

The Bike Club Limited

Unaudited Financial Statements

Year Ended

30 April 2020

Company Number 10098146



The Bike Club Limited

Company Information

Directors	A Rico-Lloyd J D Symes M W Balfour P S Symes C C L Carroll J R Lawson-Brown
Company secretary	J D Symes
Registered number	10098146
Registered office	Uncommon 126 New Kings Road Fulham London SW6 4LZ
Accountants	BDO LLP 55 Baker Street London W1U 7EU

The Bike Club Limited

Contents

	Page
Statement of financial position	1 - 2
Notes to the financial statements	3 - 13

The Bike Club Limited

Registered number:10098146

Statement of Financial Position as at 30 April 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	5	42,715	-
Tangible assets	6	2,597,942	579,277
		<u>2,640,657</u>	<u>579,277</u>
Current assets			
Stocks		425	-
Debtors	7	113,522	21,032
Cash and cash equivalents		308,624	230,485
		<u>422,571</u>	<u>251,517</u>
Creditors: amounts falling due within one year	8	(712,127)	(144,902)
Net current (liabilities)/assets		<u>(289,556)</u>	<u>106,615</u>
Total assets less current liabilities		<u>2,351,101</u>	<u>685,892</u>
Creditors: amounts falling due after more than one year	9	(1,113,997)	(120,498)
Net assets		<u><u>1,237,104</u></u>	<u><u>565,394</u></u>
Capital and reserves			
Share capital	11	191	154
Share premium account		1,413,832	530,887
Profit and loss account		(176,919)	34,353
		<u><u>1,237,104</u></u>	<u><u>565,394</u></u>

The Bike Club Limited

Registered number:10098146

Statement of Financial Position (continued) as at 30 April 2020

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

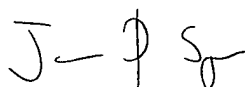
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
J D Symes
Director

Date: 1 December 2020

The notes on pages 3 to 13 form part of these financial statements.

The Bike Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

1. General information

The Bike Club Limited (the "company") is a private company limited by shares and is registered, domiciled and incorporated in England and Wales under the Companies Act 2006. The address of its registered office is Uncommon 126 New Kings Road, Fulham, London SW6 4LZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

During March 2020, the outbreak of COVID-19 was declared a global pandemic by the World Health Organisation. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy.

Due to the nature of the company's operations, and the lockdowns imposed on the UK, COVID-19 has resulted in an increasing demand for the company's service. The company has moved quickly to try and meet this increased demand despite some supply chain delays.

The directors, having made appropriate enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. For this reason they continue to adopt the going concern basis in preparing the company's financial statements.

2.3 Turnover

Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover from bike hire is recognised on a straight line basis over the period of hire, when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably; and
- it is probable that the company will receive the consideration due under the rental agreement.

The Bike Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

2. Accounting policies (continued)

2.4 Operating leases: the company as lessee

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

2.5 Leased assets: the company as lessee

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 Sale and leaseback

Where a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transition is established at fair value any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by the future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

The Bike Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Website	-	5	years
---------	---	---	-------

The Bike Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

2. Accounting policies (continued)

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Fleet assets acquired under finance leases are initially recognised at the lower of fair value and the net present value of the future payments, and depreciated on the same basis as the other fleet assets.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	-	25% straight line
Computer equipment	-	25% straight line
Fleet	-	20% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

During the year the directors re-assessed the useful life of the fleet bikes and consider 20% reducing balance to be a more appropriate method than 25% reducing balance which was previously used. If the previous rate had been used, depreciation charge for the year would have been £70,529 higher.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

The Bike Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

2. Accounting policies (continued)

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Bike Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider the following areas to involve considerable degree of estimation uncertainty:

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of tangible fixed assets

The company assesses impairment of tangible fixed assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Classification of leases

The company classifies the leases it holds, both as a lessee and lessor, as either operating or finance leases. The accounting policies for leases have been applied to these arrangements.

4. Employees

The average monthly number of employees, including directors, during the year was 11 (2019 - 3).

The Bike Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

5. Intangible assets

	Website £
Cost	
Additions	49,038
At 30 April 2020	49,038
Amortisation	
Charge for the year on owned assets	6,323
At 30 April 2020	6,323
Net book value	
At 30 April 2020	42,715
At 30 April 2019	-

The Bike Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

6. Tangible fixed assets

	Plant and machinery £	Computer equipment £	Fleet £	Total £
Cost or valuation				
At 1 May 2019	-	9,664	768,340	778,004
Additions	33,714	13,596	2,276,008	2,323,318
At 30 April 2020	33,714	23,260	3,044,348	3,101,322
Depreciation				
At 1 May 2019	-	3,129	195,598	198,727
Charge for the year on owned assets	1,369	4,880	173,327	179,576
Charge for the year on financed assets	-	-	125,077	125,077
At 30 April 2020	1,369	8,009	494,002	503,380
Net book value				
At 30 April 2020	32,345	15,251	2,550,346	2,597,942
At 30 April 2019	-	6,535	572,742	579,277

The net book value of assets held under finance leases, included above, are as follows:

	2020 £	2019 £
Fleet	1,242,750	-

7. Debtors

	2020 £	2019 £
Trade debtors	10,326	-
Other debtors	52,014	20,724
Prepayments and accrued income	6,830	308
Deferred taxation	44,352	-
	113,522	21,032

The Bike Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	75,542	36,747
Trade creditors	87,564	5,688
Other taxation and social security	22,826	2,434
Finance leases	414,181	-
Other creditors	102,950	98,547
Accruals and deferred income	9,064	1,486
	<u>712,127</u>	<u>144,902</u>

The bank loan is secured by fixed and floating charges over all the assets and undertaking of the company, and a £100,000 guarantee from one of the directors.

The finance leases are secured on the assets to which they relate.

9. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	275,971	67,498
Finance leases	785,026	-
Other creditors	53,000	53,000
	<u>1,113,997</u>	<u>120,498</u>

The bank loan is secured by fixed and floating charges over all the assets and undertaking of the company, and a £100,000 guarantee from one of the directors.

The finance leases are secured on the assets to which they relate.

Other creditors are amounts owed to shareholders and are interest free. These have been converted to shareholder loans post year end (see note 14).

There are no creditors falling due after more than five years.

The Bike Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

10. Finance leases

Minimum lease payments under finance leases fall due as follows:

	2020 £	2019 £
Within one year	414,181	-
Between 1-5 years	785,026	-
	<u>1,199,207</u>	<u>-</u>

The company has entered into a number of sale and leaseback transactions on the fleet bikes, which are classed as finance leases. The average term of the leases is 38 months.

11. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
11,361,038 (2019 - 100,000) Ordinary shares of £0.00001 (2019 - £0.001) each	114	100
7,710,000 (2019 - 54,000) B Ordinary shares of £0.00001 (2019 - £0.001) each	77	54
	<u>191</u>	<u>154</u>

On 11 December 2019 the company issued 23,100 B Ordinary shares with an aggregate nominal value of £23.10 for cash consideration of £300,069.

On 5 April 2020 each Ordinary and B Ordinary share was sub-divided into 100 Ordinary and B Ordinary shares respectively.

On 23 April 2020 the company issued 1,361,038 Ordinary shares with an aggregate nominal value of £13.61 for cash consideration of £582,913 net of fees.

12. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,204 (2019 - £604). Contributions totalling £522 (2019 - £Nil) were payable to the fund at the reporting date and are included in creditors.

The Bike Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

13. Related party transactions

At 30 April 2019 other creditors due within one year included loans made to the company by the directors of £95,814. Repayments were made during the year totalling £42,623. As at the year end the balance owed to the directors was £53,191. The loans are interest free and have no fixed date for repayment.

One of the directors has guaranteed the company's bank borrowings up to £100,000.

14. Post balance sheet events

After the year end, the following transactions have taken place:

- Other creditors falling due after more than one year have been converted to shareholder loans accruing interest at 12% per annum. A further £598,000 of shareholder loans has been raised post year end.
- The company created £5,700,000 8% secured convertible loan notes due 2022.