

# Thorn Cycles Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 December 2016

Newsham Hanson Ltd  
Chartered Certified Accountants  
Edinburgh House  
1-5 Bellevue Road  
Clevedon  
North Somerset  
BS21 7NP

# Thorn Cycles Limited

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# **Thorn Cycles Limited**

## **Company Information**

**Directors** Mrs H Thorn  
Mr R Thorn

**Company secretary** Mrs H Thorn

**Registered office** 91-93 St John Street  
Bridgwater  
Somerset  
TA6 5HX

**Accountants** Newsham Hanson Ltd  
Chartered Certified Accountants  
Edinburgh House  
1-5 Bellevue Road  
Clevedon  
North Somerset  
BS21 7NP

**Chartered Certified Accountants' Report to the Board of Directors on the Preparation of the  
Unaudited Statutory Accounts of  
Thorn Cycles Limited  
for the Year Ended 31 December 2016**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Thorn Cycles Limited for the year ended 31 December 2016 as set out on pages 3 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at  
<http://www.accaglobal.com/gb/en/discover/public-valuc/rulcbook.html>.

This report is made solely to the Board of Directors of Thorn Cycles Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Thorn Cycles Limited and state those matters that we have agreed to state to the Board of Directors of Thorn Cycles Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2009/october/factsheet-163-audit-exempt-companies.html>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Thorn Cycles Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Thorn Cycles Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Thorn Cycles Limited. You consider that Thorn Cycles Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Thorn Cycles Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....  
Newsham Hanson Ltd  
Chartered Certified Accountants  
Edinburgh House  
1-5 Bellevue Road  
Clevedon  
North Somerset  
BS21 7NP

16 August 2017

**Thorn Cycles Limited**  
**(Registration number: 04121096)**  
**Balance Sheet as at 31 December 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	42,040	4,800
Tangible assets	<u>5</u>	347,374	366,798
		<u>389,414</u>	<u>371,598</u>
<b>Current assets</b>			
Stocks	<u>6</u>	1,663,323	1,433,743
Debtors	<u>7</u>	8,430	25,657
Cash at bank and in hand		886,457	775,344
		2,558,210	2,234,744
<b>Creditors: Amounts falling due within one year</b>	<u>8</u>	(400,425)	(146,949)
<b>Net current assets</b>		<u>2,157,785</u>	<u>2,087,795</u>
<b>Total assets less current liabilities</b>		2,547,199	2,459,393
<b>Provisions for liabilities</b>		(2,053)	(2,053)
<b>Net assets</b>		<u>2,545,146</u>	<u>2,457,340</u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		2,545,046	2,457,240
<b>Total equity</b>		<u>2,545,146</u>	<u>2,457,340</u>

For the financial year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 5 to 11 form an integral part of these financial statements.  
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**Thorn Cycles Limited**

**(Registration number: 04121096)**

**Balance Sheet as at 31 December 2016**

Approved and authorised by the Board on 16 August 2017 and signed on its behalf by:

.....

Mrs H Thorn

Company secretary and director

The notes on pages 5 to 11 form an integral part of these financial statements.  
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# Thorn Cycles Limited

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

### 1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

91-93 St John Street

Bridgwater

Somerset

TA6 5HX

These financial statements were authorised for issue by the Board on 16 August 2017.

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property	3% on cost
Leasehold property	Over the lease term
Plant, machinery and computers	33% on cost and 25% on reducing basis
Fixtures and fittings	25% on reducing balance
Motor vehicles	25% on reducing balance

#### Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.





# Thorn Cycles Limited

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

### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Over 20 years
Website costs	Over 3 years

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

# Thorn Cycles Limited

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

### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### 3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 35 (2015 - 34).

### 4 Intangible assets

	Goodwill £	Internally generated software development costs £	Total £
<b>Cost or valuation</b>			
At 1 January 2016	19,200	40,200	59,400
Additions acquired separately	-	57,300	57,300
At 31 December 2016	19,200	97,500	116,700
<b>Amortisation</b>			
At 1 January 2016	14,400	40,200	54,600
Amortisation charge	960	19,100	20,060
At 31 December 2016	15,360	59,300	74,660
<b>Carrying amount</b>			
At 31 December 2016	3,840	38,200	42,040
At 31 December 2015	4,800	-	4,800

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2015 - £Nil).

# Thorn Cycles Limited

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

### 5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £
<b>Cost or valuation</b>				
At 1 January 2016	424,185	13,045	20,550	42,405
Additions	-	-	-	5,624
Disposals	-	(3,000)	-	(11,153)
At 31 December 2016	424,185	10,045	20,550	36,876
<b>Depreciation</b>				
At 1 January 2016	76,354	11,412	19,899	25,722
Charge for the year	12,726	408	163	11,582
Eliminated on disposal	-	(2,831)	-	(11,153)
At 31 December 2016	89,080	8,989	20,062	26,151
<b>Carrying amount</b>				
At 31 December 2016	335,105	1,056	488	10,725
At 31 December 2015	347,831	1,633	651	16,683
				<b>Total £</b>
<b>Cost or valuation</b>				
At 1 January 2016				500,185
Additions				5,624
Disposals				(14,153)
At 31 December 2016				491,656
<b>Depreciation</b>				
At 1 January 2016				133,387
Charge for the year				24,879
Eliminated on disposal				(13,984)
At 31 December 2016				144,282
<b>Carrying amount</b>				
At 31 December 2016				347,374
At 31 December 2015				366,798



# Thorn Cycles Limited

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

Included within the net book value of land and buildings above is £335,105 (2015 - £347,830) in respect of freehold land and buildings.

### 6 Stocks

	2016 £	2015 £
Other inventories	1,663,323	1,433,743

### 7 Debtors

	2016 £	2015 £
Other debtors	8,430	25,657
Total current trade and other debtors	8,430	25,657

### 8 Creditors

	Note	2016 £	2015 £
<b>Due within one year</b>			
Trade creditors		81,549	66,623
Amounts owed to related parties		124,770	792
Taxation and social security		63,211	50,136
Other creditors		130,895	29,398
		400,425	146,949

### 9 Dividends

### 10 Transition to FRS 102

The policies adopted under the entity's previous accounting framework are not materially different to FRS 102 and hence have not impacted on equity or profit and loss.

#### Balance Sheet at 1 January 2015

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Fixed assets</b>					
Intangible assets		5,760	-	-	5,760
Tangible assets		376,500	-	-	376,500
		382,260	-	-	382,260

# Thorn Cycles Limited

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

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Current assets</b>				
Stocks	1,268,980	-	-	1,268,980
Debtors	13,657	-	-	13,657
Cash at bank and in hand	1,062,896	-	-	1,062,896
	2,345,533	-	-	2,345,533
Creditors: Amounts falling due within one year	(186,016)	-	-	(186,016)
Net current assets	2,159,517	-	-	2,159,517
Total assets less current liabilities	2,541,777	-	-	2,541,777
Provisions for liabilities	(2,053)	-	-	(2,053)
Net assets	2,539,724	-	-	2,539,724
<b>Capital and reserves</b>				
Called up share capital	(100)	-	-	(100)
Profit and loss account	(2,539,624)	-	-	(2,539,624)
Total equity	(2,539,724)	-	-	(2,539,724)

# Thorn Cycles Limited

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

### Balance Sheet at 31 December 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Fixed assets</b>				
Intangible assets	4,800	-	-	4,800
Tangible assets	366,796	-	-	366,796
	<u>371,596</u>	<u>-</u>	<u>-</u>	<u>371,596</u>
<b>Current assets</b>				
Stocks	1,433,743	-	-	1,433,743
Debtors	25,657	-	-	25,657
Cash at bank and in hand	775,344	-	-	775,344
	<u>2,234,744</u>	<u>-</u>	<u>-</u>	<u>2,234,744</u>
Creditors: Amounts falling due within one year	<u>(146,946)</u>	<u>-</u>	<u>-</u>	<u>(146,946)</u>
Net current assets	<u>2,087,798</u>	<u>-</u>	<u>-</u>	<u>2,087,798</u>
Total assets less current liabilities	2,459,394	-	-	2,459,394
Provisions for liabilities	<u>(2,053)</u>	<u>-</u>	<u>-</u>	<u>(2,053)</u>
Net assets	<u>2,457,341</u>	<u>-</u>	<u>-</u>	<u>2,457,341</u>
<b>Capital and reserves</b>				
Called up share capital	(100)	-	-	(100)
Profit and loss account	<u>(2,457,241)</u>	<u>-</u>	<u>-</u>	<u>(2,457,241)</u>
Total equity	<u>(2,457,341)</u>	<u>-</u>	<u>-</u>	<u>(2,457,341)</u>

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