and could be relied upon in order to perform additional verification activities concerning relevance and accuracy of sales.

We assessed the 10 selected MiRider sales transactions against the associated source documentation. This provided a reasonable level of assurance that the information contained in the application can be treated as relevant and accurate to the case.

We also assessed MiRider’s ownership and capital structure and found no concerns or inconsistencies with the statements made in the original application. Finally, we conducted additional procedures to sufficiently reduce the risk associated with completeness errors such as sales being applied to the incorrect reporting period.

In summary, we have obtained sufficient and appropriate evidence in order to conclude that the information provided by MiRider, under all of the sections above, is verifiable. Therefore, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate for the purpose of this exemption review.