

Group Strategic Report, Report of the Director and
Consolidated Financial Statements for the Year Ended 31 December 2020
for
Bike It International Holdings Limited

Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2020

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Bike It International Holdings Limited

Company Information
for the Year Ended 31 December 2020

DIRECTOR:	M Mansbridge
REGISTERED OFFICE:	24 Picton House Hussar Court Waterlooville Hampshire PO7 7SQ
REGISTERED NUMBER:	06441804 (England and Wales)
AUDITORS:	JWR Audit Limited Statutory Auditor 24 Picton House Hussar Court Waterlooville Hampshire PO7 7SQ

Group Strategic Report
for the Year Ended 31 December 2020

The director presents his strategic report of the company and the group for the year ended 31 December 2020.

REVIEW OF BUSINESS

The company's main business continued to be the wholesale supply of motorcycle parts and accessories.

Sales at £7,263,946 increased by 11.3% and Gross Profit at £2,588,290 increased by 23% from the results of the prior year. The company made a profit before tax of £334,644, compared to a pre tax loss of £293,380 in 2019. Bike It was resilient through the COVID-19 pandemic due to the fact the majority of its sales occur online and to retailers. Europe continued to be challenging with the continued uncertainty surrounding Brexit making trading difficult. Expenditure was also high as Bike It continued to invest in new IT systems and supported new brands with a high advertising budget.

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 in 2020 were similar to those in 2019 so there was no real change in the market. 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 are 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.

FUTURE DEVELOPMENTS

The motorcycle market continues to be a challenging environment but Bike It is confident that its position in the market will help it thrive long term. New brands are still being sought for the UK market and new agency opportunities for the European market being considered. The sales force is highly regarded and this supported by a new B2B website will enable Bike It to weather the current difficulties

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.

There are no further projects on going in Southcott Mansbridge Homes Ltd and no plans at the moment. Investments in building projects are being made but are currently being managed through Bike It International Ltd.

ON BEHALF OF THE BOARD:

M Mansbridge - Director

13 September 2021

Report of the Director
for the Year Ended 31 December 2020

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2020.

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

Dividends of £80,000 have been issued in Bike It International Holdings Limited during the year ended 31st December 2020.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR

M Mansbridge has held office during the whole period from 1 January 2020 to the date of this report.

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 DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is 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 he 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.

Report of the Director
for the Year Ended 31 December 2020

AUDITORS

The auditors, JWR Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M Mansbridge - Director

13 September 2021

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

Opinion

We have audited the financial statements of Bike It International Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2020 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

Procedures performed by the audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Evaluation of controls designed to prevent and detect irregularities; and
- Assessing journals entries as part of our planned audit approach.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

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

16 September 2021

Consolidated
Income Statement
for the Year Ended 31 December 2020

	Notes	31.12.20 £	£	31.12.19 £	£
TURNOVER	4		7,306,865		6,546,778
Cost of sales			<u>4,984,997</u>		<u>4,345,411</u>
GROSS PROFIT			2,321,868		2,201,367
Distribution costs		205,129		191,016	
Administrative expenses		<u>2,092,788</u>		<u>2,314,264</u>	
			<u>2,297,917</u>		<u>2,505,280</u>
			23,951		(303,913)
Other operating income			<u>37,179</u>		<u>19,011</u>
OPERATING PROFIT/(LOSS)	6		61,130		(284,902)
Interest receivable and similar income			<u>3,839</u>		<u>89,090</u>
			64,969		(195,812)
Interest payable and similar expenses	7		<u>3,168</u>		<u>5,000</u>
PROFIT/(LOSS) BEFORE TAXATION			61,801		(200,812)
Tax on profit/(loss)	8		<u>10,547</u>		<u>(38,248)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR			<u>51,254</u>		<u>(162,564)</u>
Profit/(loss) attributable to:					
Owners of the parent			45,011		(115,062)
Non-controlling interests			<u>6,243</u>		<u>(47,502)</u>
			<u>51,254</u>		<u>(162,564)</u>

The notes form part of these financial statements

Consolidated
Other Comprehensive Income
for the Year Ended 31 December 2020

Notes	31.12.20 £	31.12.19 £
PROFIT/(LOSS) FOR THE YEAR	51,254	(162,564)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		
FOR THE YEAR	<u>51,254</u>	<u>(162,564)</u>
Total comprehensive income attributable to:		
Owners of the parent	78,247	(132,708)
Non-controlling interests	<u>(26,993)</u>	<u>(29,856)</u>
	<u>51,254</u>	<u>(162,564)</u>

The notes form part of these financial statements

Consolidated Balance Sheet
31 December 2020

	Notes	31.12.20 £	£	31.12.19 £	£
FIXED ASSETS					
Intangible assets	11		117,701		92,287
Tangible assets	12		200,325		191,965
Investments	13		-		-
			<u>318,026</u>		<u>284,252</u>
CURRENT ASSETS					
Stocks	14	4,048,530		3,865,393	
Debtors	15	2,863,953		3,127,835	
Cash at bank and in hand		<u>842,361</u>		<u>449,074</u>	
		7,754,844		7,442,302	
CREDITORS					
Amounts falling due within one year	16	<u>962,527</u>		<u>554,229</u>	
NET CURRENT ASSETS			<u>6,792,317</u>		<u>6,888,073</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,110,343</u>		<u>7,172,325</u>
CAPITAL AND RESERVES					
Called up share capital	20		100,000		100,000
Retained earnings	21		<u>7,067,192</u>		<u>7,102,181</u>
SHAREHOLDERS' FUNDS			<u>7,167,192</u>		<u>7,202,181</u>
NON-CONTROLLING INTERESTS	22		<u>(56,849)</u>		<u>(29,856)</u>
TOTAL EQUITY			<u>7,110,343</u>		<u>7,172,325</u>

The financial statements were approved by the director and authorised for issue on 13 September 2021 and were signed by:

M Mansbridge - Director

Company Balance Sheet
31 December 2020

	Notes	31.12.20 £	£	31.12.19 £	£
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		-		-
Investments	13		<u>100,001</u>		<u>100,001</u>
			100,001		100,001
CURRENT ASSETS					
Debtors	15	633,556		553,998	
CREDITORS					
Amounts falling due within one year	16	<u>428,469</u>		<u>268,911</u>	
NET CURRENT ASSETS			<u>205,087</u>		<u>285,087</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>305,088</u>		<u>385,088</u>
CAPITAL AND RESERVES					
Called up share capital	20		100,000		100,000
Retained earnings	21		<u>205,088</u>		<u>285,088</u>
SHAREHOLDERS' FUNDS			<u>305,088</u>		<u>385,088</u>
Company's profit for the financial year			<u>-</u>		<u>30,000</u>

The financial statements were approved by the director and authorised for issue on 13 September 2021 and were signed by:

M Mansbridge - Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2019	100,000	7,247,243	7,347,243	-	7,347,243
Changes in equity					
Dividends	-	(30,000)	(30,000)	-	(30,000)
Total comprehensive income	-	(115,062)	(115,062)	(29,856)	(144,918)
Balance at 31 December 2019	100,000	7,102,181	7,202,181	(29,856)	7,172,325
Changes in equity					
Dividends	-	(80,000)	(80,000)	-	(80,000)
Total comprehensive income	-	45,011	45,011	(26,993)	18,018
Balance at 31 December 2020	100,000	7,067,192	7,167,192	(56,849)	7,110,343

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	100,000	285,088	385,088
Changes in equity			
Dividends	-	(30,000)	(30,000)
Total comprehensive income	-	30,000	30,000
Balance at 31 December 2019	<u>100,000</u>	<u>285,088</u>	<u>385,088</u>
Changes in equity			
Dividends	-	(80,000)	(80,000)
Balance at 31 December 2020	<u>100,000</u>	<u>205,088</u>	<u>305,088</u>

Consolidated Cash Flow Statement
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	180,731	397,135
Interest paid		(3,168)	(5,000)
Tax paid		(18,444)	257
Net cash from operating activities		<u>159,119</u>	<u>392,392</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(46,434)	(26,187)
Purchase of tangible fixed assets		(47,933)	(54,500)
Sale of tangible fixed assets		334	18,151
Interest received		3,839	89,090
Net cash from investing activities		<u>(90,194)</u>	<u>26,554</u>
Cash flows from financing activities			
Amount withdrawn by directors		(167,510)	(669,972)
Share issue		-	17,646
Loans to related/third parties		(231,944)	(444,666)
Loans repaid by related/third parties		848,816	710,955
Equity dividends paid		(80,000)	(30,000)
Dividends paid to minority interests		(45,000)	-
Net cash from financing activities		<u>324,362</u>	<u>(416,037)</u>
Increase in cash and cash equivalents		<u>393,287</u>	<u>2,909</u>
Cash and cash equivalents at beginning of year	2	449,074	446,165
Cash and cash equivalents at end of year	2	<u>842,361</u>	<u>449,074</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2020

1. **RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.20	31.12.19
	£	£
Profit/(loss) before taxation	61,801	(200,812)
Depreciation charges	59,337	61,864
Loss on disposal of fixed assets	922	8,046
Finance costs	3,168	5,000
Finance income	<u>(3,839)</u>	<u>(89,090)</u>
	121,389	(214,992)
(Increase)/decrease in stocks	(183,137)	387,662
(Increase)/decrease in trade and other debtors	(284,083)	337,923
Increase/(decrease) in trade and other creditors	<u>526,562</u>	<u>(113,458)</u>
Cash generated from operations	<u><u>180,731</u></u>	<u><u>397,135</u></u>

2. **CASH AND CASH EQUIVALENTS**

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

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u>842,361</u>	<u>449,074</u>

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u><u>449,074</u></u>	<u><u>446,165</u></u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank and in hand	<u>449,074</u>	<u>393,287</u>	<u>842,361</u>
	<u>449,074</u>	<u>393,287</u>	<u>842,361</u>
Total	<u><u>449,074</u></u>	<u><u>393,287</u></u>	<u><u>842,361</u></u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2020

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 2020

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.

Intangible fixed assets

Depreciation is provided to write off intangible assets over its estimated useful life as follows: -

Website development - 5 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	- 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 2020

3. **ACCOUNTING POLICIES - continued**

Stocks

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

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.

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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2020

3. **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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2020

3. ACCOUNTING POLICIES - continued

Going concern accounting policy

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the company and the Group which Bike It International is part of is expected to be able to meet all its liabilities as they fall due. However, it is acknowledged that the global and UK outbreak of COVID-19 has had a profound impact on the global and UK economy and businesses.

At year end the Group in which the company is part of reported a profit after tax of £279,201 and net cash reserves of £842,361. Trading in 2021 has continued to improve and Bike It is expected to be in profit for the year.

The directors have produced a detailed going concern assessment for the group. The conclusion of the directors' assessment for the Group is that the business will be able to meet all its liabilities as they fall due. The group has managed to deal with the COVID-19 pandemic well, continuing to trade strongly.

Based on the trading results achieved post year end, the finance facilities in place and available to the Group and the management accounts to 31 March 2021 the directors conclude that the group will be able to trade for a period of at least 12 months from the approval of the financial statements and have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

4. TURNOVER

The turnover and profit (2019 - loss) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market for the year ended 31 December 2019 is given below:

	£
United Kingdom	5,288,064
Overseas Sales (EU)	1,229,929
Overseas Sales (non EU)	28,785
	<u>6,546,778</u>

This analysis is not considered to be applicable to the year ended 31 December 2020.

5. EMPLOYEES AND DIRECTORS

	31.12.20	31.12.19
	£	£
Wages and salaries	1,028,453	1,071,351
Social security costs	93,352	86,183
Other pension costs	76,156	74,631
	<u>1,197,961</u>	<u>1,232,165</u>

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

	31.12.20	31.12.19
Distribution Staff	21	32
Administrative Staff including directors	30	17
	<u>51</u>	<u>49</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2020

5. EMPLOYEES AND DIRECTORS - continued

	31.12.20	31.12.19
	£	£
Directors' remuneration	<u>65,001</u>	<u>21,569</u>

6. OPERATING PROFIT/(LOSS)

The operating profit (2019 - operating loss) is stated after charging:

	31.12.20	31.12.19
	£	£
Hire of plant and machinery	25,779	25,969
Other operating leases	344,210	339,947
Depreciation - owned assets	38,317	45,209
Loss on disposal of fixed assets	922	8,046
Computer software amortisation	21,020	16,655
Auditors' remuneration	-	5,000
Foreign exchange differences	<u>9,341</u>	<u>21,591</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.20	31.12.19
	£	£
Bank interest	3,150	5,000
Interest payable	<u>18</u>	<u>-</u>
	<u>3,168</u>	<u>5,000</u>

8. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	31.12.20	31.12.19
	£	£
Current tax:		
UK corporation tax	880	17,290
Deferred tax	<u>9,667</u>	<u>(55,538)</u>
Tax on profit/(loss)	<u>10,547</u>	<u>(38,248)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2020

8. TAXATION - continued

Reconciliation of total tax charge/(credit) included in profit and loss

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

	31.12.20	31.12.19
	£	£
Profit/(loss) before tax	<u>61,801</u>	<u>(200,812)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	11,742	(38,154)
Effects of:		
Expenses not deductible for tax purposes	522	4,273
Income not taxable for tax purposes	(1,837)	(218)
Capital allowances in excess of depreciation	(1,478)	(1,777)
Utilisation of tax losses	(8,069)	(80)
Deferred tax movement - accelerated capital allowances	1,598	(2,292)
Taxable losses carried forward	(45,176)	(53,245)
Deferred tax asset on 2019 loss	45,176	53,245
Reversal of deferred tax asset on 2019 losses	<u>8,069</u>	<u>-</u>
Total tax charge/(credit)	<u>10,547</u>	<u>(38,248)</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

	31.12.20	31.12.19
	£	£
Ordinary shares of £1 each		
Interim	<u>80,000</u>	<u>30,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2020

11. INTANGIBLE FIXED ASSETS

Group

	Patents and licences £	Computer software £	Totals £
COST			
At 1 January 2020	3,845	199,237	203,082
Additions	-	46,434	46,434
At 31 December 2020	<u>3,845</u>	<u>245,671</u>	<u>249,516</u>
AMORTISATION			
At 1 January 2020	-	110,795	110,795
Amortisation for year	-	21,020	21,020
At 31 December 2020	<u>-</u>	<u>131,815</u>	<u>131,815</u>
NET BOOK VALUE			
At 31 December 2020	<u>3,845</u>	<u>113,856</u>	<u>117,701</u>
At 31 December 2019	<u>3,845</u>	<u>88,442</u>	<u>92,287</u>

12. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2020	277,539	189,999	228,048	695,586
Additions	23,200	-	24,733	47,933
Disposals	-	-	(8,300)	(8,300)
At 31 December 2020	<u>300,739</u>	<u>189,999</u>	<u>244,481</u>	<u>735,219</u>
DEPRECIATION				
At 1 January 2020	260,456	145,148	98,017	503,621
Charge for year	3,640	6,728	27,949	38,317
Eliminated on disposal	-	-	(7,044)	(7,044)
At 31 December 2020	<u>264,096</u>	<u>151,876</u>	<u>118,922</u>	<u>534,894</u>
NET BOOK VALUE				
At 31 December 2020	<u>36,643</u>	<u>38,123</u>	<u>125,559</u>	<u>200,325</u>
At 31 December 2019	<u>17,083</u>	<u>44,851</u>	<u>130,031</u>	<u>191,965</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2020

13. **FIXED ASSET INVESTMENTS**

Company

Shares in
group
undertakings
£

COST

At 1 January 2020
and 31 December 2020

100,001

NET BOOK VALUE

At 31 December 2020
At 31 December 2019

100,001

100,001

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	31.12.20	31.12.19
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		6,620,652	6,611,056
Profit/(loss) for the year		<u>42,832</u>	<u>(237,842)</u>

Southcott Mansbridge Homes Limited

Registered office:

Nature of business: property development

	% holding	31.12.20	31.12.19
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		275,677	275,035
Profit for the year		<u>642</u>	<u>74,131</u>

Bike It Europa SRI

Registered office:

Nature of business: Sale & distribution

	% holding	31.12.20	31.12.19
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		17,547	9,768
Profit for the year		<u>7,779</u>	<u>1,147</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2020

14. **STOCKS**

	Group	
	31.12.20	31.12.19
	£	£
Stocks	<u>4,048,530</u>	<u>3,865,393</u>

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

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Trade debtors	652,661	599,034	-	-
Amounts owed by group undertakings	-	-	-	87,952
Other debtors	1,179,657	1,885,465	-	-
Directors' loan accounts	633,556	466,046	633,556	466,046
VAT	119,667	1,174	-	-
Deferred tax asset	7,156	16,823	-	-
Prepayments and accrued income	3	-	-	-
Prepayments	<u>271,253</u>	<u>159,293</u>	<u>-</u>	<u>-</u>
	<u>2,863,953</u>	<u>3,127,835</u>	<u>633,556</u>	<u>553,998</u>

Deferred tax asset

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Accelerated capital allowances	(38,020)	(36,422)	-	-
Tax losses carried forward	<u>45,176</u>	<u>53,245</u>	<u>-</u>	<u>-</u>
	<u>7,156</u>	<u>16,823</u>	<u>-</u>	<u>-</u>

16. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Trade creditors	657,743	200,056	1	-
Amounts owed to group undertakings	-	-	425,929	266,372
Tax	317	17,881	-	-
Social security and other taxes	35,376	23,718	-	-
Other creditors	2,264	102,964	2,539	2,539
Accrued expenses	<u>266,827</u>	<u>209,610</u>	<u>-</u>	<u>-</u>
	<u>962,527</u>	<u>554,229</u>	<u>428,469</u>	<u>268,911</u>

At the year end date there is a balance of £69,441 (2019 - £33,886) 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. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2020

Group

	Non-cancellable operating leases	
	31.12.20	31.12.19
	£	£
Within one year	350,000	350,000
Between one and five years	1,350,736	1,400,000
In more than five years	-	300,736
	<u>1,700,736</u>	<u>2,050,736</u>

18. FINANCIAL INSTRUMENTS - GROUP

	31.12.17	31.12.16
<u>Financial Assets</u>		
Measured at amortised cost		
Cash at bank and in hand	704,605	763,226
Trade debtors	939,407	539,371
Other debtors	2,068,613	2,405,900
Director's loan account	-	70,429
	<u>3,712,625</u>	<u>3,778,926</u>
<u>Financial liabilities</u>		
Measured at amortised cost		
Trade creditors	222,381	160,912
Other creditors	229,817	240,848
Director's loan account	119,802	0
Accrued expenses	409,212	214,260
	<u>981,212</u>	<u>616,020</u>

19. DEFERRED TAX

Group

	£
Balance at 1 January 2020	(16,823)
Charge to Income Statement during year	1,598
Losses carried forward	
Use of losses b/fwd	8,069
Balance at 31 December 2020	<u>(7,156)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2020

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.12.20	31.12.19
Number:	Class:		£	£
100,000	Ordinary	£1	100,000	82,354
5,882	Ordinary 'A'	£1	-	5,882
5,882	Ordinary 'B'	£1	-	5,882
			<u>100,000</u>	<u>94,118</u>

Total shares issued during the year are as follows. All shares have a nominal value of £1:

Ordinary 'E' - 5,882
Ordinary 'F' - 2,941
Ordinary 'G' - 2,941

21. RESERVES

Retained reserves

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

22. NON-CONTROLLING INTERESTS

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

	31.12.20	31.12.19
	£	£
Minority Interests at the year end comprised:		
Shares in subsidiaries	29,410	17,646
Share of earnings	<u>(86,256)</u>	<u>(47,502)</u>
	<u>(56,849)</u>	<u>(29,856)</u>
Movements in the year comprised:		
Balance brought forward	(29,856)	-
Shares issued during the period	11,764	17,646
(Loss)/Profit for the year attributable to minority interests	6,243	(47,502)
Dividends issued	<u>(45,000)</u>	<u>-</u>
Balance carried forward	<u>(56,849)</u>	<u>(29,856)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2020

23. **DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 31 December 2020 and 31 December 2019:

	31.12.20 £	31.12.19 £
M Mansbridge		
Balance outstanding at start of year	466,046	(203,926)
Amounts advanced	249,054	723,172
Amounts repaid	(81,545)	(53,200)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>633,555</u>	<u>466,046</u>

At the year end the director owed the company £633,555.

24. **POST BALANCE SHEET EVENTS**

Since the balance sheet date the global disruption caused by COVID-19 has become ever more evident. This is a non-adjusting post balance sheet event and has had no effect on the assets and liabilities in these financial statements. The company has continued to trade profitably post year end.

The directors have considered the impact of COVID-19 on the going concern of the company in the going concern section of note 3 to these financial statements.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.