

REGISTERED NUMBER: 06441804 (England and Wales)

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2016
for
Bike It International Holdings Limited

FRIDAY



LD6 *L6G0UM2I* #360
29/09/2017
COMPANIES HOUSE

Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2016

	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 2016

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 2016

The directors present their strategic report of the company and the group for the year ended 31 December 2016.

REVIEW OF BUSINESS

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

Sales at £7,812,356 increased by 1.7% and Gross Profit at £3,306,360 increased by 2.2% as new brands began to have an impact. The full year effect of these new brands, however, will be seen in 2017.

Profit before tax at £504,054 reduced by 19.7% in line with increased administrative costs arising from a new rental agreement for the main property plus one - off charges.

EBITDA for the year is £544,264 (2015 - £699,265)

Bike It is a well-respected name in the motorcycle industry and continued to be a market leader in its range of products, stock availability and customer service.

PRINCIPAL RISKS AND UNCERTAINTIES

Motorcycle sales continued to rise in 2016 giving a welcome boost to the industry in general. It is from a low base but the general trend is encouraging. With most sales, however, being imports, the weakness of sterling must be a concern as prices are likely to rise. As an exporter as well as an importer, Bike It has some cover against exchange fluctuations but sterling weakness is a concern.

Brexit continues to be a concern for the future as its full impact unfolds in the coming years. Bike It does though have a strong agent chain and a sought after product list (particularly Moto GP range) and its future plans still include a strong EU sales presence.

Price risks principally arise on the purchase of stock which is subject to inflationary pressure in the far East in particular as well as currency changes against the dollar and Euro. Exchange variances can be managed somewhat as significant sales are made in Euro's.

Sales are made on a variety of different terms so a credit risk will always arise but this is well managed with credit terms only being given to customers who demonstrate an appropriate payment history and credit limits have been well controlled. Sales are made to a wide range of customers so no one customer makes up a significant portion of total trade debtors. Group Undertakings and Other debtors principally relate to loans made. A full list of debtors is shown in Note 15.

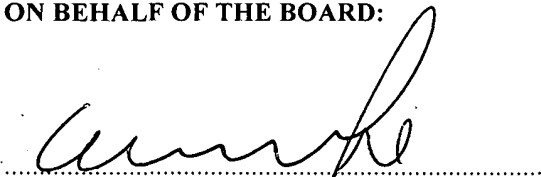
Bike It has been a profitable group for many years and has built up surplus cash reserves so no liquidity risk arises. There are some pinch points in liquidity as cash has been invested with Group companies but this risk is noted and well managed.

FUTURE DEVELOPMENTS

2016 was a busy year with the introduction of several new brands, an upgraded B2B website and an expanded dealer catalogue. Bike It is now working on consolidating these changes as well as increasing the sales force to focus on our core customers. New brands are still being sought for the UK market and new agency opportunities for the European market considered.

The motorcycle industry is still a challenging market but as a market leader and strong innovator, Bike It is confident it can continue to grow and find new opportunities.

ON BEHALF OF THE BOARD:



M Mansbridge - Director

Date: 28/09/2017

Report of the Directors
for the Year Ended 31 December 2016

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2016.

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

An interim dividend of 35p per share was paid on 31 March 2016. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2016 will be £35,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 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 Group Strategic Report, 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.

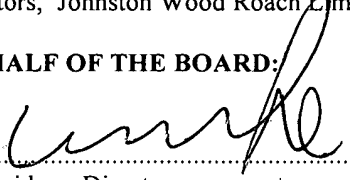
Bike It International Holdings Limited (Registered number: 06441804)

Report of the Directors
for the Year Ended 31 December 2016

AUDITORS

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

ON BEHALF OF THE BOARD:


.....

M Mansbridge - Director

Date: 28/09/2017

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 2016 on pages six to twenty five. 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 2016 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 2017

Bike It International Holdings Limited (Registered number: 06441804)

Consolidated Income Statement
for the Year Ended 31 December 2016

	Notes	31.12.16 £	£	31.12.15 £	£
TURNOVER	4		7,812,386		8,244,011
Cost of sales			4,505,027		5,009,759
GROSS PROFIT			3,307,359		3,234,252
Distribution costs		303,061		367,347	
Administrative expenses		2,669,602		2,432,250	
			2,972,663		2,799,597
			334,696		434,655
Other operating income			114,338		57,101
OPERATING PROFIT	6		449,034		491,756
Interest receivable and similar income			63,941		142,472
			512,975		634,228
Interest payable and similar expenses	7		2,960		8
PROFIT BEFORE TAXATION			510,015		634,220
Tax on profit	8		102,790		129,276
PROFIT FOR THE FINANCIAL YEAR			407,225		504,944
Profit attributable to:					
Owners of the parent			408,064		505,330
Non-controlling interests			(839)		(386)
			407,225		504,944

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 2016

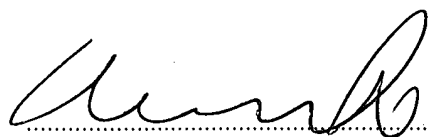
Notes	31.12.16 £	31.12.15 £
PROFIT FOR THE YEAR	407,225	504,944
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>407,225</u>	<u>504,944</u>
Total comprehensive income attributable to:		
Owners of the parent	408,065	505,330
Non-controlling interests	(840)	(386)
	<u>407,225</u>	<u>504,944</u>

The notes form part of these financial statements

Consolidated Balance Sheet
31 December 2016

	Notes	31.12.16	31.12.15
		£	£
FIXED ASSETS			
Intangible assets	11	18,827	40,497
Tangible assets	12	144,462	174,414
Investments	13	-	-
		<u>163,289</u>	<u>214,911</u>
CURRENT ASSETS			
Stocks	14	4,731,856	2,905,795
Debtors	15	3,263,027	2,793,351
Cash at bank and in hand		763,226	1,502,718
		<u>8,758,109</u>	<u>7,201,864</u>
CREDITORS			
Amounts falling due within one year	16	1,616,868	479,014
NET CURRENT ASSETS		<u>7,141,241</u>	<u>6,722,850</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,304,530</u>	<u>6,937,761</u>
PROVISIONS FOR LIABILITIES	20	(22,636)	(25,553)
NET ASSETS		<u><u>7,281,894</u></u>	<u><u>6,912,208</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	100,000	100,000
Retained earnings	22	7,181,886	6,808,822
SHAREHOLDERS' FUNDS		<u>7,281,886</u>	<u>6,908,822</u>
NON-CONTROLLING INTERESTS	23	8	3,386
TOTAL EQUITY		<u><u>7,281,894</u></u>	<u><u>6,912,208</u></u>

The financial statements were approved by the Board of Directors on 28/01/2017 and were signed on its behalf by:


.....
M Mansbridge - Director

Bike It International Holdings Limited (Registered number: 06441804)

Company Balance Sheet
31 December 2016

	Notes	31.12.16 £	31.12.15 £
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	-	-
Investments	13	100,301	153,249
		<u>100,301</u>	<u>153,249</u>
CURRENT ASSETS			
Debtors	15	70,429	430,047
CREDITORS			
Amounts falling due within one year	16	<u>5,342</u>	<u>435,202</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>65,087</u>	<u>(5,155)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>165,388</u>	<u>148,094</u>
CAPITAL AND RESERVES			
Called up share capital	21	100,000	100,000
Retained earnings	22	<u>65,388</u>	<u>48,094</u>
SHAREHOLDERS' FUNDS		<u>165,388</u>	<u>148,094</u>
Company's profit for the financial year		<u>52,294</u>	<u>2,551</u>

The financial statements were approved by the Board of Directors on 28/09/2017 and were signed on its behalf by:



.....
M Mansbridge - Director



.....
C M Beer - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2016

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2015	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
Changes in equity					
Dividends	-	(35,000)	(35,000)	(2,538)	(37,538)
Total comprehensive income	-	408,064	408,064	(840)	407,224
Balance at 31 December 2016	100,000	7,181,886	7,281,886	8	7,281,894

Bike It International Holdings Limited (Registered number: 06441804)

Company Statement of Changes in Equity
for the Year Ended 31 December 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	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
Changes in equity			
Dividends	-	(35,000)	(35,000)
Total comprehensive income	-	52,294	52,294
Balance at 31 December 2016	100,000	65,388	165,388

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 2016

	Notes	31.12.16 £	31.12.15 £
Cash flows from operating activities			
Cash generated from operations	1	(1,332,303)	676,038
Interest paid		(2,960)	(8)
Tax paid		(132,770)	(16,590)
Net cash from operating activities		<u>(1,468,033)</u>	<u>659,440</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,411)	(11,552)
Sale of tangible fixed assets		8,500	400
Interest received		63,941	368,376
Net cash from investing activities		<u>67,030</u>	<u>357,224</u>
Cash flows from financing activities			
New loans in year		1,026,151	-
Amount withdrawn by directors		359,618	(696,232)
Loans to related/third parties		(1,317,011)	(393,122)
Loans repaid by related/third parties		630,292	-
Equity dividends paid		(35,000)	-
Dividends paid to minority interests		(2,539)	-
Net cash from financing activities		<u>661,511</u>	<u>(1,089,354)</u>
Decrease in cash and cash equivalents		<u>(739,492)</u>	<u>(72,690)</u>
Cash and cash equivalents at beginning of year	2	1,502,718	1,575,408
Cash and cash equivalents at end of year	2	<u><u>763,226</u></u>	<u><u>1,502,718</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2016

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

	31.12.16	31.12.15
	£	£
Profit before taxation	510,015	634,220
Depreciation charges	52,959	57,955
(Profit)/loss on disposal of fixed assets	(4,426)	4,567
Finance costs	2,960	8
Finance income	(63,941)	(142,472)
	<u>497,567</u>	<u>554,278</u>
(Increase)/decrease in stocks	(1,826,061)	133,943
(Increase)/decrease in trade and other debtors	(132,412)	6,186
Increase/(decrease) in trade and other creditors	<u>128,603</u>	<u>(18,369)</u>
Cash generated from operations	<u><u>(1,332,303)</u></u>	<u><u>676,038</u></u>

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 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u>763,226</u>	<u>1,502,718</u>

Year ended 31 December 2015

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

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2016

1. **COMPANY INFORMATION**

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

2. **STATUTORY INFORMATION**

Bike It International Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

3. **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.

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 2016

3. **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.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of nil years.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

3. ACCOUNTING POLICIES - continued

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.

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 is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

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

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

3. **ACCOUNTING POLICIES - continued**

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.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

4. 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:

	31.12.16	31.12.15
	£	£
United Kingdom	5,681,828	6,127,110
Overseas Sales (EU)	1,901,311	1,891,131
Overseas Sales (non EU)	229,247	225,770
	<u>7,812,386</u>	<u>8,244,011</u>

5. EMPLOYEES AND DIRECTORS

	31.12.16	31.12.15
	£	£
Wages and salaries	1,249,181	1,352,880
Social security costs	109,780	138,528
Other pension costs	69,242	-
	<u>1,428,203</u>	<u>1,491,408</u>

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

	31.12.16	31.12.15
Distribution Staff	35	37
Administrative Staff including directors	17	15
	<u>52</u>	<u>52</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 52.

	31.12.16	31.12.15
	£	£
Directors' remuneration	83,914	98,532
Directors' pension contributions to money purchase schemes	47,166	-
	<u>131,080</u>	<u>98,532</u>

6. OPERATING PROFIT

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

	31.12.16	31.12.15
	£	£
Hire of plant and machinery	346,787	216,113
Depreciation - owned assets	31,289	35,038
(Profit)/loss on disposal of fixed assets	(4,426)	4,567
Goodwill amortisation	2,842	4,090
Computer software amortisation	18,828	18,828
Auditors' remuneration	9,000	9,000
Foreign exchange differences	(71,933)	13,488
Stock expense	-	3,463,496
	<u>322,387</u>	<u>3,555,332</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.16	31.12.15
	£	£
Bank interest	2,960	8
	<u>2,960</u>	<u>8</u>

8. TAXATION

Analysis of the tax charge

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

	31.12.16	31.12.15
	£	£
Current tax:		
UK corporation tax	105,707	132,770
Deferred tax	(2,917)	(3,494)
Tax on profit	<u>102,790</u>	<u>129,276</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:

	31.12.16	31.12.15
	£	£
Profit before tax	<u>510,015</u>	<u>634,220</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.247%)	102,003	128,411
Effects of:		
Expenses not deductible for tax purposes	219	255
Depreciation in excess of capital allowances	3,485	4,434
Utilisation of tax losses	-	(294)
Deferred tax movement	(2,917)	(3,494)
Adjustment for group companies taxed at lower rate	-	(36)
Total tax charge	<u>102,790</u>	<u>129,276</u>

9. INDIVIDUAL INCOME STATEMENT

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.

10. DIVIDENDS

	31.12.16	31.12.15
	£	£
Ordinary shares of £1 each		
Interim	<u>35,000</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Computer software £	Totals £
COST			
At 1 January 2016			
and 31 December 2016	20,447	94,140	114,587
AMORTISATION			
At 1 January 2016	17,606	56,484	74,090
Amortisation for year	2,842	18,828	21,670
At 31 December 2016	20,448	75,312	95,760
NET BOOK VALUE			
At 31 December 2016	(1)	18,828	18,827
At 31 December 2015	2,841	37,656	40,497

12. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2016	272,987	179,421	151,244	603,652
Additions	-	-	5,411	5,411
Disposals	-	-	(17,667)	(17,667)
At 31 December 2016	272,987	179,421	138,988	591,396
DEPRECIATION				
At 1 January 2016	248,377	102,194	78,667	429,238
Charge for year	4,922	11,584	14,783	31,289
Eliminated on disposal	-	-	(13,593)	(13,593)
At 31 December 2016	253,299	113,778	79,857	446,934
NET BOOK VALUE				
At 31 December 2016	19,688	65,643	59,131	144,462
At 31 December 2015	24,610	77,227	72,577	174,414

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

13. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2016	153,249
Impairments	(52,948)
	<hr/>
At 31 December 2016	100,301
	<hr/>
NET BOOK VALUE	
At 31 December 2016	100,301
	<hr/>
At 31 December 2015	153,249
	<hr/>

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

Registered office:

Nature of business: Sale & distribution

	% holding	31.12.16	31.12.15
Class of shares:		£	£
Ordinary	100.00		
		7,011,108	6,668,084
Aggregate capital and reserves		403,024	501,433
Profit for the year		<hr/>	<hr/>

Utag Limited

Registered office:

Nature of business: Sale of medical emergency identification tags

	% holding	31.12.16	31.12.15
Class of shares:		£	£
Ordinary 'A'	100.00		
Ordinary 'B'	100.00		
		100	32,592
Aggregate capital and reserves		(765)	(4,833)
Loss for the year		<hr/>	<hr/>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

13. **FIXED ASSET INVESTMENTS - continued**

Southcott Mansbridge Homes Limited

Registered office:

Nature of business: property development

	% holding		
Class of shares:			
Ordinary	100.00		
		31.12.16	31.12.15
		£	£
Aggregate capital and reserves		205,401	207,781
(Loss)/profit for the year		(2,380)	300
		<u> </u>	<u> </u>

Cycle Stuff Direct Limited

Registered office:

Nature of business: Sale of Bicycle parts and accessories

	% holding		
Class of shares:			
Ordinary	100.00		
		31.12.16	31.12.15
		£	£
Aggregate capital and reserves		200	6,068
Profit for the year		-	9,586
		<u> </u>	<u> </u>

14. **STOCKS**

	Group	
	31.12.16	31.12.15
	£	£
Stocks	3,662,508	2,905,795
Work-in-progress	1,069,348	-
	<u>4,731,856</u>	<u>2,905,795</u>

15. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Trade debtors	539,371	454,444	-	-
Other debtors	1,630,287	1,114,156	-	-
Southcott Homes (Fareham) Ltd	775,613	-	-	-
Knight Homes Limited	-	594,938	-	-
Directors' loan accounts	70,429	430,047	70,429	430,047
VAT	51,081	36,661	-	-
Prepayments and accrued income	48,935	59,236	-	-
Prepayments	147,311	103,869	-	-
	<u>3,263,027</u>	<u>2,793,351</u>	<u>70,429</u>	<u>430,047</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Bank loans and overdrafts (see note 17)	866,151	-	-	-
Trade creditors	160,912	169,658	-	(1)
Amounts owed to group undertakings	-	-	1,043	434,564
Tax	105,707	132,770	1,760	638
Social security and other taxes	28,990	26,314	-	-
Other creditors	233,239	70,760	2,539	1
Knight Homes Ltd	7,624	-	-	-
Net wages	(15)	(6,919)	-	-
Accrued expenses	214,260	86,431	-	-
	<u>1,616,868</u>	<u>479,014</u>	<u>5,342</u>	<u>435,202</u>

At the year end date there is a balance of £70,848 (2015 - £40,046) 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.

17. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31.12.16	31.12.15
	£	£
Amounts falling due within one year or on demand:		
No description	<u>866,151</u>	<u>-</u>

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group		Non-cancellable operating leases	
		31.12.16	31.12.15
		£	£
Within one year		350,000	268,493
Between one and five years		1,400,000	1,400,000
In more than five years		1,350,736	1,700,257
		<u>3,100,736</u>	<u>3,368,750</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

19. FINANCIAL INSTRUMENTS - GROUP

	31.12.16	31.12.15
<u>Financial Assets</u>		
Measured at amortised cost		
Cash at Bank and in hand		
Trade debtors	539,371	454,444
Other Debtors	2,405,900	1,709,094
Director's loan account	70,429	430,047
	<u>3,015,700</u>	<u>2,593,585</u>
 <u>Financial liabilities</u>		
Measured at amortised cost		
Trade Creditors	170,911	169,657
Other creditors	238,310	70,760
Accrued expenses	214,260	86,431
	<u>623,481</u>	<u>284,417</u>

20. PROVISIONS FOR LIABILITIES

	31.12.16	31.12.15
	£	£
Deferred tax		
Accelerated capital allowances	<u>22,636</u>	<u>25,553</u>
 Group		
		Deferred tax
		£
Balance at 1 January 2016		25,553
Credit to Income Statement during year		<u>(2,917)</u>
Balance at 31 December 2016		<u>22,636</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.16	31.12.15
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

22. 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 2016

23. NON-CONTROLLING 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	-	3,764
	<u>8</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	(1,234)	142
Dividends	(2,538)	
	<u>-</u>	<u>3,772</u>

24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2016 and 31 December 2015:

	31.12.16 £	31.12.15 £
M Mansbridge		
Balance outstanding at start of year	430,047	(266,185)
Amounts advanced	445,992	696,232
Amounts repaid	(805,610)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>70,429</u>	<u>430,047</u>

The directors loan is interest bearing, with interest charged at a rate of 3%. Interest charged for the year is £11,945 (2015 - £3,188).

25. 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 (2015: £23,200) was outstanding and is shown within other creditors.