

Registration number 07542142

Cycle Stores West Limited
Directors' report and financial statements
for the year ended 31 December 2014

WEDNESDAY



A47BTT2H

A09

13/05/2015

#150

COMPANIES HOUSE

Cycle Stores West Limited

Company information

Directors	I Beasant A Bargewell
Secretary	A Bargewell
Company number	07542142
Registered office	111 Heath Road Twickenham United Kingdom TW1 4AF
Auditor	Hobsons CA Limited Alexandra House 43 Alexandra Street Nottingham NG5 1AY
Bankers	ING London Branch 60 London Wall London EC2M 5TQ
Solicitors	Nelsons Solicitors LLP Pennine House 8 Stanford Street Nottingham NG1 7BQ

Cycle Stores West Limited

Contents

	Page
Directors' report	1 - 2
Auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 13

Cycle Stores West Limited
Directors' report
for the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Principal activity

The principal activity of the company is the retailing of bicycles.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

Financial risk management objectives and policies

The principal risks and uncertainties of the company related to stock control and credit risk. Stock control and management was considered to be the most significant risk, in order for the company to provide a full range of products to its customers. Credit risk was assessed as being lower risk given the nature of the business, with products purchased either for cash or on credit prior to the goods leaving the store.

The company's financial risks are managed and monitored at Giant UK Limited group level, the parent company of the UK group.

Directors

The directors who served during the year are as stated below:

I Beasant
A Bargewell

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cycle Stores West Limited

**Directors' report
for the year ended 31 December 2014**

..... continued

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Strategic Report

The company has taken advantage of the exemption in section 414A(2) of the Companies Act 2006 from the requirement to prepare a strategic report on the basis that it would be entitled to prepare accounts for the year in accordance with the small companies regime but for being a member of an ineligible group.

This report was approved by the Board on 11 May 2015 and signed on its behalf by



**A Bargewell
Director**

Independent auditor's report to the shareholders of Cycle Stores West Limited

We have audited the financial statements of Cycle Stores West Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the shareholders of
Cycle Stores West Limited**

.....continued

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

James Scully FCA (Senior Statutory Auditor)

For and on behalf of Hobsons CA Limited

Chartered Accountants and

Statutory Auditor

Alexandra House

43 Alexandra Street

Nottingham

NG5 1AY

11 May 2015

Cycle Stores West Limited

Profit and loss account for the year ended 31 December 2014

		Continuing operations	
		2014	2013
	Notes	£	£
Turnover	2	412,187	504,170
Cost of sales		(275,971)	(309,435)
Gross profit		<u>136,216</u>	<u>194,735</u>
Administrative expenses		(242,716)	(224,821)
Loss on ordinary activities before taxation		<u>(106,500)</u>	<u>(30,086)</u>
Tax on loss on ordinary activities	5	-	-
Loss for the year	12	<u>(106,500)</u>	<u>(30,086)</u>
Accumulated loss brought forward		(120,996)	(90,910)
Accumulated loss carried forward		<u>(227,496)</u>	<u>(120,996)</u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 13 form an integral part of these financial statements.

Cycle Stores West Limited

**Balance sheet
as at 31 December 2014**

		2014		2013	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	6		30,000		71,001
Tangible assets	7		1,862		1,444
			<u>31,862</u>		<u>72,445</u>
Current assets					
Stocks	8	64,406		53,651	
Debtors	9	29,872		22,735	
Cash at bank and in hand		16,157		6,695	
		<u>110,435</u>		<u>83,081</u>	
Creditors: amounts falling due within one year	10	(369,693)		(276,422)	
Net current liabilities			<u>(259,258)</u>		<u>(193,341)</u>
Total assets less current liabilities			<u>(227,396)</u>		<u>(120,896)</u>
Deficiency of assets			<u>(227,396)</u>		<u>(120,896)</u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account	12		(227,496)		(120,996)
Shareholders' funds	13		<u>(227,396)</u>		<u>(120,896)</u>

These accounts were approved by the directors on 11 May 2015, and are signed on their behalf by:


I Beasant
Director

Registration number 07542142

The notes on pages 7 to 13 form an integral part of these financial statements.

Cycle Stores West Limited

Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a wholly owned subsidiary of a company preparing publicly available financial statements.

The company has consistently applied all relevant accounting standards.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 8 years. The directors review goodwill for impairment each year and write it down when necessary.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 33% straight line
-------------------------------------	---------------------

1.5. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

Cost comprises purchase price together with delivery costs.

Net realisable value means estimated selling price less all costs to be incurred in marketing and selling.

1.7. Deferred taxation

Provision is made for deferred taxation at the expected rate of corporation tax in respect of timing differences between profits as computed for taxation purposes and profits as stated in the financial statements where material.

Cycle Stores West Limited

Notes to the financial statements for the year ended 31 December 2014

..... continued

1.8. Going concern

At the year end, the Board of Giant UK Limited, the company's final parent undertaking in the UK, confirmed that they would be prepared to financially support Cycle Stores West Limited for any liabilities that the company was unable to meet for the foreseeable future, defined as being no less than one year from the date that the financial statements are signed. The directors therefore considered at that time that it was appropriate for the accounts to be prepared on a going concern basis.

Since the year end, the Board have been discussing the possibility of selling the trade and assets of the company to an interested third party, and negotiations are still in progress at the date of signing the accounts. Should this transaction take place then the company would cease to trade and would become dormant.

The Board has reviewed the balance sheet at 31 December 2014. The directors are satisfied that given the nature of the assets and liabilities held at that date, that no changes are needed in these accounts to reflect any adjustments that may be required should the company cease to trade.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating loss

	2014	2013
	£	£
Operating loss is stated after charging:		
Amortisation and other amounts written off intangible assets	41,001	13,829
Depreciation and other amounts written off tangible assets	1,082	4,691
Operating lease rentals		
- Land and buildings	42,250	41,000
- Motor vehicles	3,085	3,365
Auditor's remuneration - audit services	1,000	4,000

Cycle Stores West Limited

Notes to the financial statements for the year ended 31 December 2014

..... continued

4. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

Administration and management

2014 Number	2013 Number
5	5

Employment costs

Wages and salaries
Social security costs

2014 £	2013 £
96,649	92,940
6,916	7,568
103,565	100,508

5. Tax on loss on ordinary activities

Analysis of charge in period

Current tax

UK corporation tax

2014 £	2013 £
-	-

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (21.50 per cent). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before taxation	(106,500)	(30,086)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (31 December 2013 : 23.25%)	(22,898)	(6,995)
Effects of:		
Capital allowances for period in excess of depreciation	(141)	675
Losses surrendered to group	23,039	6,320
Current tax charge for period	-	-

Cycle Stores West Limited

Notes to the financial statements for the year ended 31 December 2014

..... continued

6. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 January 2014	110,636	110,636
At 31 December 2014	110,636	110,636
Amortisation		
At 1 January 2014	39,635	39,635
Charge for year	41,001	41,001
At 31 December 2014	80,636	80,636
Net book values		
At 31 December 2014	30,000	30,000
At 31 December 2013	71,001	71,001

Goodwill has been generated by acquiring the trade and assets of Prologue Limited.

7. Tangible fixed assets

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 January 2014	14,075	14,075
Additions	1,500	1,500
At 31 December 2014	15,575	15,575
Depreciation		
At 1 January 2014	12,631	12,631
Charge for the year	1,082	1,082
At 31 December 2014	13,713	13,713
Net book values		
At 31 December 2014	1,862	1,862
At 31 December 2013	1,444	1,444

Cycle Stores West Limited

Notes to the financial statements for the year ended 31 December 2014

..... continued

8. Stocks	2014 £	2013 £
Finished goods and goods for resale	<u>64,406</u>	<u>53,651</u>
9. Debtors	2014 £	2013 £
Trade debtors	5,158	13,040
Amounts owed by group undertakings	9,051	100
Other debtors	1,777	5,571
Prepayments and accrued income	<u>13,886</u>	<u>4,024</u>
	<u>29,872</u>	<u>22,735</u>
10. Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	24,040	11,157
Amounts owed to group undertakings	320,136	230,559
Other taxes and social security costs	7,084	1,992
Accruals and deferred income	<u>18,433</u>	<u>32,714</u>
	<u>369,693</u>	<u>276,422</u>
11. Share capital	2014 £	2013 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Equity shares		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Cycle Stores West Limited

Notes to the financial statements for the year ended 31 December 2014

..... continued

12. Equity reserves	Profit and loss account £	Total £
At 1 January 2014	(120,996)	(120,996)
Loss for the year	(106,500)	(106,500)
At 31 December 2014	<u>(227,496)</u>	<u>(227,496)</u>

13. Reconciliation of movements in shareholders' funds	2014 £	2013 £
Loss for the year	(106,500)	(30,086)
Opening shareholders' funds	<u>(120,896)</u>	<u>(90,810)</u>
Closing shareholders' funds	<u>(227,396)</u>	<u>(120,896)</u>

14. Financial commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Within one year	-	-	3,366	-
Between one and five years	43,500	-	-	3,366
In over five years	-	41,000	-	-
	<u>43,500</u>	<u>41,000</u>	<u>3,366</u>	<u>3,366</u>

15. Related party transactions

The company has taken advantage of the exemptions in paragraph 3 (c) of FRS 8 from disclosing transactions with other group companies. There were no other related party transactions requiring disclosure.

Cycle Stores West Limited

**Notes to the financial statements
for the year ended 31 December 2014**

..... continued

16. Ultimate parent undertaking

The company is a 100% subsidiary of Cycling Brand Store Holdings Limited, which in turn is wholly owned by Giant UK Limited.

Giant UK Limited is controlled by Giant Manufacturing Company Limited, its ultimate parent undertaking incorporated in Taiwan.

The smallest and largest parent undertakings which prepare group accounts are Giant Europe BV, incorporated in the Netherlands, and Giant Manufacturing Company Limited, incorporated in Taiwan, respectively. Group accounts can be obtained from the following address: Giant Europe BV, Pascallan 66, 8218 NJ Lelystad, The Netherlands.

17. Controlling interest

The company is controlled by the directors of Giant UK Limited.