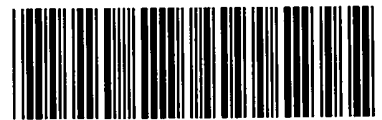


REGISTERED NUMBER: 06441804 (England and Wales)

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2015
for
Bike It International Holdings Limited

FRIDAY



A5GMNBG8

A16

30/09/2016

#416

COMPANIES HOUSE

Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2015

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Consolidated Income Statement	6
Consolidated Other Comprehensive Income	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Statement of Changes in Equity	10
Company Statement of Changes in Equity	11
Consolidated Cash Flow Statement	12
Notes to the Consolidated Cash Flow Statement	13
Notes to the Consolidated Financial Statements	14

Bike It International Holdings Limited

Company Information
for the Year Ended 31 December 2015

DIRECTORS:

M Mansbridge
C M Beer

SECRETARY:

C M Beer

REGISTERED OFFICE:

24 Picton House
Hussar Court
Waterlooville
Hampshire
PO7 7SQ

REGISTERED NUMBER:

06441804 (England and Wales)

AUDITORS:

Johnston Wood Roach Limited
Statutory Auditor
24 Picton House
Hussar Court
Waterlooville
Hampshire
PO7 7SQ

Group Strategic Report
for the Year Ended 31 December 2015

The directors present their strategic report of the company and the group for the year ended 31 December 2015.

REVIEW OF BUSINESS

The groups main business continued to be the wholesale supply of motorcycle parts and accessories.

During the year the company set out a new way of undertaking business with the result that whilst there was a modest decline in turnover there was a significant increase in margin and profit compared to the year before.

This was achieved by re-structuring the sales force, opening up new sales opportunities and maintaining tight control of overheads.

Bike It is a well respected name in the industry as it has been for many years. The company prides itself in its range of product, availability of stock and customer service.

The company continues to kept a close rein on overheads which do not contribute to the success of the business. Bike It monitors key performance indicators in a number of areas. As an example sales representatives are assessed on various metrics relating to how much each customer spends in total, average transaction values, sales promotions and sales in specific product groups etc.

PRINCIPAL RISKS AND UNCERTAINTIES

It is pleasing to note that the previous lull in the motorcycle market has abated and new motorcycle registrations have continued to increase, although we are mindful that this trend may be reversed. It has also been seen that end users are switching towards buying products online but Bike It is well placed to meet this change having trade customers that cover all markets.

As an exporter as well as an importer the company is able to mitigate the effects of currency fluctuations such as those seen following the Brexit vote. There is a belief that the Brexit vote may be advantageous as the company already holds significant amounts of stock and has an established global customer base.

The company has also recognised that it can use its expertise in international product sourcing and importation together with its warehouse facilities and office back-up to explore new business areas to expand in the future.

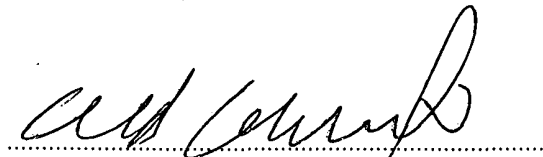
FUTURE DEVELOPMENTS

The company continues to refresh its product range and keep one step ahead of the competition. Bike It International Limited holds the enviable exclusive rights to distribute Moto GP branded products and has further secured exclusive distribution rights to an additional portfolio of established leading brands including Just1 helmets and SHOT clothing which will encourage future growth.

To reach new customers and maintain awareness the company exhibits at a range of trade shows and maintains high profile sponsorships of world-class motorcycle sports. This sponsorship facilitates the development and testing of products in extreme conditions and showcases brands such as Stealth helmets worn by the team riders. Significantly a vastly expanded dealer catalogue has been invested in for the start of the 2017 season which will guarantee to maximise the promotion of Bike It's increased product range and profile. In order to address the changing purchasing habits of both consumers and dealers towards online platforms, Bike It have already developed and implemented an upgraded B2B website ensuring enhanced functionality and service levels for Bike It's dealer network.

With investment in these brands plus a new website and catalogue the company is expecting to see significant growth in the coming years.

ON BEHALF OF THE BOARD:



M Mansbridge - Director

Date: 29/09/16

Report of the Directors
for the Year Ended 31 December 2015

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the sale and distribution of motorcycle spare parts and accessories and property development.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

M Mansbridge
C M Beer

DISCLOSURE IN THE STRATEGIC REPORT

The directors have prepared the Strategic Report in accordance with the Companies Act and the information that would have been included in the directors report has been included in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

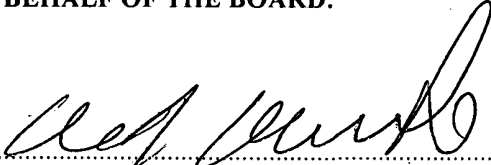
Bike It International Holdings Limited (Registered number: 06441804)

Report of the Directors
for the Year Ended 31 December 2015

AUDITORS

The auditors, Johnston Wood Roach Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'M Mansbridge', is written over a horizontal dotted line.

M Mansbridge - Director

Date: 29/09/16

Report of the Independent Auditors to the Members of
Bike It International Holdings Limited

We have audited the financial statements of Bike It International Holdings Limited for the year ended 31 December 2015 on pages six to twenty six. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/ukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

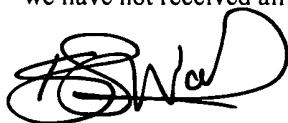
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



K S Wood (Senior Statutory Auditor)
for and on behalf of Johnston Wood Roach Limited
Statutory Auditor
24 Picton House
Hussar Court
Waterlooville
Hampshire
PO7 7SQ

Date: 29 September 2016

Bike It International Holdings Limited (Registered number: 06441804)

Consolidated Income Statement
for the Year Ended 31 December 2015

	Notes	31.12.15 £	£	31.12.14 £	£
TURNOVER	3		8,244,011		9,989,528
Cost of sales			5,009,758		7,316,306
GROSS PROFIT			3,234,253		2,673,222
Distribution costs		367,347		313,442	
Administrative expenses		2,432,251		2,538,420	
			2,799,598		2,851,862
			434,655		(178,640)
Other operating income			57,101		21,913
OPERATING PROFIT/(LOSS)	5		491,756		(156,727)
Interest receivable and similar income			142,472		226,601
			634,228		69,874
Interest payable and similar charges	6		8		123
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			634,220		69,751
Tax on profit on ordinary activities	7		129,276		10,902
PROFIT FOR THE FINANCIAL YEAR			504,944		58,849
Profit attributable to:					
Owners of the parent			505,330		58,707
Minority interests			(386)		142
			504,944		58,849

The notes form part of these financial statements

Bike It International Holdings Limited (Registered number: 06441804)

Consolidated Other Comprehensive Income
for the Year Ended 31 December 2015

Notes	31.12.15 £	31.12.14 £
PROFIT FOR THE YEAR	504,944	58,849
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>504,944</u>	<u>58,849</u>
Total comprehensive income attributable to:		
Owners of the parent	505,330	58,707
Non-controlling interests	(386)	142
	<u>504,944</u>	<u>58,849</u>

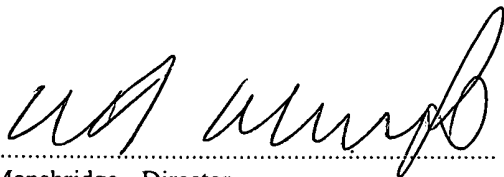
The notes form part of these financial statements

Bike It International Holdings Limited (Registered number: 06441804)

Consolidated Balance Sheet
31 December 2015

	Notes	31.12.15 £	31.12.14 £
FIXED ASSETS			
Intangible assets	9	40,497	63,415
Tangible assets	10	174,414	202,867
Investments	11	-	-
		<u>214,911</u>	<u>266,282</u>
CURRENT ASSETS			
Stocks	12	2,905,795	3,039,738
Debtors	13	2,793,351	2,202,271
Cash at bank and in hand		1,502,718	1,575,408
		<u>7,201,864</u>	<u>6,817,417</u>
CREDITORS			
Amounts falling due within one year	14	479,014	647,388
		<u></u>	<u></u>
NET CURRENT ASSETS		<u>6,722,850</u>	<u>6,170,029</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,937,761</u>	<u>6,436,311</u>
PROVISIONS FOR LIABILITIES	17	(25,553)	(29,047)
		<u></u>	<u></u>
NET ASSETS		<u><u>6,912,208</u></u>	<u><u>6,407,264</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	100,000	100,000
Retained earnings	19	6,808,822	6,303,492
		<u></u>	<u></u>
SHAREHOLDERS' FUNDS		<u>6,908,822</u>	<u>6,403,492</u>
MINORITY INTERESTS	20	3,386	3,772
		<u></u>	<u></u>
TOTAL EQUITY		<u><u>6,912,208</u></u>	<u><u>6,407,264</u></u>

The financial statements were approved by the Board of Directors on 29/09/16 and were signed on its behalf by:



M Mansbridge - Director

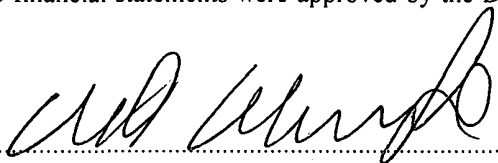
The notes form part of these financial statements

Bike It International Holdings Limited (Registered number: 06441804)

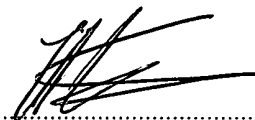
Company Balance Sheet
31 December 2015

	Notes	31.12.15 £	£	31.12.14 £	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		153,249		153,249
			<u>153,249</u>		<u>153,249</u>
CURRENT ASSETS					
Debtors	13	430,047		258,708	
CREDITORS					
Amounts falling due within one year	14	435,202		266,414	
				<u>266,414</u>	
NET CURRENT LIABILITIES			(5,155)		(7,706)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>148,094</u>		<u>145,543</u>
CAPITAL AND RESERVES					
Called up share capital	18		100,000		100,000
Retained earnings	19		48,094		45,543
			<u>148,094</u>		<u>145,543</u>
SHAREHOLDERS' FUNDS			<u>148,094</u>		<u>145,543</u>

The financial statements were approved by the Board of Directors on 21/09/16 and were signed on its behalf by:



M Mansbridge - Director



C M Beer - Director

The notes form part of these financial statements

Bike It International Holdings Limited (Registered number: 06441804)

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2015

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2014	100,000	6,244,785	6,344,785	3,630	6,348,415
Changes in equity					
Total comprehensive income	-	58,707	58,707	142	58,849
Balance at 31 December 2014	100,000	6,303,492	6,403,492	3,772	6,407,264
Changes in equity					
Total comprehensive income	-	505,330	505,330	(386)	504,944
Balance at 31 December 2015	100,000	6,808,822	6,908,822	3,386	6,912,208

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 31 December 2015

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2014	100,000	46,528	146,528
Changes in equity			
Total comprehensive income	-	(985)	(985)
Balance at 31 December 2014	100,000	45,543	145,543
Changes in equity			
Total comprehensive income	-	2,551	2,551
Balance at 31 December 2015	100,000	48,094	148,094

The notes form part of these financial statements

Bike It International Holdings Limited (Registered number: 06441804)

Consolidated Cash Flow Statement
for the Year Ended 31 December 2015

	Notes	31.12.15 £	31.12.14 £
Cash flows from operating activities			
Cash generated from operations	1	676,038	1,572,596
Interest paid		(8)	(123)
Tax paid		(16,590)	(14,083)
Net cash from operating activities		<u>659,440</u>	<u>1,558,390</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(11,552)	(23,969)
Sale of tangible fixed assets		400	417
Interest received		368,376	697
Net cash from investing activities		<u>357,224</u>	<u>(22,855)</u>
Cash flows from financing activities			
Amount withdrawn by directors		(696,232)	(673,693)
Loans to related parties		(393,122)	(1,299,843)
Employee and other loans		-	6,000
Net cash from financing activities		<u>(1,089,354)</u>	<u>(1,967,536)</u>
Decrease in cash and cash equivalents		<u>(72,690)</u>	<u>(432,001)</u>
Cash and cash equivalents at beginning of year	2	<u>1,575,408</u>	<u>2,007,409</u>
Cash and cash equivalents at end of year	2	<u><u>1,502,718</u></u>	<u><u>1,575,408</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2015

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.15	31.12.14
	£	£
Profit before taxation	634,220	69,751
Depreciation charges	57,955	61,960
Loss on disposal of fixed assets	4,567	4,386
Finance costs	8	123
Finance income	(142,472)	(226,601)
	<hr/>	<hr/>
	554,278	(90,381)
Decrease in stocks	133,943	1,577,527
Decrease in trade and other debtors	6,186	215,764
Decrease in trade and other creditors	(18,369)	(130,314)
	<hr/>	<hr/>
Cash generated from operations	676,038	1,572,596
	<hr/>	<hr/>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	1,502,718	1,575,408
	<hr/>	<hr/>

Year ended 31 December 2014

	31.12.14	1.1.14
	£	£
Cash and cash equivalents	1,575,408	2,007,409
	<hr/>	<hr/>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2015

1. **COMPANY INFORMATION**

The company is incorporated and domiciled in the UK and its principal place of business is its registered office.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

First time adoption of FRS 102

These financial statements are the first financial statements of FRS 102 Reporting Entity Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of FRS 102 Reporting Entity Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in equity within the cumulative profit and loss account at the transition date.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in the profit or loss and in other comprehensive income.

Basis of consolidation

The group financial statements consolidate the financial statements of Bike It International Holdings Limited and all its subsidiary undertakings drawn up to 31 December each year. Entities over which the group has the ability to exercise control are accounted for as subsidiaries.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015

2. **ACCOUNTING POLICIES - continued**

Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

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 charges.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Slow Moving Stock

The company holds a large amount of stock, some of which are classed as slow moving stock. Slow moving stock is identified as stock of which the company holds more than 78 weeks stock, by comparison to sales in the year under review. Provision is made against slow moving stock as a percentage of the total identified slow moving stock.

Bad Debt Provision

The directors carry out a review of balances at the year end that still remain unpaid post year end, and provide for bad debts where the recovery of overdue balances are considered unlikely.

Turnover

Turnover of continuing operations shown in the profit and loss account represents amounts receivable during the year in respect of sales and is recognised on a receivable basis, exclusive of Value Added Tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2011, is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 33% on cost and 20% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 20% on reducing balance

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015

2. ACCOUNTING POLICIES - continued

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The cost of stock is determined on a first-in-first-out (FIFO) basis.

Work in Progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the Company.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015

2. **ACCOUNTING POLICIES - continued**

Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

3. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	31.12.15	31.12.14
	£	£
United Kingdom	6,127,110	7,469,810
Overseas Sales (EU)	1,891,131	2,167,761
Overseas Sales (non EU)	225,770	351,957
	<u>8,244,011</u>	<u>9,989,528</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015

4. STAFF COSTS

	31.12.15	31.12.14
	£	£
Wages and salaries	1,352,880	1,501,783
Social security costs	138,528	145,057
	<u>1,491,408</u>	<u>1,646,840</u>

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

	31.12.15	31.12.14
Distribution Staff	37	43
Administrative Staff including directors	15	15
	<u>52</u>	<u>58</u>

5. OPERATING PROFIT/(LOSS)

The operating profit (2014 - operating loss) is stated after charging:

	31.12.15	31.12.14
	£	£
Hire of plant and machinery	19,543	31,710
Other operating leases	196,570	185,250
Depreciation - owned assets	35,038	39,042
Loss on disposal of fixed assets	4,567	4,386
Goodwill amortisation	4,090	4,090
Computer software amortisation	18,828	18,828
Auditors' remuneration	9,000	9,000
Foreign exchange differences	13,488	26,336
Stock expense	<u>3,463,496</u>	<u>4,638,450</u>
Directors' remuneration	<u>98,532</u>	<u>183,514</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.15	31.12.14
	£	£
Bank interest	8	1
HMRC Interest	-	122
	<u>8</u>	<u>123</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015

7. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.15 £	31.12.14 £
Current tax:		
UK corporation tax	132,770	16,590
Deferred tax	(3,494)	(5,688)
Tax on profit on ordinary activities	<u>129,276</u>	<u>10,902</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.15 £	31.12.14 £
Profit on ordinary activities before tax	<u>634,220</u>	<u>69,751</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.247% (2014 - 20%)	128,411	13,950
Effects of:		
Expenses not deductible for tax purposes	255	270
Depreciation in excess of capital allowances	4,434	1,907
Utilisation of tax losses	(294)	-
Deferred tax movement	(3,494)	(5,688)
Taxable Losses carried forward	-	463
Adjustment for group companies taxed at lower rate	(36)	-
Total tax charge	<u>129,276</u>	<u>10,902</u>

8. **PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £2,551 (2014 - £(985) loss).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Computer software £	Totals £
COST			
At 1 January 2015			
and 31 December 2015	20,447	94,140	114,587
AMORTISATION			
At 1 January 2015	13,516	37,656	51,172
Amortisation for year	4,090	18,828	22,918
At 31 December 2015	17,606	56,484	74,090
NET BOOK VALUE			
At 31 December 2015	2,841	37,656	40,497
At 31 December 2014	6,931	56,484	63,415

10. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2015	272,987	179,421	162,944	615,352
Additions	-	-	11,552	11,552
Disposals	-	-	(23,252)	(23,252)
At 31 December 2015	272,987	179,421	151,244	603,652
DEPRECIATION				
At 1 January 2015	242,224	88,565	81,696	412,485
Charge for year	6,153	13,629	15,256	35,038
Eliminated on disposal	-	-	(18,285)	(18,285)
At 31 December 2015	248,377	102,194	78,667	429,238
NET BOOK VALUE				
At 31 December 2015	24,610	77,227	72,577	174,414
At 31 December 2014	30,763	90,856	81,248	202,867

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015

11. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 January 2015
and 31 December 2015

153,249

NET BOOK VALUE

At 31 December 2015

153,249

At 31 December 2014

153,249

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Bike IT International Limited

Nature of business: Sale & distribution

	% holding	31.12.15 £	31.12.14 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		6,668,084	6,166,651
Profit for the year		<u>501,433</u>	<u>46,044</u>

Utag Limited

Nature of business: Sale of medical emergency identification tags

	% holding	31.12.15 £	31.12.14 £
Class of shares:			
Ordinary 'A'	100.00		
Ordinary 'B'	100.00		
Aggregate capital and reserves		32,592	37,425
(Loss)/profit for the year		<u>(4,833)</u>	<u>1,776</u>

Southcott Mansbridge Homes Limited

Nature of business: property development

	% holding	31.12.15 £	31.12.14 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		207,781	207,480
Profit for the year		<u>300</u>	<u>17,555</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015

11. FIXED ASSET INVESTMENTS - continued

Cycle Stuff Direct Limited

Nature of business: Sale of Bicycle parts and accessories

Class of shares:	%		
Ordinary	holding		
	100.00		
		31.12.15	31.12.14
		£	£
Aggregate capital and reserves		6,068	(3,518)
Profit/(loss) for the year		<u>9,586</u>	<u>(1,451)</u>

12. STOCKS

	Group	
	31.12.15	31.12.14
	£	£
Stocks	141,663	150,096
Work-in-progress	12,896	137,723
Finished goods	<u>2,751,236</u>	<u>2,751,919</u>
	<u>2,905,795</u>	<u>3,039,738</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
	£	£	£	£
Trade debtors	454,444	557,748	-	-
Amounts owed by group undertakings	-	-	-	258,708
Other debtors	1,114,156	16,623	-	-
Knight Homes Limited	594,938	1,299,843	-	-
Directors' loan accounts	430,047	-	430,047	-
VAT	36,661	-	-	-
Prepayments and accrued income	59,236	225,904	-	-
Prepayments	<u>103,869</u>	<u>102,153</u>	<u>-</u>	<u>-</u>
	<u>2,793,351</u>	<u>2,202,271</u>	<u>430,047</u>	<u>258,708</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
	£	£	£	£
Trade creditors	169,658	111,526	(1)	-
Amounts owed to group undertakings	-	-	434,564	228
Tax	132,770	16,590	638	-
Social security and other taxes	26,314	65,823	-	-
VAT	-	10,790	-	-
Other creditors	70,760	69,201	1	1
Customer deposits	-	2,000	-	-
Net wages	(6,919)	-	-	-
Directors' loan accounts	-	266,185	-	266,185
Accrued expenses	86,431	105,273	-	-
	<u>479,014</u>	<u>647,388</u>	<u>435,202</u>	<u>266,414</u>

At the year end date there is a balance of £40,046 (2014 - £56,664) due to HM Revenue & Customs included in trade creditors. The HM Revenue & Customs liability balance for duty at any time is secured on a bond of £20,000.

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

Group	31.12.15	31.12.14
	£	£
Within one year	268,493	167,986
Between one and five years	1,400,000	-
In more than five years	1,700,257	-
	<u>3,368,750</u>	<u>167,986</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015**

16. FINANCIAL INSTRUMENTS - GROUP

	31.12.15	31.12.14
Financial Assets		
Measured at amortised cost		
Cash at Bank and in hand		
Trade debtors	454,444	557,748
Other Debtors	1,709,094	1,542,370
Director's loan account	430,047	-
	<u>2,593,585</u>	<u>2,100,118</u>
Financial liabilities		
Measured at amortised cost		
Trade Creditors	169,657	111,526
Other creditors	70,760	69,201
Accrued expenses	86,431	105,273
	<u>240,417</u>	<u>286,000</u>

17. PROVISIONS FOR LIABILITIES

	31.12.15	31.12.14
	£	£
Deferred tax		
Accelerated capital allowances	<u>25,553</u>	<u>29,047</u>
Group		
		Deferred tax
		£
Balance at 1 January 2015		29,047
Credit to Income Statement during year		<u>(3,494)</u>
Balance at 31 December 2015		<u>25,553</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.15	31.12.14
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

19. RESERVES

Retained reserves

Profit and loss account - includes all current and prior period retained profits and losses.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015

20. MINORITY INTERESTS

The note gives details of the Group's minority interests and movements during the year.

	31.12.15 £	31.12.14 £
Minority Interests at the year end comprised:		
Shares in subsidiaries	8	8
Share of earnings	3,378	3,764
	<u>3,386</u>	<u>3,772</u>
Movements in the year comprised:		
Balance brought forward	3,772	3,630
(Loss)/Profit for the year attributable to minority interests	(386)	142
	<u>3,386</u>	<u>3,772</u>

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2015 and 31 December 2014:

	31.12.15 £	31.12.14 £
M Mansbridge		
Balance outstanding at start of year	(266,185)	(939,878)
Amounts advanced	696,232	673,693
Amounts repaid	-	-
Balance outstanding at end of year	<u>430,047</u>	<u>(266,185)</u>

The directors loan is interest bearing, with interest charged at a rate of 3%. Interest charged for the year is £3,188 (2014 - £Nil).

22. RELATED PARTY DISCLOSURES

A loan from M J Mansbridge's father of £24,000 lent to MM International Limited was transferred to Bike It International Limited when all the net assets were transferred. At the year end £23,200 (2014: £23,200) was outstanding and is shown within other creditors.

Knight Homes Limited

A company in which Mr Mansbridge is a shareholder

During the year the company made loan advances to Knight Homes. The advances are interest bearing, with interest charged at a rate of 10% per annum. Interest charged on the loan during the year is £138,066 (2014 - £225,904).

	31.12.15 £	31.12.14 £
Amount due from related party at the balance sheet date	<u>609,563</u>	<u>1,490,633</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015

22. **RELATED PARTY DISCLOSURES - continued**

Goldcrest Homes Limited

A company in which Mr Mansbridge is a shareholder.

During the year the company made loan advances to Goldcrest Homes (Southern Limited). The loan is non-interest bearing.

	31.12.15	31.12.14
	£	£
Amount due from related party at the balance sheet date	<u>997,026</u>	<u>-</u>

23. **FIRST YEAR ADOPTION**

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014.

There has been no impact on the equity of the company or the profit previously reported as a result of the transition.