

Thorn Cycles Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2021

Newsham Hanson Accountants Limited
Accountant & Business Advisors
Edinburgh House
1-5 Bellevue Road
Clevedon
North Somerset
BS21 7NP

Thorn Cycles Limited

Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u>
Notes to the Unaudited Financial Statements	<u>3 to 8</u>

Thorn Cycles Limited

Company Information

Directors Mr R Thorn
Mrs H Thorn

Company secretary Mrs H Thorn

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

Accountants Newsham Hanson Accountants Limited
Accountant & Business Advisors
Edinburgh House
1-5 Bellevue Road
Clevedon
North Somerset
BS21 7NP

Thorn Cycles Limited
(Registration number: 04121096)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>4</u>	529,301	551,749
Current assets			
Stocks	<u>5</u>	1,929,509	1,675,008
Debtors	<u>6</u>	7,433	13,657
Cash at bank and in hand		<u>1,258,972</u>	<u>1,318,620</u>
		3,195,914	3,007,285
Creditors: Amounts falling due within one year	<u>7</u>	<u>(368,621)</u>	<u>(512,509)</u>
Net current assets		<u>2,827,293</u>	<u>2,494,776</u>
Total assets less current liabilities		3,356,594	3,046,525
Provisions for liabilities		<u>-</u>	<u>(2,053)</u>
Net assets		<u><u>3,356,594</u></u>	<u><u>3,044,472</u></u>
Capital and reserves			
Called up share capital	<u>8</u>	100	100
Retained earnings		<u>3,356,494</u>	<u>3,044,372</u>
Shareholders' funds		<u><u>3,356,594</u></u>	<u><u>3,044,472</u></u>

For the financial year ending 31 December 2021 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.

Approved and authorised by the Board on 26 July 2022 and signed on its behalf by:

.....
Mr R Thorn
Director

The notes on pages 3 to 8 form an integral part of these financial statements.
Page 2

Thorn Cycles Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

1 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 smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

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.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

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

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet 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.

Thorn Cycles Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

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.

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.

Thorn Cycles Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

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.

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.

Thorn Cycles Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

2 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 41 (2020 - 45).

Thorn Cycles Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

3 Intangible assets

	Goodwill £	Internally generated software development costs £	Total £
Cost or valuation			
At 1 January 2021	19,200	97,500	116,700
At 31 December 2021	19,200	97,500	116,700
Amortisation			
At 1 January 2021	19,200	97,500	116,700
At 31 December 2021	19,200	97,500	116,700
Carrying amount			
At 31 December 2021	-	-	-

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2021	692,216	39,317	12,900	744,433
Additions	-	12,616	-	12,616
Disposals	-	(7,487)	-	(7,487)
At 31 December 2021	692,216	44,446	12,900	749,562
Depreciation				
At 1 January 2021	168,269	21,241	3,174	192,684
Charge for the year	20,767	11,878	2,419	35,064
Eliminated on disposal	-	(7,487)	-	(7,487)
At 31 December 2021	189,036	25,632	5,593	220,261
Carrying amount				
At 31 December 2021	503,180	18,814	7,307	529,301
At 31 December 2020	523,947	18,076	9,726	551,749

Included within the net book value of land and buildings above is £503,180 (2020 - £523,946) in respect of freehold land and buildings.

Thorn Cycles Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

5 Stocks

	2021	2020
	£	£
Other inventories	1,929,509	1,675,008

6 Debtors

	2021	2020
	£	£
Current		
Other debtors	7,433	13,657

7 Creditors

Creditors: amounts falling due within one year

	Note	2021	2020
		£	£
Due within one year			
trade creditors		134,196	187,036
Amounts owed to related parties		1,126	2,040
Taxation and social security		33,602	117,590
Other creditors		199,697	205,843
		368,621	512,509

8 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

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.