

Company Registration No. 07292744 (England and Wales)

**BROMPTON BIKE HIRE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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# **BROMPTON BIKE HIRE LIMITED**

## **COMPANY INFORMATION**

<b>Directors</b>	W D Butler-Adams P Darnton H Scrope (resigned: 30/09/2016) A Edney (appointed: 01/10/2016)
<b>Secretary</b>	L A Vary
<b>Company number</b>	07292744
<b>Registered office</b>	Unit 1 Ockham Drive Greenford Middlesex UB6 0FD
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

# **BROMPTON BIKE HIRE LIMITED**

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# **BROMPTON BIKE HIRE LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their report and the audited financial statements for the year ended 31 March 2017.

### **Principal activity**

The principal activity of the company is the provision of hire bicycles and docking stations in locations around the country.

### **Results and dividends**

The loss for the period, after taxation, amounted to £384,366

The directors do not recommend the payment of a dividend in the period.

### **Directors**

The directors who served during the period, and up to the date of signing the financial statements, were:

W D Butler-Adams OBE

P Darnton

Harry Scrope (resigned: 30/09/2016)

A Edney (appointed: 01/10/2016)

### **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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

### **Statement of disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# **BROMPTON BIKE HIRE LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017**

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### **Small companies' exemption**

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

This report was approved by the board on 20/12/17 and signed on its behalf.



**W Butler-Adams OBE**  
Director

# **BROMPTON BIKE HIRE LIMITED**

## **Independent auditors' report to the members of Brompton Bike Hire Limited**

### **Report on the financial statements**

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#### **Our opinion**

In our opinion, Brompton Bike Hire Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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#### **What we have audited**

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 March 2016;
- the Statement of Income and Retained Earnings for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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### **Other matters on which we are required to report by exception**

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#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to prepare financial statements in accordance with the small companies regime. We have no exceptions to report arising from this responsibility.

# BROMPTON BIKE HIRE LIMITED

## Independent auditors' report to the members of Brompton Bike Hire Limited (continued)

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### Responsibilities for the financial statements and the audit

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#### Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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#### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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.



John Ellis (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

20/12/17

# BROMPTON BIKE HIRE LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	5	639,509	460,446
Cost of sales		(434,582)	(284,495)
<b>Gross profit</b>		<b>204,927</b>	<b>175,951</b>
Administrative expenses		(589,293)	(774,022)
<b>Operating loss</b>	6	<b>(384,366)</b>	<b>(598,071)</b>
Other interest receivable and similar income		-	-
<b>Loss on ordinary activities before taxation</b>		<b>(384,366)</b>	<b>(598,071)</b>
Tax on loss on ordinary activities	9	-	-
<b>Loss on ordinary activities after taxation</b>		<b>(384,366)</b>	<b>(598,071)</b>
<b>Retained earnings at the beginning of the period</b>		<b>(2,346,977)</b>	<b>(1,748,906)</b>
<b>Loss for the financial period</b>		<b>(384,366)</b>	<b>(598,071)</b>
<b>Retained earnings at the end of the financial period</b>		<b>(2,731,343)</b>	<b>(2,346,977)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations:

There are no recognised gains and losses other than those passing through the profit and loss account.



# BROMPTON BIKE HIRE LIMITED

## BALANCE SHEET AS AT 31 MARCH 2017

Company No. 07292744 (England and Wales)

	Notes	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Intangible assets	10		2,604		22,179
Tangible assets	11		6,093		11,746
<b>Current assets</b>					
Stocks	12	95,573		60,422	
Debtors	13	142,458		268,060	
Cash at bank and in hand		144,859		124,752	
		<u>382,890</u>		<u>453,234</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(867,078)</u>		<u>(858,284)</u>	
<b>Net current liabilities</b>			<u>(484,188)</u>		<u>(405,050)</u>
<b>Total assets less current liabilities</b>			<u>(475,491)</u>		<u>(371,125)</u>
<b>Capital and reserves</b>					
Called up share capital	15		1,203,326		923,326
Share premium account	16		1,052,526		1,052,526
Profit and loss account	16		<u>(2,731,343)</u>		<u>(2,346,977)</u>
<b>Shareholders' funds</b>	17		<u>(475,491)</u>		<u>(371,125)</u>

Approved by the Board and authorised for issue on 20/12/17



W D Butler-Adams  
Director

**BROMPTON BIKE HIRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**1 General information**

The company's principal activity during the year was the provision of hire bicycles and docking stations in locations around the country.

The company is a private limited company by shares and is incorporated in the UK. The address of the registered office is Unit 1, Ockham Drive, Greenford, Middlesex, UB6 0FD.

**2 Statement of compliance**

The individual financial statements of Brompton Bike Hire Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

**3 Accounting policies**

**3.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 judgment in applying the company's accounting policies. The following principal accounting policies have been applied:

**3.2 Going concern**

The company has incurred further trading losses during its early years of trading, which has resulted in a net current liability position. Further losses are expected in the coming year as the company continues to establish its business. The directors are confident that the support of the holding company, Brompton Bicycle Limited, will continue for the foreseeable future. Accordingly, the directors consider it appropriate to prepare the accounts on a going concern basis.

**3.3 Cash flow statement**

The company has taken advantage of the exemption in FRS 102 from the requirement to produce a cash flow statement on the grounds that it is a small company.

**3.4 Revenue recognition**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

**3.5 Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects.

**3.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Equipment	25% straight line
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**3.7 Stock**

Stock is valued at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

**BROMPTON BIKE HIRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**3.8 Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**4 Critical accounting judgements and estimation uncertainty**

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.

**(a) Critical judgements in applying the entity's accounting policies**

There are no critical judgements in the application of accounting policies.

**(b) Key accounting estimates and assumptions**

There are no critical estimates and assumptions.

**5 Turnover**

All turnover is generated in the United Kingdom.

**6 Operating loss**

Operating loss is stated after charging:

	2017 £	2016 £
Amortisation of intangible assets	22,332	38,979
Depreciation of tangible fixed assets	6,728	7,032
Fees payable to the company's auditor	7,500	4,000

**7 Directors' emoluments**

The company's directors were not remunerated for their services to the company but instead received emoluments for their services to the Brompton Bicycle Group, headed by Brompton Bicycle Limited. The directors do not believe that it is practicable to apportion this amount between services as a director of the company and services as a director of other group companies.

**BROMPTON BIKE HIRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**8 Employees**

**Number of employees**

The average monthly number of employees (including directors) during the year was:

	<b>2017 Number</b>	<b>2016 Number</b>
Administration	<u>8</u>	<u>9</u>

**Employment costs**

	<b>2017 £</b>	<b>2016 £</b>
Wages and salaries	296,483	348,489
Social security costs	<u>32,519</u>	<u>38,203</u>
	<u>329,002</u>	<u>386,692</u>

**9 Taxation**

	<b>2017 £</b>	<b>2016 £</b>
Current tax charge	<u>-</u>	<u>-</u>
<b>Factors affecting the tax charge for the year</b>		
Loss on ordinary activities before taxation	<u>(384,366)</u>	<u>(598,071)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2015: 21.00%)	<u>(76,673)</u>	<u>(119,614)</u>
Effects of:		
Non deductible expenses	92	66
Group relief surrendered	76,581	-
Other	<u>-</u>	<u>119,548</u>
	<u>76,673</u>	<u>119,614</u>
<b>Current tax charge</b>	<u>-</u>	<u>-</u>

The company has estimated losses of £820,040 (2016 - £ 839,038) available for carry forward against future trading profits.

No deferred tax asset has been recognised in respect of these losses as the directors do not consider it more likely than not that there will be future taxable profits against which the losses could be utilised. Based on the closing tax rate of 19% (2015: 20%) this would amount to £164,008 (2016: £159,426).

**BROMPTON BIKE HIRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**10 Intangible fixed assets**

	<b>Computer software and £</b>
<b>Cost</b>	
At 1 April 2016	156,266
Additions	2,757
Disposals	-
	<hr/>
At 31 March 2017	159,023
	<hr/>
<b>Depreciation</b>	
At 1 April 2016	134,087
Charge for the year	22,332
Disposals	-
	<hr/>
At 31 March 2017	156,419
	<hr/>
<b>Net book value</b>	
At 31 March 2016	22,179
	<hr/>
At 31 March 2017	2,604
	<hr/>

**11 Tangible fixed assets**

	<b>Tangible assets £</b>
<b>Cost</b>	
At 1 April 2016	31,534
Additions	1,075
Disposals	-
	<hr/>
At 31 March 2017	32,609
	<hr/>
<b>Depreciation</b>	
At 1 April 2016	19,788
Charge for the year	6,728
Disposals	-
	<hr/>
At 31 March 2017	26,516
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<b>Net book value</b>	
At 31 March 2016	11,746
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At 31 March 2017	6,093
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**BROMPTON BIKE HIRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**12 Stocks**

	2017 £	2016 £
Finished goods and goods for resale	<u>95,573</u>	<u>60,422</u>

**13 Debtors**

	2017 £	2016 £
Trade debtors	46,206	231,960
Value added tax	9,935	-
Other debtors	52,390	525
Prepayments and accrued income	<u>33,927</u>	<u>35,575</u>
	<u>142,458</u>	<u>268,060</u>

**14 Creditors: amounts falling due within one year**

	2017 £	2016 £
Trade creditors	87,212	107,208
Amounts owed to group undertakings	329,875	321,059
Taxes and social security costs	6,853	17,894
Accruals and deferred income	<u>443,138</u>	<u>412,123</u>
	<u>867,078</u>	<u>858,284</u>

**15 Share capital**

	2016 £	2016 £
<b>Allotted, called up and fully paid</b>		
120,332,645 (2016: 92,332,645) Ordinary shares of 1p each	<u>1,203,326</u>	<u>923,326</u>

During the year the company issued 28,000,000 shares for cash consideration of £0.01 per share.

**16 Statement of movement on reserves**

	Profit and loss account £
Balance at 1 April 2016	(2,346,977)
Loss for the year	(384,366)
Balance at 31 March 2017	<u>(2,731,343)</u>

**BROMPTON BIKE HIRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**17 Reconciliation of movements in shareholders' funds**

	2017 £	2016 £
Loss for the financial year	(384,366)	(598,071)
Proceeds from issuance of shares	280,000	200,000
Net addition to shareholders' funds	(104,366)	(398,071)
Opening shareholders' funds	(371,125)	26,946
Closing shareholders' funds	(475,491)	(371,125)

**18 Related party transactions**

The company disclosed transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

**19 Parent undertaking**

The immediate and ultimate parent undertaking is Brompton Bicycle Limited, a company incorporated in the UK. Brompton Bicycle Limited produces consolidated financial statements which are publically available.

**20 Controlling parties**

The ultimate controlling party is Brompton Bicycle Limited, the majority shareholder.